NTEGRATOR ANNUAL REPORT 2010

ENDURING RESILIENCE

TO BE A GLOBAL, WORLD-CLASS PROVIDER OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS SOLUTIONS, OFFERING HIGH-TECH NETWORK INFRASTRUCTURE AND VOICE COMMUNICATION SYSTEMS.

OUR VISION

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this Annual Report including the correctness of any of the figures used, statements or opinions made.

This Annual Report has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Annual Report including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Foo Quee Yin. Telephone number: 6221 0271

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ABOUT NTEGRATOR

Established in 2002 and listed on Catalist (formerly known as SESDAQ) in 2005, Ntegrator is one of the leading players in the IT and telecommunications industries in the region, backed by an established track record. Ntegrator's core businesses include the design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure as well as voice communication systems. The Group also provides project management services as well as maintenance and support services.

The Group counts companies such as Viettel (the largest telco operator in Vietnam), SingTel, M1 and the Government of Myanmar amongst its well-established customer base. In addition, the Group is supported by its loyal key suppliers, including Alcatel and ECI - all leading players in their respective fields.

Having established a strong foothold in Singapore and Vietnam, the Group is now making inroads into other Indo-China countries, expanding its regional footprint to new markets.

OUR BUSINESS

PROJECT SALES

Our Project Sales Division consists of Network Infrastructure and Voice Communication Systems.

Network Infrastructure
We integrate network infrastructure which enables end-users to communicate electronically within an organisation or with another organisation, either within the same country or globally.

We provide total end-to-end infrastructural business solutions, such as:

- Network integration services, from fixed-line, e.g. Optical DWDM, SDH, IPDSLAM and ADSL, to wireless solutions, e.g. Microwave, VSAT and WIMAX;
- Design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure;
- Customised solutions according to customers' needs.

Voice Communication Systems
We are able to seamlessly integrate voice and data signals used in large organisations' telephone network, which include:

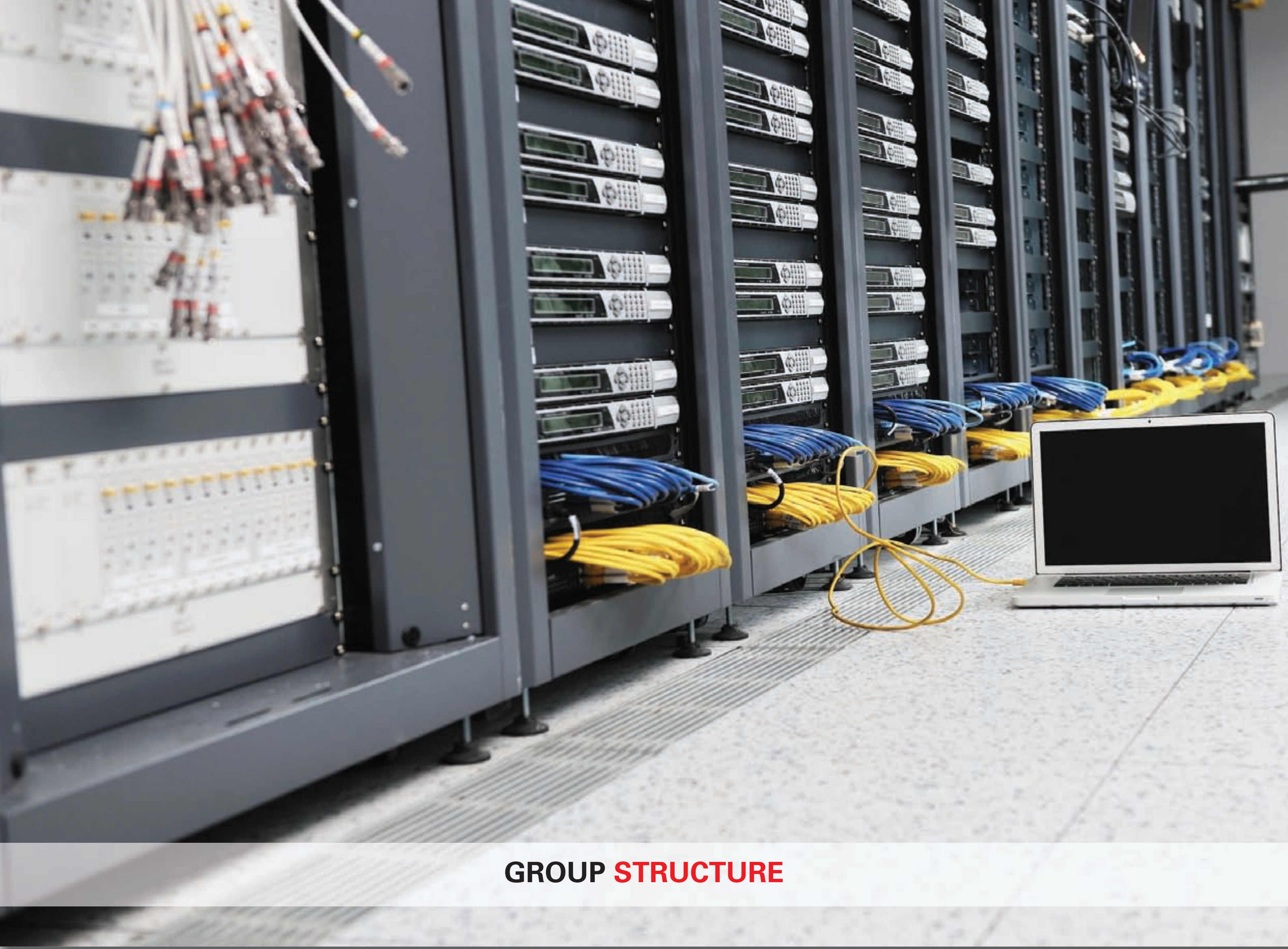
- PABX;
- Video conferencing systems;
- Voice messaging, recording or logging systems; and
- VoIP applications.

We offer flexible and user-configurable systems for exact customisation to our customers' needs, ensuring the delivery of total end-to-end enterprise business solutions.

PROJECT MANAGEMENT AND MAINTENANCE SERVICES

Our Project Management Services include the provision of installation and implementation services for our network infrastructure and voice communication systems.

We also offer onsite and online maintenance and support services. These services are supported by our 24-hour fault control hotline, hardware and software repair services, online CRM system services, 24-hour onsite support services and 24-hour remote modem dial-in services.



GROUP STRUCTURE

NTEGRATOR INTERNATIONAL LTD.

NTEGRATOR PTE LTD
Singapore
(100%)

- Ntegrator (Thailand) Limited
  Thailand
  (60%)
- Ntegrator Pte Ltd Representative Office
  Vietnam
- Business Representative
  Myanmar

CHAIRMAN'S MESSAGE

Dear Shareholders,

Since our inception in 2002, Ntegrator has made great strides to become one of the leading players in the IT and telecommunications industries in the region, with a particularly strong foothold in Indo-China. Several milestone contracts with the region's leading telcos with regular repeat business over the years serve as testament to the Group's technical expertise, quality and reliability.

For the past eight consecutive years since our inception in 2002, the Group has been profitable whilst expansion plans for growth were also met with a commensurate level of success.

However, in FY2010, Ntegrator slipped into its first loss since its inception in 2002. The Group suffered a net loss of S$6.9 million on the back of lower revenue of S$37.6 million in FY2010, compared to a net profit of S$0.9 million and revenue of S$55.9 million in FY2009.

This net loss of S$6.9 million is the result of the following:-

- Delay in existing projects, resulting in expenses without corresponding revenue having a net impact of S$2.9 million;
- Sales and proof of concept project investments for future contracts which were not realised in FY2010, resulting in a loss of S$2.5 million;
- R&D investments of S$1 million which were written off in FY2010; and
- Potential investments which were written-off for a Cambodian subsidiary of S$0.5 million.

On the other hand, on a more positive note, I am pleased to report that during the year Ntegrator has strengthened its balance sheet considerably with a tightened credit policy, resulting in a much improved positive cash balance of S$6.3 million at the end of the financial year.

DIVIDEND

As a result of this healthy cash position, the Board has decided to reward our loyal shareholders and will recommend a final cash dividend of 0.2 cents per ordinary share, payable at a date to be advised after shareholder approval at the forthcoming Annual General Meeting.

FINANCIAL PERFORMANCE

Project Sales recorded a 38.2% decrease in revenue to S$29.8 million. In line with the decrease, gross profit fell 47.5% to S$2.8 million. This decline was mainly attributable to delays in completing outstanding projects in all our markets in Thailand, Indo-China and Singapore.

During the year, political unrest in Thailand during the second quarter caused delays in our key project in the country. Other cross-border projects in Vietnam, Cambodia and Laos were also delayed for more than a year due to cross-border and licensing issues between authorities. Expansion plans were also delayed whilst these issues are being resolved. In Singapore, the National Broadband Network was also delayed, as a result of safety issues not related to our employees or sub-contractors.

Nevertheless, Project Sales segment was able to maintain a healthy profit margin of 9.5%.

Notwithstanding the more challenging business conditions, Project Management and Maintenance Services revenue improved by 1.1% to S$7.8 million while gross profit also increased by 19.5% to S$2.3 million. This improvement reflects customers' confidence in Ntegrator.

NEW CONTRACTS

During the year under review, Ntegrator secured four new contracts worth S$3.4 million in January 2010 with the confirmation of three expansion plans on existing contracts with MobileOne Ltd ("M1"), Viettel Import Export Limited Company ("VIETTELIMEX") and Myanmar Posts and Telecommunications ("MPT") and a fourth contract from Singapore Telecommunications Ltd ("SingTel") for the purchase of a tester. These contracts reflect the Group's strong relationships with the leading telcos in Singapore and the region, all of whom are long-time customers of the Group and who continue to provide repeat business since Ntegrator's inception in 2002.

In August 2010, Ntegrator secured another four contracts worth S$15.5 million to expand on existing projects with repeat customers in Indo-China – Vietnam's second largest telco operator, Viettel Corporation ("VIETTEL"), Myanmar's state run telco, Myanmar Post & Telecom ("MPT"), a cable TV provider in Myanmar, Forever Group Company Limited ("FGCL") and a subsidiary of Singapore Power, SP PowerAssets ("SPPA"). These contracts further attest to Ntegrator's trusted track record in providing customised solutions for network infrastructure and voice communication systems.

STRENGTHENED BALANCE SHEET

Following the global crisis, bank facilities became increasingly more difficult to access and cash conservation became even more critical. We took the tough decision to tighten Ntegrator's credit policy, requiring Letters of Credit from our customers for all projects outside Singapore. The Group has successfully convinced some of our key customers to convert from traditional payment terms to Letters of Credit. While we lost some projects and expansion works from existing customers due to this credit tightening, our overall cash position strengthened considerably.

This tightened credit policy has proven to be very timely as some of the potential customers who refused to provide Letters of Credit have since run into financial difficulties.

Through prudent management, the new credit policy resulted in a significantly improved cash position, with cash and cash equivalents of S$6.3 million as at 31 December 2010, compared to S$1.2 million at the end of 2009.

PROSPECTS

As the political climate improves, we should be able to complete outstanding projects in this financial year. Going forward, more opportunities will continue to open up for us to expand and be an integral part of the region's leading telcos' current infrastructure and networks, in supporting their new initiatives in info-communications, especially in the emerging economies of Indo-China. This active involvement in their infrastructure coupled with our trusted track record and strong technical expertise give us a strong competitive edge to build up more maintenance contracts to grow a steady stream of recurring income.

Our outstanding order book of S$34.8 million as at 31 December 2010 puts Ntegrator in a stable financial position as we move into FY2011.

In conclusion, I would like to acknowledge my fellow Directors for another year of commitment and unceasing efforts in steering the Group through a turbulent 2010. Our loyal shareholders and business partners for their continued support and patience deserve special mention too. Last but not least, I must also record our appreciation to all our dedicated staff for their hard work and contributions during this past difficult year.

Bernard Chen Tien Lap
Chairman
17 March 2011

OPERATIONS REVIEW

OVERVIEW

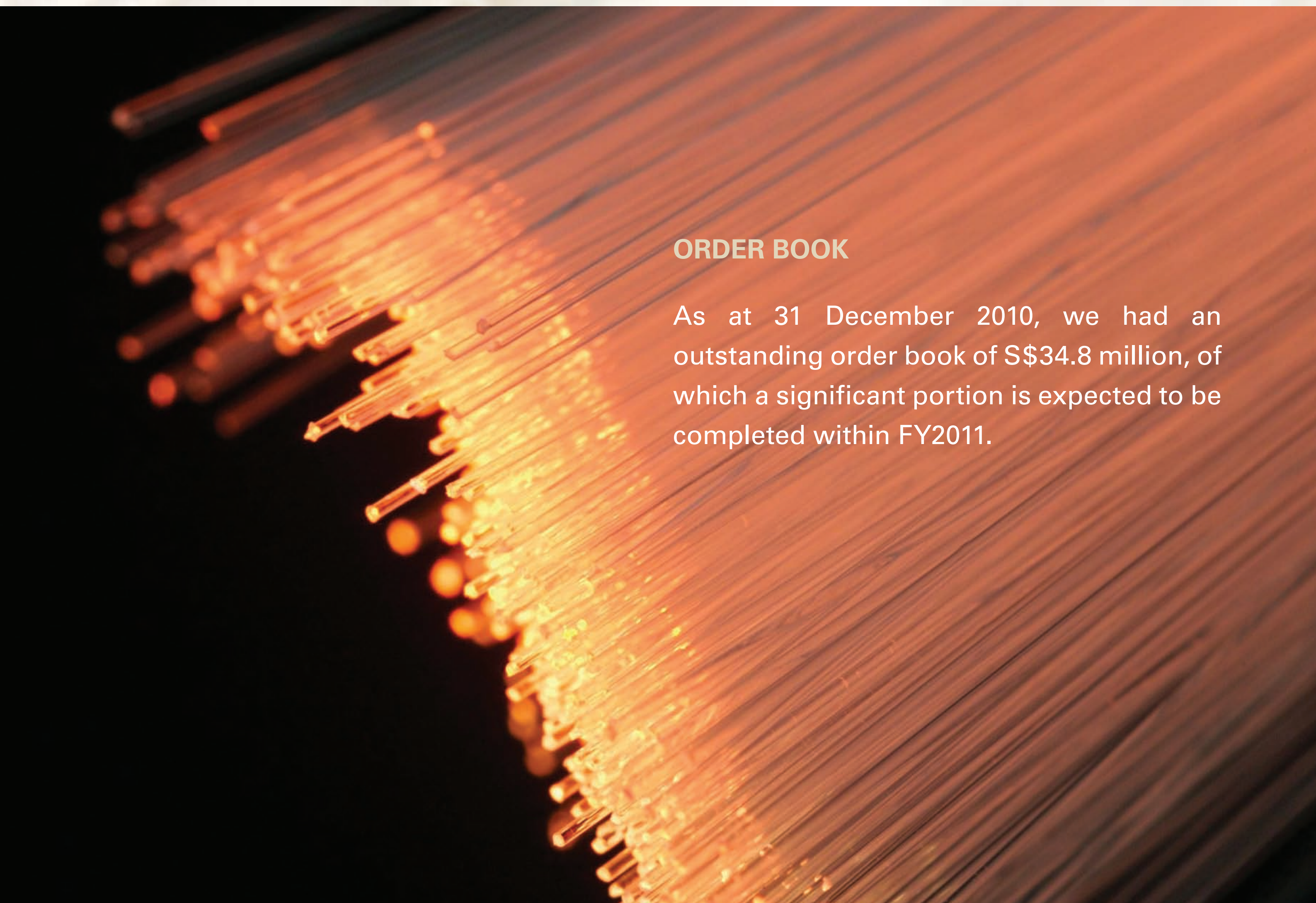
Since our inception in 2002, FY2010 was our most difficult year. The Group suffered project delays in all our markets, resulting in delays in revenue recognition leading to our first loss since 2002.

Our main project in Thailand was considerably delayed due to the political unrest in the second quarter of the year which forced us to stop work. These work stoppages took its toll on some of our sub-contractors who ran into financial difficulties. Whilst the Group moved quickly to source for other new reliable sub-contractors, only 50% of the project was completed in FY2010, with the balance 50% carried over to the next financial year.

Our other projects in Vietnam, Cambodia and Laos were also delayed for more than a year due to cross-border and licensing issues between authorities. Expansion plans were also delayed whilst these issues are being resolved.

In Singapore, the National Broadband Network experienced delays due to unfortunate fatal accidents. Though these fatalities were not related to the Group's employees or sub-contractors, safety issues were questioned, leading to authorities reviewing the overall safety measures. As a result of this delay, the bulk of outstanding orders would only be completed within the next 18 months.

Due to the tough business conditions and unforeseen circumstances beyond the Group's control, the Group's revenue recorded a decrease of 32.7% from S$55.9 million in FY2009 to S$37.6 million in FY2010.



ORDER BOOK

As at 31 December 2010, we had an outstanding order book of S$34.8 million, of which a significant portion is expected to be completed within FY2011.

BERNARD CHEN TIEN LAP
Non-Executive Chairman
and Independent Director

HAN MENG SIEW
Deputy Chairman and
Executive Director

BOARD OF DIRECTORS

JIMMY CHANG JOO WHUT
Managing Director and
Executive Director

BERNARD CHEN TIEN LAP
Non-Executive Chairman and Independent Director

Mr Chen was appointed as a Director of Ntegrator in January 2005.

Mr Chen's career spanned both the government and private sectors. A former Parliamentarian, Mr Chen served as Minister of State for Defence from 1977 to 1981, following which he joined the Fraser & Neave Group as General Manager and Director. Subsequently, he moved on to Intraco Ltd as Chief Executive Officer.

Mr Chen is Chairman of Singapore Pools Pte Ltd and Chairman of CNA Group Ltd.

Mr Chen graduated from University of Alberta, Edmonton, Canada, with a Bachelor of Science (First Class Honours). He also has a Master of Public Administration from Harvard University, USA, and a Bachelor of Arts degree in Theological Studies from Australian Catholic University.

HAN MENG SIEW
Deputy Chairman and Executive Director

Mr Han was appointed as a Director of Ntegrator in July 2004, and brings to the Board over 30 years of experience in the telecommunications industry.

Mr Han started his career in the telecoms industry with Singapore Telecommunications Limited in 1981, after which he moved to Teledata (Singapore) Ltd ("Teledata") in 1987, serving as General Manager and subsequently, Managing Director. He was instrumental in the turnaround of Teledata, guiding it to its SGX-ST listing in 1994.

Mr Han received his Bachelor of Engineering degree from the National University of Singapore and also holds a Graduate Diploma in Business Administration from the Singapore Institute of Management.

JIMMY CHANG JOO WHUT
Managing Director and Executive Director

Mr Chang was appointed as our Director in July 2002. He has been our Managing Director since the establishment of the Group in 2002, responsible for managing the day-to-day business operations and overseeing the business, development and engineering support of our network infrastructure team.

Mr Chang began his career in the telecommunications industry at Singapore Telecommunications Limited in 1980. After a five-year stint at Wandel & Goltermann Ltd as a consultant and subsequently, regional manager, Mr Chang joined Teledata in 1993, moving on to be an executive director cum General Manager of Plexus Technology Pte Ltd, a subsidiary of Teledata, in 1996.

Mr Chang has an Industrial Technician Certificate in Electrical Engineering from the Singapore Technical Institute and a Diploma in Telecommunications from City & Guild in London. He is presently a member of the Board of Directors of Bishan Secondary School.

TAY KOON CHUAN
Non-Executive Director

Mr Tay was appointed as our Non-Executive Director in September 2007. With 17 years' experience in venture capital and private equity investment, Mr Tay is the President of Fortune Venture Investment Group for South East Asia, with responsibility to cover cross-border investments in China, Taiwan and South East Asia. He was previously the Vice President of Walden International Investment Group, specialising in high-tech VC investment and traditional business private equity investment in Asia and the United States.

Mr Tay holds an MBA in Banking & Finance from Nanyang Technological University, an MSc in Computer Science from the University of Wisconsin (Madison), and a Bachelor of Engineering (First Class Honors) in Mechanical Engineering from the National University of Singapore.

LAI CHUN LOONG
Independent Director

Mr Lai was appointed as our Independent Director in September 2005. Currently a Corporate Advisor to Temasek Holdings (Pte) Ltd, and Senior Advisor to Hexagon Development Advisors Pte Ltd, he is also the Executive Director of Prominent Consulting Pte Ltd, which has a representative office in Ho Chi Minh City, Vietnam. Mr Lai was the founding and Executive Chairman of Vietnam Singapore Industrial Park Pte Ltd, and Advisor to Vietnam Investment to Singapore Technologies Pte Ltd. For his contributions to Vietnam, Mr Lai was awarded the Friendship Medal by the President of Vietnam in 2006.

He started his career at the Chartered Industries of Singapore ("CIS") in 1968 and rose to the position of Managing Director. Mr Lai was later appointed as President of CIS and moved to head Sembawang Industrial Pte Ltd as its Deputy Chairman and President in 1993.

Mr Lai graduated with a Bachelor in Engineering (Mechanical) from the University of Auckland, New Zealand, under a Colombo Plan Scholarship in 1967. He holds an MBA degree from the University of California, Los Angeles in 1980, and completed the Harvard Advanced Management Program in fall 1987.

Mr Lai was awarded a Public Service Medal (PBM) in 1992.

CHARLES GEORGE ST. JOHN REED
Independent Director

Mr Reed was appointed as our Independent Director in June 2003. Currently the CEO of DoCoMo interTouch Pte Ltd, an NTT DoCoMo Group company, Mr Reed began his career as a Senior Associate at Coopers & Lybrand/Deloitte, and subsequently joined PT Excelcomindo Pratama as General Manager where he was responsible for financial restructuring, corporate governance, capital projects and re-engineering process improvement projects. He left to join British Telecom (Hong Kong) as Director of Programme Management and was responsible for the business development and infrastructure for British Telecom Cellnet's Global Mobile Internet offering, Genie.

Mr Reed also held senior management positions at Telecom Venture Group, Personal Broadband Australia Pty Limited, Capena Ltd (BVI) and was an audit committee member of Mobile Telecom Network (Holdings) Limited, which is listed on the Hong Kong Stock Exchange's Growth Enterprise Market.

Mr Reed obtained a Bachelor of Science degree in Engineering Mathematics from Bristol University, United Kingdom.

TAY KOON CHUAN
Non-Executive Director

LAI CHUN LOONG
Independent Director

CHARLES GEORGE ST. JOHN REED
Independent Director

BOARD OF DIRECTORS

LOUDON FRANK MCLEAN OWEN
Non-Executive Director

ZACCHAEUS BOON SUAN ZIN
Alternate to Loudon Frank McLean Owen

LEE KEEN WHYE
Independent Director

LOUDON FRANK MCLEAN OWEN
Non-Executive Director

Mr Owen was appointed as our Non-Executive Director in October 2004. Currently the Managing Partner of McLean Watson Capital Inc., Mr Owen is chairman of the Board of Hanfeng Evergreen Inc. (TSX), and chairman of the Board of Posera-HDX Inc., both of which are listed in Toronto. He began his career as a lawyer in Campbell Godfrey & Lewtas, and thereafter, moved on to the position of Managing Partner of law firm, Burgess Macdonald Martin Younger.

In 1993, Mr Owen took on the role of Chief Operating Officer of Softimage Inc, a Nasdaq-listed software corporation, and later co-founded McLean Watson Capital in 1994.

Mr Owen graduated with a Bachelor of Arts degree from University of Toronto, and obtained his Bachelor of Laws degree from Osgoode Hall Law School of York University, Canada. He also has a Master of Business Administration from INSEAD (France).

ZACCHAEUS BOON SUAN ZIN
Alternate to Loudon Frank McLean Owen

Currently a Partner of Canada-based McLean Watson Capital, Mr Boon is responsible for its investment portfolio in the Asia Pacific region. He has more than 15 years' experience in the software industry along with extensive investment credentials. Mr Boon started his career as a Network Engineer working on military projects before joining Lotus Development as a Software Engineer. Mr Boon subsequently became Lotus' Country Managing Director for Singapore, Brunei and Indochina. His last role at IBM/Lotus was Director (Alliances/Small Medium Business), with Asia-Pacific coverage.

Prior to joining McLean Watson Capital, Mr Boon was an Investment Director with Venture TDF. He is also an active angel investor who seed-funded several successful start-ups including AceFusion - acquired by Savi, which was subsequently acquired by Lockheed Martin (NYSE:LMT), and HardwareZone - acquired by Singapore Press Holdings (SGX:SPH).

Mr Boon obtained a Bachelor of Computer Science from the University of Newcastle in Australia.

LEE KEEN WHYE
Independent Director

Mr Lee was appointed as our Independent Director in August 2008. He is the Managing Director of Strategic Alliance Capital Pte Ltd ("SAC"), a venture capital and investment management advisory company. Prior to founding SAC, Mr Lee was the founder and Managing Director of Rothschild Ventures Asia Pte Ltd and a member of the N M Rothschild & Sons global merchant banking group. He was an Associate Director with Kay Hian James Capel Pte Ltd, which he joined in 1987 as Head of Research for Singapore and Malaysia.

Between 1985 to 1987, Mr Lee was based in California and worked with venture capital companies seeking investments in emerging growth companies. Prior to that, he was an Investment Manager with the Government of Singapore Investment Corporation.

Mr Lee currently sits on the Boards of several SGX-ST companies, including STX OSV Holdings Ltd, Santak Holdings Ltd, Oniontech Limited and Ultro Technologies Limited. Mr Lee holds a Master's degree in Business Administration from Harvard Business School and a Bachelor's degree in Business Administration from the University of Singapore.

KENNETH SW CHAN KIT
Financial Controller

JASON LEONG WEE SIONG
General Manager,
Network Infrastructure (Regional)

VINCENT VINU EDWARD
General Manager, Network
Infrastructure (Singapore)

DIANA LEE MENG WAH
Director, Human Resource

KEY MANAGEMENT

KENNETH SW CHAN KIT
Financial Controller

As the Financial Controller, Kenneth Sw is responsible for our Group's financial activities. A pioneer staff who joined Ntegrator since our inception in 2002, he has developed, built and implemented the region-wide financial framework, support, processes and procedures necessary to support the Group's operations.

Kenneth started his career with Matsushita Electronics (S) Pte Ltd and has, in the course of over 26 years in the financial field, moved up to positions of higher responsibility, both at HQ and region-wide levels. He has held positions as Finance Manager and CFO in various organisations, including Sembawang Engineering Pte Ltd, Teledata (Singapore) Ltd, e-Cop Pte Ltd and Intrawave Pte Ltd.

Kenneth is a Fellow of the Association of Chartered Certified Accountants, a non-practising fellow member of the Institute of Certified Public Accountants of Singapore and a member of CPA Australia.

JASON LEONG WEE SIONG
General Manager, Network Infrastructure (Regional)

Jason Leong is another pioneer staff who joined Ntregrator since our inception in 2002 and currently oversees the sales and marketing activities for our Group's network infrastructure products and services in the region.

Jason's career started at Singapore Telecommunications Limited in 1995, where he handled International Transmission Maintenance & Operations and was responsible for European and USA carriers. He later joined Plexus Technology Pte Ltd as Sales Manager, overseeing various government sectors as well as overseas accounts.

He holds a Bachelor's degree in Electronics & Electrical Engineering (First Class Honours) from Loughborough University of Technology.

VINCENT VINU EDWARD
General Manager, Network Infrastructure (Singapore)

Another pioneer staff, Vincent Edward also joined Ntegrator since we started in 2002 and he currently oversees the sales and marketing activities of our Group's network infrastructure products and services in Singapore. Previously a Project Engineer with Sembawang Corporation Limited, Vincent joined Teledata (Singapore) Ltd in the same capacity. He was seconded to Plexus Technology Pte Ltd in 1999 as its Group Manager.

Vincent graduated from National University of Singapore with Master of Science in System Design and Management and Aberdeen University with a Bachelor's degree in Engineering (Honours).

DIANA LEE MENG WAH
Director, Human Resource

Diana Lee joined our Group on its inception in 2002 and oversees all human resource and administration matters.

She has developed our Group's HR policies and practices for Singapore as well as our regional operations and has responsibility for all human resource policies, procedures, regulatory filings and compliance.

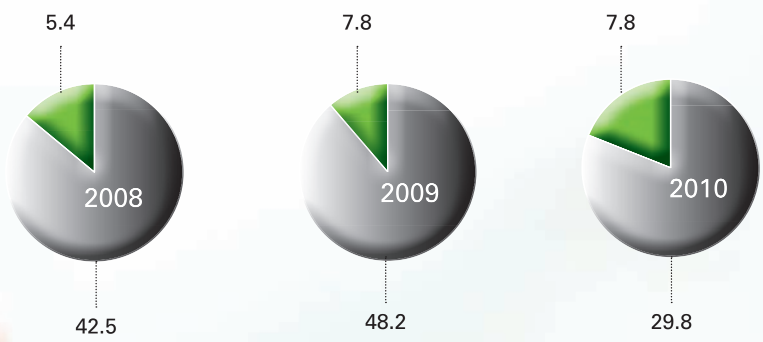
Prior to joining us, Diana held positions in both Administrative and Personnel departments of several public, private and government organisations, including Teledata (Singapore) Ltd, the Singapore General Hospital and SMRT Corporation Ltd.

Diana holds a Diploma in Human Resource Management.

FINANCIAL HIGHLIGHTS

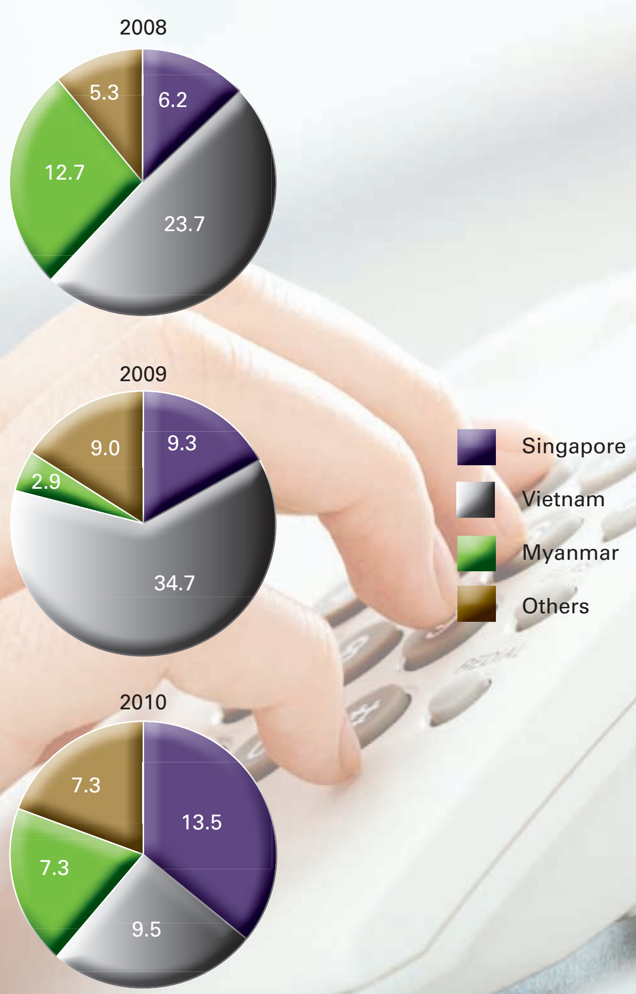
Revenue breakdown by activities (S$ million)

Project Management & Maintenance Services:



Project Sales:

Revenue breakdown by geographical markets (S$ million)



The Company is committed to maintaining a high standard of corporate governance and in ensuring that effective self-regulatory corporate practices are in place to protect the interests of its shareholders and maximise long-term shareholder value. These include an experience and visionary Board of Directors supported by Board Committees and an effective and sound system of internal controls and risk management programme.

As required by Rules of Catalist 710 of the Listing Manual of the SGX-ST (the "Catalist Rules"), this statement outlines the Company's corporate governance processes with specific reference to the Code of Corporate Governance 2005 ("the Code"). Other than deviations that are explained in this statement, the Company has complied with the principles of the Code.

Board of Directors

Principle 1: Board's Conduct of its Affairs

The principal functions of the Board are:

a. approving the Group's key business strategies and financial objectives;
b. approving the annual budget, major investments and divestments, and funding proposals;
c. overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
d. approving half year and full year accounts and announcements; and
e. assuming responsibility for corporate governance.

The Board has adopted internal guidelines that require Board approval, including appointment of directors, major funding and, investment proposals as well as material capital expenditures. Management, together with Board Committees including the Audit Committee, the Nominating Committee and the Remuneration Committee support the Board in discharging its responsibilities. The roles and responsibilities of the Board Committees are set out separately in this report.

The Board conducts regular scheduled meetings during the year. Ad-hoc meetings are conducted to address significant issues or approve major transactions. The Company's Articles of Association allow Board Meetings to be conducted by way of telephone conferencing or any other electronic means of communications.

The attendance of the directors at meetings of the Board and Board Committees, as well as the frequency of such meetings in FY2010 are summarised in the table below:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Bernard Chen Tien Lap	3	3			1	1	2	2
Han Meng Siew	3	3						
Jimmy Chang Joo Whut	3	3						
Tay Koon Chuan	3	3			1	1		
Loudon Frank McLean Owen (Alt: Zacchaeus Boon Suan Zin)	3	3	2	2				
Lai Chun Loong	3	3	2	2			2	2
Charles George St. John Reed	3	3	2	2	1	1	2	2
Lee Keen Whye	3	3	2	2				

Board of Directors (continued)

Principle 1: Board's Conduct of its Affairs (continued)

The Board of Directors is familiar with the Group's business and governance practices and has been briefed on their responsibilities as directors of a listed company. To keep abreast with developments in corporate, financial, legal and other compliance requirements, directors are encouraged to attend relevant training courses funded by the Company.

New directors appointed to the Board would be briefed on the Group's business activities and its strategic directions as well as statutory and other responsibilities as a director. Formal letters are issued upon appointment, to further explain their duties and obligations.

Principle 2: Board Composition and Balance

The Board comprises eight directors, half of whom are independent. The Board consists of directors, who as a group, provide core competencies, such as business or management experience, industry knowledge, finance, strategic planning experience, customer-based experience and knowledge that are necessary and critical to meet the Group's objectives. Details of the directors' academic, professional qualification and other appointments are set out on pages 8 to 10 of the Annual Report.

The Nominating Committee ("NC") has reviewed the independence of each director for the financial year ended 31 December 2010 in accordance with the Code's definition of independence and is satisfied that more than one-third of the Board continues to be independent.

The composition of the Board is as follows:-

Executive Director

Han Meng Siew (Deputy Chairman)
Jimmy Chang Joo Whut (Managing Director)

Non-Executive Director

Bernard Chen Tien Lap (Chairman) *
Charles George St. John Reed *
Lai Chun Loong *
Lee Keen Whye *
Tay Koon Chuan
Loudon Frank McLean Owen
Zacchaeus Boon Suan Zin (Alternate to Loudon Frank McLean Owen)

** Independent Director*

Principle 3: Role of Chairman and Managing Director

The functions of Chairman, Deputy Chairman and the Managing Director are assumed by three individuals. The Chairman, Mr. Bernard Chen Tien Lap, is an Independent Director, while the Deputy Chairman, Mr. Han Meng Siew and the Managing Director, Mr. Jimmy Chang Joo Whut are Executive Directors.

There are distinct divisions of responsibilities between the Chairman, Deputy Chairman and the Managing Director, who are not related to one another. The Deputy Chairman and the Managing Director are the most senior executives in the Company and assume executive responsibilities for the Company's business while the Chairman assumes responsibility for the management of the Board. As the Chairman, Deputy Chairman and the Managing Director perform separate functions, authority and accountability are not compromised.

Board of Directors (continued)

Principle 4: Nominating Committee ("NC")

The NC comprises two independent and one non-executive director, namely:

Bernard Chen Tien Lap (Chairman) *
Charles George St. John Reed *
Tay Koon Chuan

* Independent Director

The key objectives of the NC are to ensure that there is a formal and transparent process in the nomination, appointment and re-appointment of directors to the Board and in the assessment of the effectiveness and contribution of the Board and its members to the welfare, strategic growth and development of the Company.

As a sub-committee of the Board, the NC:

- recommends the re-nomination of directors retiring by rotation annually;
- determines the independence of Board members and assesses the adequacy of Board members with multiple board representations;
- establishes the process for the selection and appointment of new directors;
- reviews Board structure, size and composition;
- recommends to the Board the continuation in service of any directors who has reached the age of 70; and
- assesses the effectiveness of the Board and the contributions of Board members.

All directors subject themselves for re-nomination and re-election at least once every three (3) years. Pursuant to the Article 99 (2) of the Company's Articles of Association, Mr. Loudon Frank McLean Owen, Mr. Lai Chun Loong and Mr. Charles George St. John Reed will retire by rotation at the forthcoming AGM.

The NC has recommended the nominations of the directors retiring by rotation for re-election at the forthcoming AGM. In considering the nomination, the NC took into account the contribution of the directors with reference to their attendance and participation at board meetings and other board committee meetings as well as the proficiency with which they have discharged their responsibilities.

Principle 5: Board Performance

The Board has undertaken a formal evaluation of its own performance.

The performance evaluation of the operation and effectiveness of the Board as a whole, was conducted using a set of questionnaire. The areas reviewed comprised -

- Board composition;
- Information to the Board;
- Board procedures;
- Board accountability;
- CEO/top management; and
- Standards of conduct.

Separate assessment of the roles and responsibilities of Board Committees were carried out by the Audit Committee ("AC"), Remuneration Committee ("RC") and NC.

Board of Directors (continued)

Principle 6: Access to Information

To ensure that the Board is able to fulfill its responsibilities, reports on the Group's performance and business activities are provided to every Board member. The Board also receives regular updates of on-going projects and other business matters.

All directors have direct access to senior management and to the Company Secretary. The Company Secretary attends board meetings, and board committee meetings, where required. The Company Secretary ensures that board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the Board's approval.

The directors, whether individually or collectively, may in furtherance of their duties, seek and obtain independent professional advice as and when the need arises, at the expense of the Company.

Remuneration Committee ("RC")

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

The RC comprises three members, all of whom are independent Directors. The composition of the RC is as follows:

Bernard Chen Tien Lap (Chairman)
Charles George St. John Reed
Lai Chun Loong

The role of the RC is to review and recommend to the Board a framework of remuneration for the Board of Directors and key executives of the Group. It determines specific remuneration packages and reviews the terms of service for each Executive Director and key Executive Officers of the Company. It also approves guidelines on salary, bonus, and other terms and conditions for senior management, as well as the granting of share options and performance share plan in accordance with the rules of the Company's Share Option Scheme and Performance Share Plan.

In setting remuneration packages for Executive Directors and key executives of the Group, the pay and employment conditions within the industry and in comparable companies are taken into account to maintain an appropriate and competitive level of remuneration that will attract, retain and motivate key executives. The RC may seek external professional advice on compensation and other employment-related matters, as and when required.

Executive Directors are on service contracts, which are subject to annual review. The RC is of the view that the Executive Directors' service contracts are not excessively long or include onerous removal clauses.

The Deputy Chairman and the Managing Director who are on service contracts do not receive directors' fees. Their remuneration packages comprise of salaries, annual wage supplement, options, performance shares and a share of profits based on the Group's performance. The performance-related award is to align their interests with those of the shareholders and link rewards to corporate and individual performance.

Independent and Non-Executive Directors receive directors' fees, which take into account their level of contribution and responsibilities. These fees are subject to shareholders' approval at the Annual General Meeting.

Remuneration Committee ("RC") (continued)

No director is involved in determining his own remuneration.

The following tables show a breakdown (in percentage terms) of directors' remuneration and that of the Group's top 4 (four) executives who are not directors, for the financial year ended 31 December 2010, falling within broad bands:

(A) Directors' Remuneration

Name	Fees %	Salary[1] %	Other Benefits [2] %	Total %
Between $250,000 to $500,000				
Han Meng Siew	-	94	6	100
Jimmy Chang Joo Whut	-	93	7	100
Below $250,000				
Bernard Chen Tien Lap	100	-	-	100
Charles George St. John Reed	100	-	-	100
Tay Koon Chuan	100	-	-	100
Loudon Frank McLean Owen	100	-	-	100
Lai Chun Loong	100	-	-	100
Lee Keen Whye	100	-	-	100

(B) Remuneration of top 4 (four) executives who are not directors

Name	Fees %	Salary[1] %	Other Benefits [2] %	Total %
Between $250,000 to $500,000				
Kenneth Sw Chan Kit	-	90	10	100
Below $250,000				
Vincent Vinu Edward	-	96	4	100
Jason Leong Wee Siong	-	96	4	100
Diana Lee Meng Wah	-	100	-	100

Note:
1) Includes AWS, allowance and CPF
2) Transport, medical, insurance.
3) The remuneration bands above do not include the value of share options granted under the Company's Share Option Scheme and performance share plan.

Details of Directors' interests in Shares and the Company's Share Option Scheme and Performance Share Plan are set out on pages 22 to 26.

(C) Remuneration of immediate family members of directors

There were no employees who were immediate family members of any director or the MD for the financial year ended 31 December 2010.

Principle 10: Accountability

The Board is accountable to the shareholders whilst Management is accountable to the Board. Management presents half-year and full-year financial statements to the Audit Committee and the Board for review and approval. The Board approves the results and authorises the release of results to SGX-ST and the public via SGXNET.

Principle 11: Audit Committee (“AC”)

The AC comprises 4 directors, majority of whom are independent Directors. The composition of the AC is as follows:-

Charles George St. John Reed (Chairman) *
Lai Chun Loong *
Lee Keen Whye *
Loudon Frank McLean Owen
Zacchaeus Boon Suan Zin (Alternate to Loudon Frank McLean Owen)

** Independent Director*

All AC members possess extensive business and financial management experience at both senior management and board levels.

The AC reviews the scope of work, as set out in section 201B(5) of the Singapore Companies Act, of both internal and independent auditors and the assistance given by the Company’s officers to the independent auditors. It met with the Company’s internal and independent auditors to review their audit plans and discuss the results of their respective examinations and their evaluation of the Group’s operations and system of internal accounting controls. The AC met the independent auditors without the presence of the management. The AC also reviews transactions with interested persons and related parties. It recommends the appointment or re-appointment of independent auditors, reviews audit fees and non-audit services performed by the independent auditors.

The AC has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings.

The AC performed independent reviews of the financial statements of the Company and of the Group. The AC also undertook a review of the nature and extent of all non-audit services performed by the independent auditors to establish whether their independence had in any way been compromised. The independent auditor had not provided any non-audit services in FY 2010.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any personnel to attend its meetings.

A Whistle-Blowing Policy which serves to encourage and to provide a channel for staff of the Group to report and to raise in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters has been adopted. The Group assured all employees that they will be protected from victimisation for whistle-blowing. The contact details of the administrators of the policy have been made available to all employees. This policy is to ensure that arrangements are in place, for the independent investigation of such matters and concerns raised on financial or other improprieties, and for appropriate follow-up action.

Remuneration Committee ("RC") (continued)

Principle 11: Audit Committee ("AC") (continued)

The objectives of the Whistle-Blowing policy are:

- To communicate the Group's expectation of its employees in detecting fraudulent activities or malpractices;
- To guide employees on the course of action when addressing their concerns or suspicions of fraudulent activities or malpractices;
- To provide a process for investigations and management reporting; and
- To establish the policies for protecting whistle-blowers against reprisal by any person internal or external of the Group.

Principle 12: Internal Control
Principle 13: Internal Audit ("IA")

The Group's IA function is outsourced to an independent service provider.

The Group's internal auditor conducted a review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management. Material non-compliance or weaknesses in internal controls and recommendations for improvement are reviewed by the AC.

The risk management process and system of internal controls of the Group are designed to manage, rather than eliminate, the risk of failure to achieve the Group's strategic objectives. It should be recognised that such systems can only provide reasonable but not absolute assurance against material misstatement or loss.

The IA is an independent function that reports to the AC. The scope of work covers all business and support functions in the Company and its subsidiaries. The AC reviews and approves the annual IA plans and resources to ensure that the IA unit has the necessary resources to adequately perform its functions. The AC reviews the IA activities on a half-yearly basis and the adequacy of the IA function on an annual basis.

Principles 14 & 15: COMMUNICATION WITH SHAREHOLDERS

Price-sensitive information relating to the Group is released through SGXNET and is available to public on the SGX website. The interim and full year financial results and annual reports issued within the prescribed period are also released to the public via the SGXNET. The Company's Annual Report is available at its website www.ntegrator.com

All shareholders of the Group receive the Annual Report and notice of Annual General Meeting, within the statutory period. At annual general meetings, shareholders are given the opportunity to voice their views and to direct questions regarding the Group to senior management and directors, including the Chairman of each of the Board Committee.

All directors are encouraged to be present at all general meetings of the Company. The independent auditors will be present at the forthcoming Annual General Meeting.

SECURITIES TRANSACTIONS

The Group has adopted a Code of Best Practices for Dealings in Securities (the "Code") which defines the Group's policy on dealings in securities of the Company and implications of Insider Trading. In line with our Code, directors and key officers of the Group who have access to price-sensitive and confidential information are not permitted to deal in securities of the Company during the periods commencing one month before the announcement of the Group's annual or half-year results and ending on the date of the announcement of such results, or when they are in possession of unpublished price-sensitive information on the Group.

SECURITIES TRANSACTIONS (continued)

Directors and key officers are required to confirm annually that they have complied with the Code with regards to their securities transactions. The code of best practices on securities transactions is in line with the best practices guide issued by the SGX-ST.

RISK MANAGEMENT POLICIES AND PROCESSES

The Company's risk management policies are summarised as follows:

Technological Changes

We are dependent on principals to improve and innovate products to meet the changing market trends. We will study the market trends and assess customers' changing needs and obtain new technology-based products to meet their demands. We will also keep abreast of the developments in our industry and the technical know-how.

Political, Regulatory and Economic

The unexpected changes in the regulatory requirements, political instability and economic uncertainties in the countries in which we have a presence may affect our revenue and margin. We will assess this inherent risk on a regular basis.

Credit Risk

We are exposed to credit risk and such risk is managed through assessment of customer credit-worthiness. Special payment arrangements are reviewed on a case-by-case basis and will be secured by export letters of credits.

Key Personnel

Our business performance depends on the business strategy developed by the Management. The inability to retain qualified personnel may affect our business performance given that we are a service provider. We offer competitive remuneration packages, employee's share option scheme and performance share plan to our staff as well as a challenging working environment.

MATERIAL CONTRACTS

Other than the Service Agreements with each of our Executive Directors, Messrs Han Meng Siew and Jimmy Chang Joo Whut, there were no material contracts in the financial year 2010 which are required to be disclosed under Catalist Rule 1204(8).

INTERESTED PERSON TRANSACTIONS

There were no interested party transactions for FY 2010.

SPONSORS

No additional services were provided by the Sponsors, Asian Corporate Advisors Pte Ltd, in the FY 2010.

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The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2010 and the balance sheet of the Company as at 31 December 2010.

Directors

The directors of the Company in office at the date of this report are as follows:

Bernard Chen Tien Lap	Chairman
Han Meng Siew	Deputy Chairman
Jimmy Chang Joo Whut	Managing Director
Loudon Frank McLean Owen	
Charles George St. John Reed	
Lai Chun Loong	
Tay Koon Chuan	
Lee Keen Whye	
Zacchaeus Boon Suan Zin	(alternate director to Loudon Frank McLean Owen)

In accordance with Article 99 (2) of the Company's Articles of Association, Loudon Frank McLean Owen, Lai Chun Loong and Charles George St. John Reed who are due to retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Warrants", "Share options" and "Performance share plan" on pages 22 to 26 of this report.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2010	At 1.1.2010	At 31.12.2010	At 1.1.2010
Company				
(No. of ordinary shares)				
Bernard Chen Tien Lap	5,090,000	3,300,000	-	-
Han Meng Siew	6,000,000	4,000,000	30,124,000	30,124,000
Jimmy Chang Joo Whut	12,800,000	10,800,000	7,324,000	7,324,000
Loudon Frank McLean Owen	2,372,000	2,172,000	-	-
Charles George St. John Reed	350,000	-	4,160,000	3,200,000
Lai Chun Loong	3,060,000	2,200,000	-	-
Tay Koon Chuan	1,240,000	800,000	-	-
Lee Keen Whye	5,770,500	4,285,000	-	-
Zacchaeus Boon Suan Zin (Alternate to Loudon Frank Mclean Owen)	2,540,000	1,800,000	416,000	416,000

Directors' interest in shares or debentures (continued)

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2010	At 1.1.2010	At 31.12.2010	At 1.1.2010
Company (No. of Warrants)				
Bernard Chen Tien Lap	2,545,000	990,000	-	-
Han Meng Siew	4,400,000	1,200,000	25,906,640	9,037,200
Jimmy Chang Joo Whut	10,288,000	3,240,000	6,298,640	2,197,200
Loudon Frank McLean Owen	1,967,920	651,600	-	-
Charles George St. John Reed	175,000	-	2,080,000	960,000
Lai Chun Loong	1,530,000	660,000	-	-
Tay Koon Chuan	620,000	240,000	-	-
Lee Keen Whye	2,885,250	1,285,500	-	-
Zacchaeus Boon Suan Zin (Alternate to Loudon Frank Mclean Owen)	1,270,000	540,000	208,000	124,800

(b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Ntegrator Share Option Scheme (the "Scheme") and Ntegrator Performance Share Plan (the "PSP") as set out below and under "Share options" and "Performance share plan" on pages 23 to 26 of this report.

	Number of options to subscribe	
	At 31.12.2010	At 1.1.2010
Han Meng Siew	5,000,000	5,000,000
Jimmy Chang Joo Whut	5,000,000	5,000,000
Charles George St. John Reed	1,000,000	1,000,000
Lee Keen Whye	800,000	800,000

(c) The directors' interest in the ordinary shares and warrants of the Company as at 21 January 2011 were the same as those as at 31 December 2010.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Share options

The Company implemented the Ntegrator Share Option Scheme (the "Scheme") in 2005 for granting of options to full-time employees and directors of the Company and its subsidiaries. The total number of ordinary shares over which the Company may grant under the Scheme and the performance share plan shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

Share options (continued)

The Scheme is administered by the Remuneration Committee ("RC") which comprises three directors, namely Bernard Chen Tien Lap, Lai Chun Loong and Charles George St. John Reed.

The exercise price for each ordinary share in respect of which an option is exercisable shall be determined by the Committee as follows:

(i) at a price equal to the prevailing market price of the ordinary shares of the Company based on the last dealt price per share as indicated in the daily official list or any publication published by the SGX for the five consecutive trading days immediately preceding the date of grant of that option (the "Market Price"); or

(ii) at a price which is set at a discount to the Market Price provided that the maximum discount shall not exceed 20% of the Market Price.

Options granted with the exercise price set at Market Price shall only be exercisable after 12 months of the date of grant of that option. Options granted with exercise price set at a discount to Market Price shall only be exercisable after 24 months from the date of grant of that option. All options granted shall be exercised before the end of 120 months (or 60 months where the participant is a non-executive director) of the date of grant of that option and subject to such other conditions as may be introduced by the Committee from time to time.

Details of the options to subscribe for ordinary shares of the Company granted to directors, executive officers and employees of the Group pursuant to the Scheme described above are as follows:

Date of grant	Balance as at 1.1.2010	Granted during the year	Exercised during the year	Cancelled during the year	Balance as at 31.12.2010	Exercise price	Exercisable period
11.09.2006	816,000	-	-	-	816,000	S$0.13	11.09.2007 to 10.09.2017
25.08.2008	18,422,000	-	-	260,000	18,162,000	S$0.04	25.08.2009 to 25.08.2019
25.08.2008	1,800,000	-	-	-	1,800,000	S$0.04	25.08.2009 to 25.08.2014
	21,038,000	-	-	260,000	20,778,000		

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Scheme were as follows:

Name of director	Granted in financial year ended 31.12.2010	Aggregate granted since commencement of scheme to 31.12.2010	Aggregate exercised since commencement of scheme to 31.12.2010	Aggregate outstanding as at 31.12.2010
Bernard Chen Tien Lap [2]	-	1,750,000	1,750,000	-
Han Meng Siew [1]	-	6,000,000	1,000,000	5,000,000
Jimmy Chang Joo Whut [1]	-	6,000,000	1,000,000	5,000,000
Loudon Frank McLean Owen [2]	-	1,050,000	1,050,000	-
Charles George St. John Reed [2]	-	1,250,000	250,000	1,000,000
Lai Chun Loong [2]	-	1,050,000	1,050,000	-
Tay Koon Chuan [2]	-	800,000	800,000	-
Lee Keen Whye [2]	-	800,000	-	800,000
Zacchaeus Boon Suan Zin [2] (Alternate to Loudon Frank McLean Owen)	-	1,050,000	1,050,000	-
	-	19,750,000	7,950,000	11,800,000
Name of executive officer				
Kenneth Sw Chan Kit [1]	-	6,000,000	3,500,000	2,500,000
Total	-	25,750,000	11,450,000	14,300,000

Share options (continued)

[1] The options granted to these directors and an executive officer are exercisable from 25 August 2009 to 25 August 2019 at the exercise price of S$0.04.

[2] The options granted to these directors are exercisable from 25 August 2009 to 25 August 2014 at the exercise price of S$0.04.

Since the commencement of the Scheme till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates;
- No participant other than Han Meng Siew, Jimmy Chang Joo Whut and Kenneth Sw Chan Kit as mentioned above has received 5% or more of the total options available under the plans;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

Performance share plan

The Company implemented the Ntegrator Performance Share Plan (the "PSP") in 2010 which was approved at the extraordinary general meeting ("EGM") held on 12 February 2010. The PSP provides for the award of fully paid-up ordinary shares in the share capital of the Company, free of charge to selected employees of the Company and/or its subsidiaries, including the directors of the Company, and other selected participants when and after pre-determined performance target(s) have been accomplished within the performance period.

The PSP is a share incentive scheme which will allow the Company, inter alia, to target specific performance objectives and to provide an incentive for participants to achieve these targets. The directors believe that the PSP will help to achieve the following positive objectives:

(a) incentivise employees to excel in their performance and encourage greater dedication and loyalty to the Group;
(b) attract and retain employees whose contributions are important to the long-term growth and profitability of the Group;
(c) recognise and reward past contributions and services and motivate employees to continue to strive for the Group's long-term prosperity; and
(d) develop a participatory style of management which instils loyalty and a stronger sense of identification with the long-term goals of the Group.

The PSP is administered by the Remuneration Committee ("RC") which comprises three directors, namely Bernard Chen Tien Lap, Lai Chun Loong and Charles George St. John Reed.

The PSP shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date on which the PSP was adopted by the Company in EGM, provided always that the PSP may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting, and of any relevant authorities which may then be required.

Performance share plan (continued)

The Company may deliver shares pursuant to awards granted under the PSP by way of:-

(i) issuance of new shares; and/ or

(ii) delivery of existing shares purchased from the market or shares held in treasury.

The total number of ordinary shares over which the Company may grant under the PSP shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

A share award under the PSP was granted to employees and directors of the Company on 22 March 2010 in accordance with the approval by Shareholders at the EGM on 12 February 2010.

Details of the shares awarded under the PSP are as follows:

Date of grant	Categories	Number of person	Awarded during the year	Aggregate shares awarded as at 31.12.2010
22.03.2010	Employees	36	5,198,553	5,198,553
22.03.2010	Directors	9	6,150,000	6,150,000
		45	11,348,553	11,348,553

Details of the shares awarded to directors of the Company pursuant to the PSP were as follows:

Name of director	Shares awarded during the financial year	Aggregate shares awarded since commencement of the PSP to 31.12.2010
Bernard Chen Tien Lap	800,000	800,000
Han Meng Siew	2,000,000	2,000,000
Jimmy Chang Joo Whut	2,000,000	2,000,000
Loudon Frank McLean Owen	200,000	200,000
Charles George St. John Reed	350,000	350,000
Lai Chun Loong	200,000	200,000
Tay Koon Chuan	200,000	200,000
Lee Keen Whye	200,000	200,000
Zacchaeus Boon Suan Zin (Alternate to Loudon Frank McLean Owen)	200,000	200,000
	6,150,000	6,150,000
Name of executive officer		
Kenneth Sw Chan Kit	2,000,000	2,000,000
Jason Leong Wee Siong	800,000	800,000
Diana Lee Meng Wah	800,000	800,000
	3,600,000	3,600,000
Total	9,750,000	9,750,000

Since the commencement of the PSP till the end of the financial year:

- No shares were awarded to the controlling shareholders of the Company and their associates; and

- No participant other than Bernard Chen Tien Lap, Han Meng Siew, Jimmy Chang Joo Whut, Kenneth Sw Chan Kit, Jason Leong Wee Siong and Diana Lee Meng Wah as mentioned above has received 5% or more of the total shares available under the PSP.

Audit committee

The Audit Committee ("AC") comprises four board members, all of whom are non-executive directors. The members of the AC at the end of the financial year and at the date of the report were as follows:

Charles George St. John Reed	Chairman, Independent
Lai Chun Loong	Independent
Lee Keen Whye	Independent
Loudon Frank McLean Owen	
Zacchaeus Boon Suan Zin	(Alternate to Loudon Frank McLean Owen)

The AC carries out its functions in accordance with Section 201B (5) of the Singapore Companies Act, including the following:

- Reviews the audit plans of the internal and independent auditors of the Company and ensures the adequacy of the Company's system of accounting controls and the co-operation given by the Company's management to the independent and internal auditors;
- Reviews the annual financial statements and the independent auditor's report on the annual financial statements of the Company before their submission to the board of directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Reviews the assistance given by management to the independant auditor, and discusses problem and concerns, if any, arising from statutory audit, with the management;
- Meets with the independent auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness, independence and objectivity of the independent auditor;
- Reviews the nature and extent of non-audit services provided by the independent auditor;
- Recommends to the board of directors the independent auditor to be nominated, approves the compensation of the independent auditor, and reviews the scope and results of the audit;
- Reports actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Further details regarding the audit committee are disclosed in the Report on Corporate Governance.

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

Han Meng Siew
Director

Jimmy Chang Joo Whut
Director

17 March 2011

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

In the opinion of the directors:-

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 32 to 74 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors,

Han Meng Siew
Director

Jimmy Chang Joo Whut
Director

17 March 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NTEGRATOR INTERNATIONAL LTD.

We have audited the accompanying financial statements of Ntegrator International Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2010, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Certified Public Accountants
Director in-charge: Chin Chee Choon
(Appointed since financial year ended 31 December 2009)

Singapore

17 March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	2010 S$'000	2009 S$'000
Revenue	4	37,626	55,925
Cost of sales			
- Equipment and consumables used		28,152	45,051
- Freight charges		177	611
- Commission and consultancy		700	1,394
- Changes in inventories and contract work in-progress		3,485	1,573
		(32,514)	(48,629)
		5,112	7,296
Other (losses) / gains – net	5	(1,207)	520
Expenses			
- Administrative	6	(10,387)	(6,447)
- Finance	8	(381)	(393)
(Loss) / Profit before income tax		(6,863)	976
Income tax expenses	9	(40)	(46)
Net (loss) / profit		(6,903)	930
Other comprehensive income, net of tax			
Currency translation differences arising from consolidation		(1,059)	11
Total comprehensive (loss) / income		(7,962)	941
(Loss) / Profit attributable to:			
Equity holders of the Company		(6,963)	945
Non-controlling interests		60	(15)
		(6,903)	930
Total comprehensive (loss) / income attributable to:			
Equity holders of the Company		(8,022)	956
Non-controlling interests		60	(15)
		(7,962)	941
(Losses) / Earnings per share attributable to equity holders of the Company (cents per share)			
- Basic	10	(1.87)	0.27
- Diluted	10	(0.98)	0.27

The accompanying notes form an integral part of these financial statements

BALANCE SHEET

AS AT 31 DECEMBER 2010

		Group		Company	
	Note	2010 S$'000	2009 S$'000	2010 S$'000	2009 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	7,276	2,784	814	539
Trade and other receivables	12	36,563	58,996	625	3,914
Inventories	13	1,833	2,312	-	-
		45,672	64,092	1,439	4,453
Non-current assets					
Trade and other receivables	15	6,288	13,095	-	-
Investments in subsidiaries	16	-	-	16,000	12,000
Plant and equipment	17	250	277	-	-
Intangible assets	18	421	1,601	-	-
		6,959	14,973	16,000	12,000
Total assets		52,631	79,065	17,439	16,453
LIABILITIES					
Current liabilities					
Trade and other payables	19	29,021	50,105	542	413
Current income tax liabilities		-	34	-	-
Borrowings	20	2,175	3,294	-	-
		31,196	53,433	542	413
Non-current liabilities					
Borrowings	20	5,717	2,593	-	-
Deferred income tax liabilities	22	59	59	-	-
		5,776	2,652	-	-
Total liabilities		36,972	56,085	542	413
NET ASSETS		15,659	22,980	16,897	16,040
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	15,639	14,449	15,639	14,449
Treasury shares	23	(11)	-	(11)	-
Other reserves		(713)	351	355	360
Retained earnings		476	8,193	914	1,231
		15,391	22,993	16,897	16,040
Non-controlling interests		268	(13)	-	-
Total equity and non-controlling interests		15,659	22,980	16,897	16,040

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Attributable to equity holders of the Company							
	Note	Share capital S$'000	Treasury shares S$'000	Employee share option reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
2010									
Beginning of financial year		14,449	-	360	(9)	8,193	22,993	(13)	22,980
Purchase of treasury shares	23	-	(11)	-	-	-	(11)	-	(11)
Cancellation of share option		-	-	(5)	-	-	(5)	-	(5)
Share issue pursuant to:-									
- Performance Share Plan	23	454	-	-	-	-	454	-	454
- Exercise of warrants	23	665	-	-	-	-	665	-	665
- Script dividend	23	71	-	-	-	-	71	-	71
Dividend relating to 2009 paid	24	-	-	-	-	(754)	(754)	-	(754)
Disposal of subsidiary	11	-	-	-	-	-	-	221	221
Total comprehensive loss for the year		-	-	-	(1,059)	(6,963)	(8,022)	60	(7,962)
End of financial year		**15,639**	**(11)**	**355***	**(1,068)***	**476**	**15,391**	**268**	**15,659**
2009									
Beginning of financial year		13,708	-	234	(20)	7,248	21,170	2	21,172
Exercise and cancellation of share option		221	-	(221)	-	-	-	-	-
Share issued pursuant to share options exercised	23	520	-	-	-	-	520	-	520
Share option expenses	23	-	-	347	-	-	347	-	347
Total comprehensive income for the year		-	-	-	11	945	956	(15)	941
End of financial year		**14,449**	**-**	**360***	**(9)***	**8,193**	**22,993**	**(13)**	**22,980**

* Not available for distribution

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	2010 S$'000	2009 S$'000
Cash flows from operating activities			
Net (loss) / profit		(6,903)	930
Adjustments for			
- Income tax		40	46
- Depreciation and amortisation		324	381
- Impairment loss on intangible assets	18	988	-
- Loss on disposal of plant and equipment		-	4
- Gain on disposal of subsidiary		(379)	-
- Amortisation of bills receivables		194	926
- Share option expense		-	347
- Performance share expenses		454	-
- Finance expense		381	393
- Interest income		(1)	(5)
- Currency translation differences		(1,022)	10
		(5,924)	3,032
Change in working capital			
- Inventories		479	377
- Trade and other receivables		28,279	(12,605)
- Trade and other payables		(19,612)	6,645
Cash generated / (used in) from operations		3,222	(2,551)
Interest received		1	5
Interest paid		(381)	(393)
Income tax paid		(39)	(288)
Net cash provided by / (used in) operating activities		2,803	(3,227)
Cash flows from investing activities			
Additions to plant and equipment	17	(87)	(228)
Additions of intangible assets	18	(173)	(365)
Disposals of subsidiary, net of cash	11	14	-
Net cash used in investing activities		(246)	(593)
Cash flows from financing activities			
Proceeds from issuance of share capital	23	665	520
Purchase of treasury shares	23	(11)	-
Proceeds from borrowings		4,394	5,000
Repayment of borrowings		(1,835)	(1,679)
Repayment of lease liabilities		(13)	(5)
Dividend paid to equity holders of the Company	23 & 24	(683)	-
Net cash provided by financing activities		2,517	3,836
Net increase in cash and cash equivalents		5,074	16
Cash and cash equivalents			
Beginning of the financial year		1,176	1,160
End of financial year	11	6,250	1,176

The accompanying notes form an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of the Group and the Company for the financial year ended 31 December 2010 were authorised for issue in accordance with a resolution of directors on 17 March 2011.

1. General information

The Company is a limited liability company, listed on the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore. The address of its registered office is at 4 Leng Kee Road, #06-04, SIS Building, Singapore 159088.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2010

On 1 January 2010, the Company adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except as disclosed below:

(a) *FRS 103 (revised) Business Combinations*

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The revised standard does not have an impact on the accounting policies and measurement bases adopted by the Group.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) *FRS 27 (revised) Consolidated and Separate Financial Statements* (effective for annual periods beginning on or after 1 July 2009)

The revisions to FRS 27 principally change the accounting for transactions with non-controlling interests. Please refer to Notes 2.3(a)(ii) for the revised accounting policy on changes in ownership interest that results in a lost of control.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements. There were no transactions with non-controlling interests in the current financial year. Accordingly, these changes do not have any impact on the financial statements for the current financial year.

(c) *Amendment to FRS 7 Cash Flow Statements*

Under the amendment, only expenditures that result in a recognised asset in the balance sheet can be classified as investing activities in the cash flow statement. Previously, such expenditure could be classified as investing activities in the cash flow statement.

This change has been applied retrospectively. It had no material impact on the amounts presented in the cash flow statement for the current and prior year.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the project sales and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria of each Group's activities are met as follows:

(a) Project sales

(i) Revenue is recognised upon the transfer of risk and rewards of ownership of the goods to the customers, which generally coincide with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible of return of goods.

(ii) System integration services substantially involve the procurement, design, integration and installation of voice, video and data communication equipment and networks. Revenue is recognised upon successful installation and acceptance of the project by the customer. For a project which is to be completed in stages, revenue is recognised upon successful installation of each stage and acceptance of the project by the customer. An expected loss on the project is recognised as an expense immediately when it is probable that total project costs will exceed total project revenue.

Please refer to Note 2.7 for the accounting policy for revenue from contract work-in-progress.

2. Summary of significant accounting policies (continued)

2.2 Revenue recognition (continued)

(b) Project management and maintenance revenue

Project management revenue is recognised upon rendering of the service to the customer and upon completion of the project.

Maintenance revenue is recognised upon rendering of the service to the customer over the duration of maintenance contracts. Maintenance revenue that is billed in advance of the services being rendered is deferred on the balance sheet as deferred revenue.

(c) Interest income

Interest income is recognised using the effective interest method.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

2. Summary of significant accounting policies (continued)

2.3 Group accounting (continued)

(ii) Acquisition of businesses (continued)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

(iii) Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.8 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

2.4 Plant and equipment

(a) Measurement

(i) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2. Summary of significant accounting policies (continued)

2.4 Plant and equipment (continued)

(a) Measurement (continued)

(ii) Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Office equipment	5 years
Computers	3 years
Telephones	5 years
Software	3 years
Motor vehicle	10 years
Demo equipment	2 years
Furniture	5 years
Fittings	2 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Other (losses) / gains – net”.

2. Summary of significant accounting policies (continued)

2.5 Intangible assets

Costs directly attributable to the development activities are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the system and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project. Research costs are recognised as an expense when incurred.

Development costs are initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.7 Contract work in-progress

Contract work in-progress refers to system integration services that are not completed, delivered and accepted by customers as at the balance sheet date.

When the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the successful installation or completion and acceptance by customer. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on contract work in-progress within "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on contract work in-progress within "trade and other payables".

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables". Advances received are included within "trade and other payables".

2. **Summary of significant accounting policies** (continued)

2.8 Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

Intangible assets, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

2. Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest income on financial assets is recognised separately in income.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that loans and receivables are impaired and recognises an allowance for impairment when there is significant difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2. Summary of significant accounting policies (continued)

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.13 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.15 Leases

(a) When the Group is the lessee

The Group leases certain plant and equipment and motor vehicle under finance leases and office space and warehouses under operating leases from non-related parties.

(i) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2. Summary of significant accounting policies (continued)

2.16 Inventories

Inventories are carried at lower of cost and net realisable value. Cost is determined using the weighted average method. Inventories comprise of materials and supplies to be consumed in the rendering of system integration services and project sales. Net realisable value is the estimated selling price in the system integration services and project sales, less the applicable costs of conversion to complete the services and project, and applicable variable selling expenses.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

2.18 Provisions for other liabilities and charges

Provision for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2. Summary of significant accounting policies (continued)

2.19 Employee compensation (continued)

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

(c) *Performance shares*

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for the shares or right over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or granted, excluding the impact of any non-market vesting conditions. The amount is determined by reference to the fair value of the performance shares on the grant date. This fair value is recognised in profit or loss over the remaining vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of charge is adjusted in profit or loss over the remaining vesting period to reflect expected and actual levels of shares vesting, with the adjustment made in equity.

(d) *Employees leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.20 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

2. Summary of significant accounting policies (continued)

2.20 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from resulting the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2.22 Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2. Summary of significant accounting policies (continued)

2.23 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.25 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

(i) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical accounting estimates and assumptions (continued)

(i) Impairment of loans and receivables (continued)

Where there is objective evidence of impairment, management makes judgement as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(ii) Contract work-in-progress

The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the successful installation or completion and acceptance by customer.

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

(iii) Impairment of non-financial assets

Intangible assets and investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates.

(a) Intangible assets

A write off on intangible assets amounting to S$988,000 arose in the Carpark Management System whereby the joint development with Cellular Systems International ("CSI") and Surbana Technologies have been shelved off as the possibility of future economic benefits is determined to be low and there is no intention to complete the development.

4. Revenue

	Group	
	2010	**2009**
	S$'000	**S$'000**
Project sales	29,786	48,171
Project management and maintenance services	7,840	7,754
	37,626	55,925

5. Other (losses) / gains - net

	Group	
	2010	**2009**
	S$'000	**S$'000**
Interest income	1	5
Amortisation of bills receivables	194	926
Currency translation loss – net	(414)	(411)
Intangibles assets written off (Note 18)	(988)	-
	(1,207)	520

6. Expenses by nature

	Group 2010 S$'000	Group 2009 S$'000
Amortisation of intangible assets (Note 18)	177	255
Depreciation of plant and equipment (Note 17)	147	126
Employee compensation (Note 7)	4,838	4,308
Trade receivables written off	539	-
Project feasibility study costs	2,653	-
Loss on disposal of plant and equipment	-	4
Gain on disposal of subsidiary (Note 11)	(379)	-
Others	2,412	1,754
	10,387	6,447

7. Employee compensation

	Group 2010 S$'000	Group 2009 S$'000
Wages and salaries	3,428	3,037
Employer's contribution to defined contribution plans including Central Provident Fund	263	234
Directors' remuneration	332	287
Performance share expenses	454	-
Share option expenses	-	347
Other short-term benefits	361	403
	4,838	4,308

8. Finance expenses

	Group 2010 S$'000	Group 2009 S$'000
Interest expense		
- bank borrowings	379	392
- finance lease liabilities	2	1
	381	393

9. Income taxes

	Group 2010 S$'000	Group 2009 S$'000
Tax expense attributable to profit is made up of:		
Profit for current financial year		
- Current income tax	54	38
(Over) / under provision in prior financial years		
- Current income tax	(14)	8
	40	46

9. Income taxes (continued)

The tax expense on (loss) / profit differs from the amount that would arise using the Singapore standard rate of income tax is as follow:

	Group	
	2010 S$'000	2009 S$'000
(Loss) / profit before income tax	(6,863)	976
Tax calculated at tax rate 17% (2009: 17%)	(1,167)	166
Effects of		
- Different tax rates in other countries	17	10
- Expenses not deductible for tax purposes	596	123
- Income not subject to tax	(457)	(250)
- Deferred tax assets valuation allowance not recognised / (utilised)	1,028	(39)
- Tax losses of overseas subsidiaries not available for set-off	-	27
- Others	37	1
	54	38

10. (Loss) / Earnings per share

(a) Basic (loss) / earnings per share

Basic (loss) / earnings per share is calculated by dividing the net (loss) / profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2010	2009
Net (loss) / profit attributable to equity holders of the Company ($'000)	(6,963)	945
Weighted average number of ordinary shares outstanding for basic earnings per share for ('000)	373,009	354,496
Basic (loss) / earnings per share (cents per share)	(1.87)	0.27

(b) Diluted (loss) / earnings per share

For the purpose of calculating diluted (loss) / earnings per share, (loss) / profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares in respect of share options and warrants.

For share options and warrants, the weighted average number of shares on issue has been adjusted as if all dilutive share options and warrants were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options and warrants less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

10. (Loss) / Earnings per share (continued)

Diluted (loss) / earnings per share attributable to the equity holders of the Company is calculated as follows:

	2010	2009
Net (loss) / profit used to determine diluted earnings per share ($'000)	(6,963)	945
Weighted average number of ordinary shares outstanding for basic earnings per share for ('000)	400,916	344,967
Adjustment for ('000)		
- Share options	20,778	9,529
- Warrants	287,687	-
	709,381	354,496
Diluted (loss) / earnings per share (cents per share)	(0.98)	0.27

11. Cash and cash equivalents

	Group		Company	
	2010 S$'000	2009 S$'000	2010 S$'000	2009 S$'000
Cash at bank and on-hand	5,899	625	814	539
Short-term bank deposits	1,377	2,159	-	-
	7,276	2,784	814	539

For the purpose of presenting the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	Group	
	2010 S$'000	2009 S$'000
Cash and cash equivalents (as above)	7,276	2,784
Less: Bank overdraft (Note 20)	(1,026)	(1,608)
	6,250	1,176

11. Cash and cash equivalents (continued)

Disposal of subsidiary

On 15 March 2010, the Company disposed its 60% interest in Ntegrator Sdn Bhd at zero cash consideration. The effects of disposal on the cash flows of the Group were:

	Group S$'000
Carrying amounts of assets and liabilities disposed	
Trade and other receivables	(767)
Intangible assets	(154)
Total assets	(921)
Bank overdraft	14
Trade and other payables	1,472
Income tax payable	35
Total liabilities	1,521
Net liabilities disposed	600
Less: Non-controlling interests	(221)
Net liabilities disposed	379

The aggregate cash inflows arising from the disposal of Ntegrator Sdn Bhd were:

	Group S$'000
Net liabilities disposed	(379)
Gain on disposal (Note 6)	379
Cash proceeds from disposal	-
Less: Cash and cash equivalents in subsidiary disposed	14
Net cash inflow on disposal	14

12. Trade and other receivables

	Group		Company	
	2010 S$'000	2009 S$'000	2010 S$'000	2009 S$'000
Trade receivables				
- Non-related parties	8,524	6,711	-	10
Bills receivables	24,968	53,090	-	-
Less: amount classified as non-current assets (Note 15)	(6,288)	(13,095)	-	-
	18,680	39,995	-	-
Contracts work in-progress				
- Due from customers (Note 14)	871	3,918	-	-
Other receivables				
- Subsidiary (Note 16)	-	-	577	3,852
- Staff advances	14	1	-	-
- Other	914	756	48	52
Value added tax recoverable	634	42	-	-
Withholding tax receivable	70	222	-	-
Advance payment for project costs	2,495	3,627	-	-
Unbilled contract revenue	4,361	3,724	-	-
	36,563	58,996	625	3,914

The amount due from subsidiary is non-trade in nature, unsecured, interest-free and repayable on-demand.

13. Inventories

	Group 2010 S$'000	2009 S$'000
Voice, video and data communication equipment	1,833	2,312

The cost of inventories recognised as an expense amounts to S$28,092,825 (2009: S$44,800,478).

14. Contracts work in-progress

	Group 2010 S$'000	2009 S$'000
Contracts work in-progress		
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted projects	841	3,915
Less: Progress billings	(10)	(78)
	831	3,837
Presented as:		
Due from customers on contract works (Note 12)	871	3,918
Due to customers on construction contracts (Note 19)	(40)	(81)
	831	3,837

15. Trade and other receivables - non-current

	Group 2010 S$'000	2009 S$'000
Bills receivables (Note 12)	6,288	13,095

At the balance sheet date, the fair values of non-current bills receivables approximate their carrying amounts.

16. Investments in subsidiaries

	Company 2010 S$'000	2009 S$'000
Equity investment at cost		
Beginning of financial year	12,269	12,269
Additional investments	4,000	-
Disposal	(269)	-
Less: Allowance for impairment	-	(269)
End of financial year	16,000	12,000
Movements in allowance for impairment:		
Beginning of financial year	269	269
Allowance utilised	(269)	-
End of financial year	-	269

Details of subsidiaries are as follows:

Name of companies	Principal activities	Country of business / incorporation	Equity holding 2010 %	2009 %
Significant subsidiaries held by the Company				
Ntegrator Pte Ltd [1]	To provide system integration services of voice, video and data communication networks	Singapore	100	100
Significant subsidiaries held by Ntegrator Pte Ltd				
Ntegrator (Thailand) Limited [2]	To provide system integration services and sale of voice, video and data communication equipment and networks, maintenance and support services, and project management services for network infrastructure	Thailand	60	60
Ntegrator Sdn Bhd [3]	To provide system integration services and sale of voice, video and data communication equipment and networks, maintenance and support services, and project management services for network infrastructure	Malaysia	-	60

(1) Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International

(2) Audited by V.A.T. Accounting, Thailand, a member firm of Nexia International

(3) The entire interest in Ntegrator Sdn Bhd has been disposed on 15 March 2010

17. Plant and equipment

	Office equipment S$'000	Computers S$'000	Telephones S$'000	Software S$'000	Motor vehicle S$'000	Demo equipment S$'000	Furniture S$'000	Fittings S$'000	Total S$'000
Group									
2010									
Cost									
Beginning of financial year	196	390	14	181	37	664	115	195	1,792
Currency translation differences	(13)	(23)	(1)	(12)	(3)	(41)	(6)	(13)	(112)
Additions	34	63	-	6	-	23	1	1	128
Disposals	(4)	-	-	-	-	-	-	-	(4)
End of financial year	213	430	13	175	34	646	110	183	1,804
Accumulated depreciation									
Beginning of financial year	94	361	10	170	18	577	96	189	1,515
Currency translation differences	(6)	(21)	(1)	(11)	(1)	(44)	(6)	(14)	(104)
Depreciation charge (Note 6)	31	28	2	12	4	60	8	2	147
Disposals	(4)	-	-	-	-	-	-	-	(4)
End of financial year	115	368	11	171	21	593	98	177	1,554
Net book value									
End of financial year	98	62	2	4	13	53	12	6	250
Group									
2009									
Cost									
Beginning of financial year	88	378	14	167	37	572	122	195	1,573
Currency translation differences	(2)	1	-	1	-	1	1	(2)	-
Additions	110	11	-	13	-	91	1	2	228
Disposals	-	-	-	-	-	-	(9)	-	(9)
End of financial year	196	390	14	181	37	664	115	195	1,792
Accumulated depreciation									
Beginning of financial year	77	327	9	145	14	546	94	183	1,395
Currency translation differences	(1)	(1)	-	1	-	1	1	(1)	-
Depreciation charge (Note 6)	18	35	1	24	4	30	7	7	126
Disposals	-	-	-	-	-	-	(6)	-	(6)
End of financial year	94	361	10	170	18	577	96	189	1,515
Net book value									
End of financial year	102	29	4	11	19	87	19	6	277

Included in additions in the financial statements are plant and equipment acquired under finance leases amounting to S$41,304 (2009: S$Nil).

As at 31 December 2010, the net carrying amount of plant and equipment held under finance leases was S$13,000 (2009: S$19,000).

18. Intangible assets

	IP Clock S$'000	Server-based Telephone System S$'000	Carpark Management System S$'000	Total S$'000
2010				
Beginning of financial year	632	154	815	1,601
Currency translation differences	(34)	-	-	(34)
Additions	-	-	173	173
Amortisation charge (Note 6)	(177)	-	-	(177)
Written off (Note 5)	-	-	(988)	(988)
Elimination on disposal of subsidiary	-	(154)	-	(154)
End of financial year	421	-	-	421
Net book value	421	-	-	421
2009				
Beginning of financial year	809	232	450	1,491
Additions	-	-	365	365
Amortisation charge (Note 6)	(177)	(78)	-	(255)
End of financial year	632	154	815	1,601
Net book value	632	154	815	1,601

The intangible assets relate to development costs for communication systems for IP Clock and Server-based telephone system. IP Clock is a joint research and development project between IP Clock Ltd and Ntegrator Pte Ltd, subsidiary of the Company. The research is funded by Singapore Israel Industrial Research and Development Foundation. The research aims to develop an application-agnostic, cost-effective, standards compliance synchronisation solution for Next Generation Networks, by creating a low cost clock recovery module using a low-cost oscillator and innovative clock recovery algorithms. Such solutions will help to improve the network synchronisation and to provide good quality traffic over the customers' mobile communication networks.

Carpark Management System relates to the joint development with Cellular Systems International ("CSI") and Surbana Technologies which is the development of centralised car park management system in Singapore as well as in the region. By customising CSI's central on-line credit card parking system, which is currently used in Israel to support cash card payment, Ntegrator Pte. Ltd. will integrate the customised system with Surbana's Integrated Estate Management System to facilitate the centralised processing of parking transactions, monitoring of equipment status as well as data hosting. During the financial year, the Group have fully written off the development costs of the Carpark Management System as management had assessed and determined that the possibility of future economic benefits is low and there is no intention to complete the development.

19. Trade and other payables

	Group		Company	
	2010 S$'000	2009 S$'000	2010 S$'000	2009 S$'000
Trade payables to				
- Non-related parties	3,582	3,240	-	-
Bills payables	12,597	37,531	-	-
Contracts work in-progress				
- Due to customers (Note 14)	40	81	-	-
Accrued projects costs	7,482	2,997	-	-
Advance received for project costs	3,832	4,487	-	-
Grant received in advance	143	146	-	-
Deferred revenue	178	230	-	-
Other accruals for operating expenses	1,167	1,393	542	413
	29,021	50,105	542	413

Bills payables

These payables have an average maturity of 120 – 270 (2009: 120 – 270) days and the weighted average effective interest is 8% (2009: 8%) per annum. These payables are denominated in the United States Dollar.

Deferred revenue

Deferred revenue represents maintenance revenue received in advance of services being rendered.

20. Borrowings

	Group	
	2010 S$'000	2009 S$'000
Current		
Bank overdraft (Note 11)	1,026	1,608
Bank borrowings	1,131	1,681
Finance lease liabilities (Note 21)	18	5
	2,175	3,294
Non-current		
Bank borrowings	5,693	2,584
Finance lease liabilities (Note 21)	24	9
	5,717	2,593
Total borrowings	7,892	5,887

20. Borrowings (continued)

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	Group	
	2010 S$'000	**2009 S$'000**
Less than one year	2,175	3,294
1 – 5 years	5,717	2,593
	7,892	5,887

(a) Security granted

Bank borrowings and bank overdrafts are guaranteed by the Company. Finance leases of the Group are effectively secured over the leased motor vehicles (Note 17), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

(b) Fair value of non-current borrowings

At balance sheet date, the fair values of non-current borrowings approximate their carrying amounts.

The fair values are determined from the cash flow analysis, discounted at market borrowing rate of an equivalent instrument of 3% to 5% (2009: 3.3% to 5%) per annum at the balance sheet date which directors expect to be available to the Group.

(c) Breach of loan covenants

Some of the Group's loan arrangements are subject to covenant clauses, whereby the Group is required to meet certain key financial ratios. The Group did not fulfil one of its bank's key financial ratios, as follows:

(i) Net worth of not less than S$15,000,000 and consolidated tangible net worth of not less than S$21,000,000

(ii) Consolidated debt coverage shall not be less than 150% at any time

Due to these breaches of covenant clauses, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of S$825,287.

The management is cognisant of the above mentioned non-adherence of the financial ratios and has taken steps subsequent to balance sheet date, and obtained the approval of the relevant bank, to waive the above.

21. Finance lease liabilities

The Group purchased certain plant and equipment, and motor vehicle from non-related parties under finance lease. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group	
	2010 S$'000	2009 S$'000
Minimum lease payments due		
- Not later than one year	20	6
- Between one and five years	25	10
	45	16
Less: Future finance charges	(3)	(1)
Present value of finance lease liabilities	42	15

The present value of finance lease liabilities are analysed as follows:

	Group	
	2010 S$'000	2009 S$'000
Not later than one year (Note 20)	18	5
Later than one year (Note 20)		
- Between one and five years	24	9
Total	42	14

22. Deferred income tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group	
	2010 S$'000	2009 S$'000
Deferred income tax liabilities, representing accelerated tax depreciation		
- to be settled after one year	59	59

There is no movement in the deferred income tax during the financial year.

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of S$1,178,982 (2009: S$1,074,573) and capital allowances of S$41,876 (2009: S$82,782) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses and capital allowances have no expiry date.

23. Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital S$'000	Treasury shares S$'000
Group and Company				
2010				
Beginning of financial year	354,496,344	-	14,449	-
Treasury shares purchased	-	(251,000)	-	(11)
Shares issued under:				
- exercise of warrants	33,354,595	-	665	-
- performance share plan	11,348,553	-	454	-
- script dividend	1,967,797	-	71	-
End of financial year	401,167,289	(251,000)	15,639	(11)
2009				
Beginning of financial year	341,482,344	-	13,708	-
Shares issued under:				
- share option scheme	13,014,000	-	520	-
- exercise and cancellation of share options	-	-	221	-
End of financial year	354,496,344	-	14,449	-

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

In 2009, 13,014,000 share options under the Ntegrator Share Options Scheme were exercised in whole at S$0.04 per share. During the financial year,

(i) a total of 33,354,595 warrants were exercised and issued at S$0.04 each;

(ii) 11,348,553 shares were issued pursuant to the Ntegrator Performance Share Plan; and

(iii) 1,967,797 shares were issued as script dividend.

The newly issued shares rank pari passu in all respects with the previously issued shares.

(a) Treasury shares

The Company acquired 251,000 (2009: Nil) of its new shares in the open market during the financial year. The total amount paid to acquire the shares was S$11,000 (2009: S$Nil) and this was presented as a component within shareholders' equity.

(b) Shares warrants

Share warrants outstanding at the end of the reporting year totalled 287,381,268 (2009: 106,291,301). These may be converted into shares at the conversion rate which are tabled below for each class of warrants for each ordinary share of no par value before the expiry date.

23. Share capital and treasury shares (continued)

(b) Shares warrants (continued)

Warrants	Balance as at 1.1.2010	Awarded during the year	Exercised during the year	Balance as at 31.12.2010	Price	Exercisable Period
W121011	106,291,301	-	18,019,504	88,271,797	$0.017	14.10.2009 to 11.10.2012
W131206	-	199,850,414	740,943	199,109,471	$0.020	13.12.2010 to 06.12.2013
Total	106,291,301	199,850,414	18,760,447	287,381,268		

(c) Share options

The Company implemented the Ntegrator Share Option Scheme (the "Scheme") in 2005 for granting of options to its full-time employees and directors of the Company and its subsidiaries. The total number of ordinary shares over which the Company may grant under the Scheme shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

The Scheme is administered by the Remuneration Committee ("RC") which comprises three directors, namely Bernard Chen Tien Lap, Lai Chun Loong and Charles George St. John Reed.

The exercise price for each ordinary share in respect of which an option is exercisable shall be determined by the Committee as follows:

(i) at a price equal to the prevailing market price of the ordinary shares of the Company based on the last dealt price per share as indicated in the daily official list or any publication published by the SGX for the five consecutive trading days immediately preceding the date of grant of that option (the "Market Price"); or

(ii) at a price which is set at a discount to the Market Price provided that the maximum discount shall not exceed 20% of the Market Price.

Options granted with the exercise price set at Market Price shall only be exercisable after 12 months of the date of grant of that option. Options granted with exercise price set at a discount to Market Price shall only be exercisable after 24 months from the date of grant of that option. All options granted shall be exercised before the end of 120 months (or 60 months where the participant is a non-executive directors) of the date of grant of that option and subject to such other conditions as may be introduced by the Committee from time to time.

Details of the options to subscribe for ordinary shares of the Company granted to directors, executive officers and employees of the Group pursuant to the Scheme described above are as follows:

	No. of ordinary shares under option				
	Beginning of financial year	Cancelled during the year	End of financial year	Exercise price	Exercisable period
Non-executive directors	1,800,000	-	1,800,000	S$0.04	25.08.2009 to 25.08.2014[2]
Executive directors	10,000,000	-	10,000,000	S$0.04	25.08.2009 to 25.08.2019[2]
Key management personnel	6,500,000	-	6,500,000	S$0.04	25.08.2009 to 25.08.2019[2]
Other	816,000	-	816,000	S$0.13	11.09.2008 to 10.09.2017[1]
Employees	1,922,000	260,000	1,662,000	S$0.04	25.08.2009 to 25.08.2019[2]
	21,038,000	260,000	20,778,000		

23. Share capital and treasury shares (continued)

(c) Share options (continued)

1. The fair value of equity share options as at the date of grant is estimated by an external valuer using a trinomial option pricing model, taking into account the terms and conditions upon which options were granted.

   The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

2. The fair value of equity share options as at the date of grant is estimated by an external valuer using a trinomial option pricing model in the Bloomberg Executive Option Valuation Module ("BEOVM") to estimate the fair value of the Options as at the date of grant, 25 August 2008.

BEOVM Parameters

The actual parameters applied in the BEOVM to estimate the fair values of the Options as at the date of grant are shown below:

Date of Grant	Vesting Date	Estimated Exercise Date	Subscription Price (S$)	Last Traded Price (S$)	Estimated Volatility (%)	Risk-free Rate (%)
25-Aug-08	25-Aug-09	25-Aug-10	0.04	0.04	100	1.145

(d) Performance share plan

The Company implemented the Ntegrator Performance Share Plan (the "PSP") in 2010 which was approved at the extraordinary general meeting ("EGM") held on 12 February 2010. The PSP provides for the award of fully paid-up ordinary shares in the share capital of the Company, free of charge to selected employees of the Company and/or its subsidiaries, including the directors of the Company, and other selected participants when and after pre-determined performance target(s) have been accomplished within the performance period.

The PSP is a share incentive scheme which will allow the Company, inter alia, to target specific performance objectives and to provide an incentive for participants to achieve these targets. The directors believe that the PSP will help to achieve the following positive objectives:

(a) incentivise employees to excel in their performance and encourage greater dedication and loyalty to the Group;

(b) attract and retain employees whose contributions are important to the long-term growth and profitability of the Group;

(c) recognise and reward past contributions and services and motivate employees to continue to strive for the Group's long-term prosperity; and

(d) develop a participatory style of management which instils loyalty and a stronger sense of identification with the long-term goals of the Group.

The PSP is administered by the Remuneration Committee ("RC") which comprises three directors, namely Bernard Chen Tien Lap, Lai Chun Loong and Charles George St. John Reed.

The PSP shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date on which the PSP was adopted by the Company in EGM, provided always that the PSP may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting, and of any relevant authorities which may then be required.

23. Share capital and treasury shares (continued)

(d) Performance share plan (continued)

The Company may deliver shares pursuant to awards granted under the PSP by way of:-

(i) issuance of new shares; and/or

(ii) delivery of existing shares purchased from the market or shares held in treasury.

The total number of ordinary shares over which the Company may grant under the PSP shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

A share awarded under the PSP was granted to employees and directors of the Company on 22 March 2010 in accordance with the approval by Shareholders at the EGM on 12 February 2010.

Details of the shares awarded pursuant to the PSP were as follows:

Name of director	Shares awarded during the financial year	Aggregate shares awarded since commencement of the PSP to 31.12.2010
Bernard Chen Tien Lap	800,000	800,000
Han Meng Siew	2,000,000	2,000,000
Jimmy Chang Joo Whut	2,000,000	2,000,000
Loudon Frank McLean Owen	200,000	200,000
Charles George St. John Reed	350,000	350,000
Lai Chun Loong	200,000	200,000
Tay Koon Chuan	200,000	200,000
Lee Keen Whye	200,000	200,000
Zacchaeus Boon Suan Zin (Alternate to Loudon Frank McLean Owen)	200,000	200,000
	6,150,000	6,150,000
Name of executive officer		
Kenneth Sw Chan Kit	2,000,000	2,000,000
Jason Leong Wee Siong	800,000	800,000
Diana Lee Meng Wah	800,000	800,000
	3,600,000	3,600,000
Employees	1,598,553	1,598,553
Total	11,348,553	11,348,553

Since the commencement of the PSP till the end of the financial year:

- No shares were awarded to the controlling shareholders of the Company and their associates; and

- No participant other than Bernard Chen Tien Lap, Han Meng Siew, Jimmy Chang Joo Whut, Kenneth Sw Chan Kit, Jason Leong Wee Siong and Diana Lee Meng Wah as mentioned above has received 5% or more of the total shares available under the PSP.

24. Dividends

	Group and Company	
	2010	2009
	S$'000	S$'000
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of 0.20 cents (2009: Nil) per share	754	-

At the forthcoming Annual General Meeting on 28 April 2011, a final tax exempt (one-tier) dividend of 0.20 cents per share amounting to S$802,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2011.

25. Commitments

Operating lease commitments – where Company is a lessee

The Group leases office equipment and commercial property such as offices from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under the non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2010	2009
	S$'000	S$'000
Not later than one year	281	308
Between one and five years	99	215
	380	523

26. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing detailed policies such as authority levels, oversight responsibilities, exposure limits, risk identification and measurement.

Financial risk management is carried out by the finance department in accordance with the policies set. The finance personnel identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The finance personnel measures actual exposures against the limits set and prepares periodic reports for review by the Financial Controller. Regular reports are also submitted to the Board of Directors.

26. Financial risk management (continued)

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore, Vietnam, Myanmar and Thailand. The Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD") and Thai Baht ("BAHT").

The Group's currency exposure based on the information provided to key management is as follows:

	2010					2009					
	SGD S$'000	USD S$'000	BAHT S$'000	OTHERS S$'000	TOTAL S$'000	SGD S$'000	USD S$'000	MYR S$'000	BAHT S$'000	OTHERS S$'000	TOTAL S$'000
Financial assets											
Cash and cash equivalents	834	6,390	51	1	7,276	541	2,239	–	3	1	2,784
Trade and other receivables	5,151	26,156	11,544	–	42,851	6,568	54,400	736	10,387	–	72,091
	5,985	32,546	11,595	1	50,127	7,109	56,639	736	10,390	1	74,875
Financial liabilities											
Trade and other payables	5,917	12,839	10,265	–	29,021	3,716	37,012	37	9,339	1	50,105
Borrowings	3,460	4,395	37	–	7,892	5,791	–	15	81	–	5,887
	9,377	17,234	10,302	–	36,913	9,507	37,012	52	9,420	1	55,992
Net financial (liabilities)/assets	**(3,392)**	**15,312**	**1,293**	**1**	**13,214**	**(2,398)**	**19,627**	**684**	**970**	**–**	**18,883**
Currency exposure of financial assets / (liabilities) net of those denominated in the Company's functional currency	**-**	**15,312**	**1,293**	**1**	**13,214**	**-**	**19,627**	**684**	**970**	**–**	**18,883**

The Company is not exposed to currency risk since all its financial assets and liabilities as at 31 December 2009 and 2010 are denominated in Singapore Dollar.

If the USD changes against the SGD by 3% (2009: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Group			
	2010 S$'000		2009 S$'000	
	Net profit	Equity	Net profit	Equity
SGD against USD				
- strengthened 3% (2009: 3%)	459	-	589	-
- weakened 3% (2009: 3%)	(459)	-	(589)	-

26. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the BAHT changes against the SGD by 3% (2009: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Group			
	2010 S$'000		**2009 S$'000**	
	Net profit	Equity	Net profit	Equity
SGD against BAHT				
- strengthened 3% (2009: 3%)	39	-	29	-
- weakened 3% (2009: 3%)	(39)	-	(29)	-

If the other foreign currencies have strengthened/weakened by 3% (2009: 3%) against the SGD with all other variables including tax rate being held constant, the impact to the equity and net profit of the Group arising from currency translation gains/losses to the remaining foreign currency denominated financial liability/asset will not be significant.

(ii) Price risk

The Group does not have exposure to equity price risk as it does not hold equity financial assets.

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from bank overdrafts and borrowings at floating interest rate. The Group manages its interest rate by keeping bank loans to the minimum required to sustain the operations of the Group.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk.

26. Financial risk management (continued)

(b) Credit risk (continued)

It is also the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Customers with high credit risks are required either to pay on cash term, make advance payments or issue letter of credits. The Group trades only with recognised, creditworthy and secured third parties, there is no requirement for collateral. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group has concentration of credit risk with customers, who are foreign government agencies, for whom it has completed several network infrastructure projects. These customers have made an arrangement with a financial institution in its own country to issue irrevocable letters of credit in favour of the Group for the settlement of these projects. As at 31 December 2010, the total amount of the irrevocable letters of credit issued in favour of the Group of S$24,968,000 (2009: S$53,090,000), which are classified as bills receivables (Note 12), and represents 75% (2009 : 89%) of the total trade receivables of the Group as at that date.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	2010 S$'000	2009 S$'000
Corporate guarantees provided to banks or subsidiary's loan	36,249	24,879

The Company has issued corporate guarantee to banks for borrowings of a subsidiary whereby the subsidiary has not defaulted in the payment of borrowings.

The credit risk for trade and bills receivables based on the information provided to key management are as follows:

	Group	
	2010 S$'000	2009 S$'000
By geographical areas		
Singapore	4,216	2,864
Myanmar	14,910	24,349
Vietnam	10,067	29,512
Other	4,299	3,076
	33,492	59,801
By types of customers		
Non-related parties		
- Government agencies	28,242	55,224
- Other companies	5,250	4,577
	33,492	59,801

26. Financial risk management (continued)

(b) *Credit risk* (continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

The Group's trade receivables not past due include receivables amounting to S$2,130,000 (2009: S$393,000) that would have been past due or impaired if the terms were not re-negotiated during the financial year.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2010 **S$'000**	**2009** **S$'000**
Past due < 3 months	4,414	2,626
Past due 3 to 6 months	676	785
Past due over 6 months	1,304	2,907
	6,394	6,318

There are no trade receivables individually determined to be impaired as at the balance sheet date except for trade debts directly written off to profit or loss amounting S$593,000 (Note 6), as recoverability is determined to be low due to political unrest in the customers' country of origin.

(c) *Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities (Note 20). At the balance sheet date, assets held by the Group for managing liquidity risk included cash and short-term deposits as disclosed in Note 11.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

26. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000
Group			
At 31 December 2010			
Trade and other payables	29,021	-	-
Borrowings	2,175	5,694	24
	31,196	5,694	24
At 31 December 2009			
Trade and other payables	50,105	-	-
Borrowings	3,294	2,589	5
	53,399	2,589	5
Company			
At 31 December 2010			
Trade and other payables	542	-	-
At 31 December 2009			
Trade and other payables	403	-	-

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a debt-equity ratio. The Group and the Company are also required by the banks to maintain a debt-equity ratio of not exceeding 2.8 times (2009: 2.8 times). The Group's and Company's strategies, which are unchanged from 2006, are to maintain debt-equity ratios within 2.5 times to 3.0 times.

The debt-equity ratio is calculated as total liabilities divided by total net tangible asset.

	Group	
	2010	2009
Total liabilities (S$'000)	36,972	56,085
Net tangible asset (S$'000)	15,238	21,379
Debt-equity ratio	**2.43 times**	**2.62 times**

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2009 and 2010.

26. Financial risk management (continued)

(e) Fair value measurements

The carrying values of financial assets and liabilities of the Group and the Company approximate their respective fair value.

27. Related party disclosures

No transactions took place between the Group and related parties other than those disclosed elsewhere in the financial statements.

Directors and Key management personnel compensation:

	Group	
	2010 S$'000	**2009 S$'000**
Salaries and bonuses	1,699	1,599
Employer's contribution to defined contribution plan, including Central Provident Fund	53	52
Directors' fees	284	282
Share option expense	-	307
Performance share expense	393	-
	2,429	2,240
Comprised amounts paid to :		
Directors of the Company	1,420	1,317
Directors of subsidiaries	156	147
Other key management personnel	853	776
	2,429	2,240

28. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors comprises of Executive and Non-Executive Directors.

The Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Singapore, Myanmar and Vietnam. All geographic locations are engaged in the project sales and project management and maintenance services.

The Group is organised into two operating segments – Project Sales and Project Management and Maintenance Services.

Project sales segment engages in integration of network infrastructure that enable the customers to communicate electronically within an organisation or with another organisation whether located in the same country or globally. It also provides the customers with seamless integration of a wide variety of voice and data signals used in large institutional telecom applications.

The Project Management and Maintenance Services segment provides installation and implementation services of the network infrastructure or voice communication systems that have been purchased by the customers from the Group's principals, and maintenance and support services mainly for the network infrastructure and voice communication systems.

28. Segment information (continued)

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

No disclosure of capital expenditure and depreciation of plant and equipment by business segments are made as the assets of the Group are used interchangeably by different business segments and therefore, it is not practicable to segregate the assets for disclosure purpose. The directors of the Company do not consider this information to be meaningful.

(a) Business segments

	Project sales		Project management & maintenance Services		Consolidated	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue						
Revenue to external customers	29,786	48,171	7,840	7,754	37,626	55,925
Segment result	2,826	5,385	2,286	1,911	5,112	7,296
Other (losses) / gains - net					(1,207)	520
Unallocated expenses						
- Administrative					(10,387)	(6,447)
- Finance					(381)	(393)
Profit before income tax					(6,863)	976
Income tax					(40)	(46)
Net profit					(6,903)	930
Segment assets	43,459	74,262	319	1,777	43,778	76,039
Unallocated assets					8,853	3,026
Total assets					52,631	79,065
Segment liabilities	28,537	46,821	355	631	28,896	47,452
Unallocated liabilities					8,080	8,633
Total liabilities					36,972	56,085

(b) Geographic segments

	Singapore		Myanmar		Vietnam		Others		Consolidated	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue										
Sales to external customers	13,509	9,268	7,316	2,934	9,469	34,714	7,332	9,009	37,626	55,925

Other geographical information:

	Singapore		Myanmar		Vietnam		Others		Consolidated	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Segment assets	41,177	67,928	-	-	-	-	11,454	11,137	52,631	79,065
Capital expenditure										
- property, plant and equipment	113	222	-	-	-	-	15	6	128	228
- intangible assets	173	365	-	-	-	-	-	-	173	365

28. Segment information (continued)

Allocation basis and transfer pricing (continued)

(c) Reconciliation

(i) Segment assets

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the plant and equipment, intangible assets, inventories, receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than cash and cash equivalent, receivables and plant and equipment.

Segment assets are reconciled to total assets as follows:

	Group	
	2010 S$'000	**2009 S$'000**
Segment assets for reporting segments	43,778	76,039
Unallocated:		
- Cash and cash equivalents	7,276	2,784
- Trade and other receivables	1,373	-
- Plant and equipment	204	242
	52,631	79,065

(ii) Segment liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than payables, borrowings and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	2010 S$'000	**2009 S$'000**
Segment liabilities for reporting segments	28,892	47,452
Unallocated:		
- Trade and other payables	29	2,783
- Borrowings	7,892	5,791
- Deferred income tax liabilities	59	59
	36,972	56,085

29. New accounting standards and FRS interpretations

Below is the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant to the Group's accounting periods beginning on or after 1 January 2011 or late periods and which the Group has not early adopted:

- Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

- Amendments to FRS 32 Financial instruments: Presentation – classification of right issues (effective for annual periods beginning on or after 1 January 2011)

- Amendments to INT FRS 114 – Prepayments of a minimum funding requirement (effective for annual periods commencing on or after 1 January 2011)

- INT FRS 119 Extinguishing financial liabilities with equity instruments (effective for annual periods commencing on or after 1 January 2011)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2011

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	5	0.56	2,591	0.00
1,000 - 10,000	243	27.40	992,765	0.25
10,001 - 1,000,000	586	66.07	89,855,916	22.39
1,000,001 and above	53	5.97	310,370,405	77.36
Total :	**887**	**100.00**	**401,221,677**	**100.00**

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1.	1413783 Ontario Inc	47,576,000	11.86
2.	Mayban Nominees (S) Pte Ltd	37,744,132	9.41
3.	Fortune Technology Fund I Limited	36,488,120	9.09
4.	Goh Siok Kuan	24,000,000	5.98
5.	Tan Yew Bock	13,928,259	3.47
6.	Jimmy Chang Joo Whut	12,800,000	3.19
7.	Koh Kow Tee Michael	9,000,951	2.24
8.	Sw Chan Kit	8,085,600	2.02
9.	Koh Chin Hin	6,210,000	1.55
10.	Han Meng Siew	6,000,000	1.50
11.	Thng Joo Moi	5,794,100	1.44
12.	Lee Keen Whye	5,770,500	1.44
13.	Chen Tien Lap Bernard	5,090,000	1.27
14.	DB Nominees (S) Pte Ltd	4,160,000	1.04
15.	Harry Halim @ Lim Eng Lian	4,100,000	1.02
16.	Neo Tiong Woon (Liang Zhang'en)	4,048,000	1.01
17.	Leong Wee Siong	4,000,300	1.00
18.	Nam Jee Wah	4,000,000	1.00
19.	DBS Vickers Securities (Singapore) Pte Ltd	3,600,000	0.90
20.	OCBC Securities Private Ltd	3,564,165	0.89
	Total :	**245,960,127**	**61.32**

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2011

Class of shares	:	Ordinary shares
Issued and fully paid-up capital (including Treasury Shares)	:	S$15,644,767.60
Issued and fully paid-up capital (excluding Treasury Shares)	:	S$15,633,472.60
Number of Shares issued (excluding Treasury Shares)	:	401,221,677
Number (Percentage) of Treasury Shares	:	251,000 (0.06%)
Voting rights (excluding Treasury Shares)	:	One vote per share

Substantial Shareholders' Interests

	Direct interest		Deemed interest	
Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Han Meng Siew	6,000,000	1.50	30,124,000	7.51
Goh Siok Kuan[(2)]	24,000,000	5.98	12,124,000	3.02
Jimmy Chang Joo Whut	12,800,000	3.19	7,324,000	1.83
Kenneth Sw Chan Kit	8,085,600	2.02	16,796,000	4.19
Fortune Technology Fund I Ltd[(3)]	36,488,120	9.10	-	0.00
TIF Asia Pte Ltd	-	0.00	36,488,120	9.10
G-Tech Investments Pte Ltd[(3)]	-	0.00	36,488,120	9.10
EDB Investments Pte Ltd[(3)]	-	0.00	36,488,120	9.10
Economic Development Board[(3)]	-	0.00	36,488,120	9.10
McLean Watson Capital Inc. [(4)]	-	0.00	48,060,560	11.98
McLean Watson Ventures II Limited Partnership[(4)]	-	0.00	48,060,560	11.98
1413783 Ontario Inc. [(4)]	47,576,000	11.87	-	0.00

Notes:

1) Based on the total issued capital of the Company comprising 400,916,289 Shares (excluding Treasury Shares) as at the Latest Practicable Date.

2) Mdm Goh Siok Kuan is the spouse of Mr. Han Meng Siew. Mr. Han Meng Siew is deemed to be interested in the shares held by his wife. Mdm Goh Siok Kuan is similarly deemed interested in the shares held by Mr. Han Meng Siew.

3) TIF Asia Pte Ltd ("**TIF Asia**") which holds fifty per cent. (50%) in Fortune Technology Fund I Ltd ("**FTFI**"), is deemed by virtue of Section 7(4A) of the Companies' Act to be interested in the shares held by FTFI. Economic Development Board ("**EDB**") and EDB Investments Pte Ltd ("**EDBI**") are deemed to be Substantial Shareholders of the Company through TIF Asia. TIF Asia is a subsidiary of G-Tech Investment Pte Ltd which is a subsidiary of EDBI. EDBI is a wholly-owned subsidiary of EDB.

4) McLean Watson Capital Inc. and McLean Watson Ventures II Limited Partnership are deemed interested in the shares held by 1413782 Ontario Inc. and 1413783 Ontario Inc.

5) The deemed interests of Mr. Han Meng Siew, Mr. Jimmy Chang Joo Whut and Mr. Kenneth Sw Chan Kit comprise shares held by financial institutions.

Percentage of Shareholding in Public's Hands

53 % of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Catalist Rule 723 of the Listing Manual of the SGX-ST.

STATISTICS OF WARRANTHOLDINGS

AS AT 18 MARCH 2011 (W121011 @ S$0.017 EACH)

Distribution of Warrantholdings

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	113	17.10	45,947	0.05
1,000 - 10,000	206	31.16	800,640	0.91
10,001 - 1,000,000	332	50.23	30,600,480	34.67
1,000,001 and above	10	1.51	56,824,730	64.37
Total :	**661**	**100.00**	**88,271,797**	**100.00**

Twenty Largest Warrantholders

No.	Name	No. of Warrants	%
1.	1413783 Ontario Inc	17,127,360	19.40
2.	Fortune Technology Fund I Limited	13,135,723	14.88
3.	Goh Siok Kuan	8,640,000	9.79
4.	Mayban Nominees (S) Pte Ltd	4,841,926	5.49
5.	Tan Jui Yak	4,060,000	4.60
6.	Jimmy Chang Joo Whut	3,888,000	4.40
7.	1413782 Ontario Inc	1,549,641	1.76
8.	Han Meng Siew	1,440,000	1.63
9.	United Overseas Bank Nominees Pte Ltd	1,126,080	1.28
10.	Ng Boon Hai	1,016,000	1.15
11.	Pang Joo Ling	864,000	0.98
12.	Soon Maggie	864,000	0.98
13.	Lau Yam Seng	831,600	0.94
14.	Loudon Frank Mclean Owen	781,920	0.89
15.	Sw Chun Hoong	757,800	0.86
16.	Tee Siew Kiong	747,480	0.85
17.	Tan Eng Hong	651,000	0.74
18.	Mui Cheng Wai (Ruan Qingwei) @ Loh Kee Wai	624,000	0.71
19.	Song Suh Shin	612,000	0.69
20.	OCBC Securities Private Ltd	594,720	0.67
	Total :	**64,153,250**	**72.69**

Substantial Warrantholders (W121011)

	Direct Interest	%	Deemed Interest	%
Han Meng Siew (1)	1,440,000	1.63	10,844,640	12.29
Goh Siok Kuan (1)	8,640,000	9.79	3,644,640	4.13
Jimmy Chang Joo Whut	3,888,000	4.40	2,636,640	2.99
Fortune Technology Fund I Ltd (2)	13,135,723	14.88	-	-
TIF Asia Pte Ltd (2)	-		13,135,723	14.88
G-Tech Investments Pte Ltd (2)	-		13,135,723	14.88
EDB Investments Pte Ltd (2))	-		13,135,723	14.88
Economic Development Board (2)	-		13,135,723	14.88
1413783 Ontario Inc. (3)	17,127,360	19.40	-	-
McLean Watson Capital Inc. (3)	-		18,677,001	21.16
McLean Watson Ventures II Limited Partnership (3)	-		18,677,001	21.16

Notes:

(1) Mdm Goh Siok Kuan is the spouse of Mr Han Meng Siew. Mr Han Meng Siew is deemed to be interested in the Warrants held by his wife. Mdm Goh Siok Kuan is similarly deemed interested in the Warrants held by Mr Han Meng Siew.

(2) TIF Asia Pte Ltd ("TIF Asia") which holds 50% in Fortune Technology Fund I Ltd ("FTFI"), is deemed by virtue of Section 7(4A) of the Companies' Act to be interested in the Warrants held by FTFI.

Economic Development Board ("EDB") and EDB Investments Pte Ltd ("EDBI") are deemed to be Substantial Warrantholders of the Company through TIF Asia. TIF Asia is a subsidiary of G-Tech Investment Pte Ltd which is a subsidiary of EDBI. EDBI is a wholly-owned subsidiary of EDB.

(3) McLean Watson Capital Inc. and McLean Watson Ventures II Limited Partnership are deemed interested in the Warrants held by 1413782 Ontario Inc. and 1413783 Ontario Inc., by virtue of Section 7 of the Companies Act.

STATISTICS OF WARRANTHOLDINGS

AS AT 18 MARCH 2011 (W131206 @ S$0.02 EACH)

Distribution of Warrantholdings

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	96	11.58	48,106	0.02
1,000 - 10,000	230	27.74	1,094,284	0.55
10,001 - 1,000,000	461	55.61	50,386,098	25.31
1,000,001 and above	42	5.07	147,580,983	74.12
Total :	**829**	**100.00**	**199,109,471**	**100.00**

Twenty Largest Warrantholders

No.	Name	No. of Warrants	%
1.	1413783 Ontario Inc	23,788,000	11.95
2.	Fortune Technology Fund I Limited	18,244,060	9.16
3.	Mayban Nominees (S) Pte Ltd	18,048,066	9.06
4.	Goh Siok Kuan	12,000,000	6.03
5.	Jimmy Chang Joo Whut	6,400,000	3.21
6.	Sw Chan Kit	4,042,800	2.03
7.	Tan Yew Bock	3,800,129	1.91
8.	DBS Vickers Securities (Singapore) Pte Ltd	3,250,000	1.63
9.	Han Meng Siew	3,000,000	1.51
10.	Tan Jui Yak	2,900,000	1.46
11.	Thng Joo Moi	2,897,050	1.46
12.	Lee Keen Whye	2,885,250	1.45
13.	Koh Chin Hin	2,692,000	1.35
14.	Koh Kow Tee Michael	2,555,555	1.28
15.	Chen Tien Lap Bernard	2,545,000	1.28
16.	1413782 Ontario Inc	2,152,280	1.08
17.	Kim Eng Securities Pte. Ltd.	2,090,500	1.05
18.	DB Nominees (S) Pte Ltd	2,080,000	1.04
19.	Neo Tiong Woon (Liang Zhang'en)	2,024,000	1.02
20.	Leong Wee Siong	2,000,150	1.00
	Total :	**119,394,840**	**59.96**

STATISTICS OF WARRANTHOLDINGS

AS AT 18 MARCH 2011 (W131206 @ S$0.02 EACH)

SUBSTANTIAL WARRANTHOLDERS (W131206)

	Direct Interest	%	Deemed Interest	%
Han Meng Siew [(1)]	3,000,000	1.51	15,062,000	7.56
Goh Siok Kuan [(1)]	12,000,000	6.03	6,062,000	3.04
Jimmy Chang Joo Whut	6,400,000	3.21	3,662,000	1.84
Fortune Technology Fund I Ltd [(2)]	18,244,060	9.16	-	-
TIF Asia Pte Ltd [(2)]	-	-	18,244,060	9.16
G-Tech Investments Pte Ltd [(2)]	-	-	18,244,060	9.16
EDB Investments Pte Ltd [(2)]	-	-	18,244,060	9.16
Economic Development Board [(2)]	-	-	18,244,060	9.16
1413783 Ontario Inc. [(3)]	23,788,000	11.95	-	-
McLean Watson Capital Inc. [(3)]	-	-	25,940,280	13.03
McLean Watson Ventures II Limited Partnership [(3)]	-	-	25,940,280	13.03

Notes:

(1) Mdm Goh Siok Kuan is the spouse of Mr Han Meng Siew. Mr Han Meng Siew is deemed to be interested in the Warrants held by his wife. Mdm Goh Siok Kuan is similarly deemed interested in the Warrants held by Mr Han Meng Siew.

(2) TIF Asia Pte Ltd ("TIF Asia") which holds 50% in Fortune Technology Fund I Ltd ("FTFI"), is deemed by virtue of Section 7(4A) of the Companies' Act to be interested in the Warrants held by FTFI.

Economic Development Board ("EDB") and EDB Investments Pte Ltd ("EDBI") are deemed to be Substantial Warrantholders of the Company through TIF Asia. TIF Asia is a subsidiary of G-Tech Investment Pte Ltd which is a subsidiary of EDBI. EDBI is a wholly-owned subsidiary of EDB.

(3) McLean Watson Capital Inc. and McLean Watson Ventures II Limited Partnership are deemed interested in the Warrants held by 1413782 Ontario Inc. and 1413783 Ontario Inc., by virtue of Section 7 of the Companies Act.

NTEGRATOR INTERNATIONAL LTD.
(Incorporated in Singapore)
(Co. Reg. No: 199904281D)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ntegrator International Ltd. (the "Company") will be held at 4 Leng Kee Road #06-04, SIS Building, Singapore 159088 on Thursday, 28 April 2011 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2010 together with the Auditors' Report thereon.

   (Resolution 1)

2. To declare a first and final Tax Exempt (One-Tier) dividend of 0.2 Singapore cent per share for the year ended 31 December 2010 (2009: 0.2 Singapore cent per share).

   (Resolution 2)

3. To re-elect the following Directors retiring pursuant to Article 99(2) of the Company's Articles of Association:

   Mr Loudon Frank McLean Owen **(Resolution 3)**
   Mr Lai Chun Loong **(Resolution 4)**
   Mr Charles George St. John Reed **(Resolution 5)**

   Mr Lai Chun Loong will, upon re-election as Director of the Company, remain as a member of the Audit Committee and the Remuneration Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   Mr Charles George St. John Reed will, upon re-election as Director of the Company, remain as a member of the Audit Committee, the Remuneration Committee and the Nominating Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

4. To approve the payment of Directors' fees of S$284,000 for the year ended 31 December 2010 (2009: S$ 282,000).

   (Resolution 6)

5. To re-appoint Nexia TS Public Accounting Corporation as the Company's independent auditors and to authorise the Directors to fix their remuneration.

   (Resolution 7)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

7. **ORDINARY RESOLUTION: SHARE ISSUE MANDATE**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be given to the Directors of the Company to issue shares ("Shares") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company;

(b) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) of the Company as at the date of the passing of this Resolution, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) new shares arising from exercising share options or vesting of Share awards outstanding or subsisting at the time this Resolution is passed; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) And that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities.
[See Explanatory Note (i)] **(Resolution 8)**

8. **ORDINARY RESOLUTION: AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE NTEGRATOR SHARE OPTION SCHEME AND NTEGRATOR PERFORMANCE SHARE PLAN**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be authorised and empowered to allot and issue shares in the capital of the Company to all the holders of options granted by the Company, whether granted during the subsistence of this authority or otherwise, under the Ntegrator Share Option Scheme and the Ntegrator Performance Share Plan (the "Schemes") upon the exercise of such options and in accordance with the terms and conditions of the Schemes, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Schemes shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.
[See Explanatory Note (ii)] **(Resolution 9)**

9. **ORDINARY RESOLUTION: RENEWAL OF SHARE BUYBACK MANDATE**

That for the purposes of Sections 76C and 76E of the Companies' Act, Cap. 50, authority be and is hereby given to the directors of the Company to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**On-Market Purchase**") on the Catalist (a market regulated by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), formerly known as the SGX-ST Dealing and Automated Quotation System) ("**Catalist**"), through the SGX-ST's Central Limit Order Book trading system transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the Catalist in accordance with any equal access scheme as may be determined or formulated by the directors of the Company as they consider fit, such scheme shall satisfy all the conditions prescribed by the Companies' Act, Cap. 50 and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

and unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buyback Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

That in this Resolution, "**Prescribed Limit**" means ten per cent. (10%) of the issued ordinary Shares of the Company as at the date of the last annual general meeting or as at the date of the passing of this Resolution (whichever is the higher); and "**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Purchase: 105% of the Average Closing Price; and
(ii) in the case of an Off-Market Purchase: 120% of the Average Market Price,

where:

"**Average Closing Price**" is the average of the closing market prices of a Share over the last five market days on Catalist, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five day market period;

"**Average Market Price**" is the average of the closing market prices of a Share over the last five market days on Catalist, on which transactions in the Shares were recorded, preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

9. **ORDINARY RESOLUTION: RENEWAL OF SHARE BUYBACK MANDATE (continued)**

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and the directors of the Company, be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."
[See Explanatory Note (iii)] **(Resolution 10)**

By Order of the Board

Kenneth Sw Chan Kit
Yvonne Choo
Shirley Lim Keng San
Company Secretaries

Singapore, 11 April 2011

Notes –

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 4 Leng Kee Road #06-04, SIS Building, Singapore 159088 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

NTEGRATOR INTERNATIONAL LTD.
(Incorporated in Singapore)
(Co. Reg. No: 199904281D)

Explanatory Notes on Resolutions to be passed:

(i) *Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding fifty percent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty percent (20%) may be issued other than on a pro rata basis.*

(ii) *Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors of the Company, to allot and issue shares pursuant to the exercise of options outstanding under the Ntegrator Share Option Scheme and/or the vesting of awards granted pursuant to the Ntegrator Performance Share Plan, provided that the aggregate number of shares to be issued pursuant to the Ntegrator Share Option Scheme and the Ntegrator Performance Share Plan does not exceed fifteen per cent (15%) of the total number of shares (excluding treasury shares) in the capital of the Company from time to time.*

(iii) *Ordinary Resolution 10 proposed in item 9 above, if passed, will empower the Directors from the date of the above Meeting until the next Annual General Meeting to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price. Information relating to this proposed Resolution are set out in Addendum to Shareholders attached.*

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this notice including the correctness of any of the figures used, statements or opinions made.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms Foo Quee Yin
Telephone number: 6221 0271

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NTEGRATOR INTERNATIONAL LTD.
(Incorporated in Singapore)
(Co. Reg. No: 199904281D)

IMPORTANT:
1. For investors who have used their CPF monies to buy Ntegrator International Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, ______________________________

of ______________________________
being a *member/members of NTEGRATOR INTERNATIONAL LTD. (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Thursday, 28 April 2011 at 11.30 am and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2010		
2	Payment of proposed first and final dividend		
3	Re-election of Mr Loudon Frank McLean Owen as a Director		
4	Re-election of Mr Lai Chun Loong as a Director		
5	Re-election of Mr Charles George St. John Reed as a Director		
6	Approval of Directors' fees amounting to S$284,000		
7	Re-appointment of Nexia TS Public Accounting Corporation as Independent Auditors		
8	Share Issue Mandate		
9	Authority to allot and issue shares under the Ntegrator Share Option Scheme and Ntegrator Performance Share Plan		
10	Renewal of Share Buyback Mandate		

*Delete where inapplicable

Dated this _____ day of April 2011

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
and, Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 4 Leng Kee Road #06-04, SIS Building, Singapore 159088 not less than forty-eight (48) hours before the time appointed for the Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Bernard Chen Tien Lap
Non-Executive Chairman & Independent Director

Han Meng Siew
Deputy Chairman & Executive Director

Jimmy Chang Joo Whut
Managing Director & Executive Director

Tay Koon Chuan
Non-Executive Director

Loudon Frank McLean Owen
Non-Executive Director

Lai Chun Loong
Independent Director

Charles George St. John Reed
Independent Director

Zacchaeus Boon Suan Zin
(Alternate to Loudon Frank McLean Owen)

Lee Keen Whye
Independent Director

NOMINATING COMMITTEE

Independent Directors
Bernard Chen Tien Lap (Chairman)
Charles George St. John Reed

Non-Executive Director
Tay Koon Chuan

REMUNERATION COMMITTEE

Independent Directors
Bernard Chen Tien Lap (Chairman)
Charles George St. John Reed
Lai Chun Loong

AUDIT COMMITTEE

Independent Directors
Charles George St. John Reed (Chairman)
Lai Chun Loong
Lee Keen Whye

Non-Executive Director
Loudon Frank McLean Owen
(Alternate: Zacchaeus Boon Suan Zin)

COMPANY SECRETARIES

Kenneth Sw Chan Kit
Yvonne Choo, FCIS
Lim Keng San Shirley, FCIS

REGISTERED OFFICE

4 Leng Kee Road
#06-04 SIS Building
Singapore 159088
Tel: (65) 6479 6033
Fax: (65) 6472 2966
Website: www.ntegrator.com

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS

Nexia TS Public Accounting Corporation
Certified Public Accountants
5 Shenton Way
UIC Building #16-00
Singapore 068808

Director-in-charge: Chin Chee Choon
(Appointed since 31 December 2009)

PRINCIPAL BANKERS

DBS Bank Ltd
United Overseas Bank Ltd

INVESTOR RELATIONS CONTACTS

Ntegrator International Ltd.
Jimmy Chang
4 Leng Kee Road
#06-04 SIS Building
Singapore 159088
Tel: (65) 6479 6033
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ir@ntegrator.com

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