

This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional adviser.

We have made an application to the Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to deal in, and for quotation of, all the ordinary shares of S\$0.10 each ("Shares") in the capital of Ntegrator International Ltd already issued, the new shares ("New Shares") which are the subject of this Invitation (as defined herein) ("New Shares") and the new Shares to be issued under the Ntegrator Share Option Scheme ("Option Shares"). Such permission will be granted when we have been admitted to the Official List of the Singapore Exchange Securities Trading Limited Dealing and Automated Quotation System ("SGX-SESDAQ"). **The dealing and quotation of the Shares will be in Singapore dollars.**

Acceptance of applications will be conditional upon, *inter alia*, permission being granted by the SGX-ST to deal in, and for quotation of, all the existing issued Shares, New Shares and the Option Shares. If the completion of the Invitation does not occur because the SGX-ST's permission is not granted or for any other reasons, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claims against us or the Manager.

The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-SESDAQ is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our Shares, the New Shares, or the Option Shares.

A copy of this Prospectus, together with a copy of the Application Forms, has been lodged with and registered by the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Prospectus. Registration of the Prospectus by the Authority does not imply that the Securities and Futures Act (Cap. 289), or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the merits of our Shares, the New Shares or the Option Shares, as the case may be, being offered or in respect of which an invitation is made, for investment.

Investing in our Shares involves risks which are described in the section entitled "RISK FACTORS" of this Prospectus.

No Shares will be allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus.



**NTEGRATOR INTERNATIONAL LTD**

(Registration No. 199904281D)

(Incorporated in the Republic of Singapore on 24 July 1999)

Invitation in respect of 20,100,000  
New Shares of S\$0.10 each as follows:-

- (a) 2,000,000 Offer Shares at S\$0.23 each  
by way of public offer; and
- (b) 18,100,000 Placement Shares at S\$0.23 each  
by way of placement, comprising:-
  - (i) 16,100,000 Placement Shares at S\$0.23 each; and
  - (ii) 2,000,000 Reserved Shares at S\$0.23 each reserved  
for Directors, management, employees, business  
associates and those who have contributed to the  
success of our Group,

payable in full on application.

Manager, Underwriter and Placement Agent



Primary Sub-Underwriters and Primary Sub-Placement Agents



**UOB Kay Hian**  
UOB KAY HIAN PRIVATE LIMITED

# A REGIONAL INTEGRATION SPECIALIST

FOR NETWORK INFRASTRUCTURE AND VOICE COMMUNICATION SYSTEMS

We are a specialist in the integration of network infrastructure and voice communication systems. Headquartered in Singapore, we expanded our presence rapidly in the region to cover Vietnam, Myanmar, Malaysia, Philippines and Thailand.

In a short span of three years since our inception in 2002, we have built a track record of projects and an established base of customers including major telecommunication companies in Singapore, Vietnam and Myanmar. Profitable since our first year of operations, our net profit jumped 11-fold, from \$287,000 in FY2002 to \$3.3 million in FY2004 and our revenue increased 4-fold from \$7.4 million in FY2002 to \$31.6 million in FY2004.

With our proven record, driven by an experienced management and technical team, we are able to identify market niches and expand both our local and overseas business.



We received the Promising SME Award in the Singapore SME 500 (Year 2005), which ranks and recognises the most successful small-and-medium enterprise companies based on annual financial performance of sales/turnover.

## OUR BUSINESS

### NETWORK INFRASTRUCTURE

- Fibre optics network infrastructure solutions using SDH, DCME and DWDM
- Multi-service access solutions for network infrastructure
- Solutions for ISPs and Internet applications
- Computer security solutions for IP networks
- VoIP solutions
- Broadband wireless solutions using Free Space Optics
- Wireless LAN deployment for campuses and public facilities
- Cellular GSM and CDMA network solutions

### VOICE COMMUNICATION SYSTEMS

- We customise voice communication systems used in large institutional telecom applications, including:-
  - o PABX
  - o Video conferencing system
  - o Voice messaging/recording/logging system

### MAINTENANCE AND SUPPORT SERVICES AND PROJECT MANAGEMENT SERVICES

- Provision of maintenance and support services including the provision of 24-hour fault control hotline, hardware and software repair services, on-line CRM system services, 24-hour on-site support services and 24-hour remote modem dial-in services
- Project management services for network infrastructure and voice communication systems

### TURNKEY SOLUTIONS FOR MEDICAL EQUIPMENT

- Expanded our current business portfolio to include the provision of turnkey solutions for medical equipment

## OUR CUSTOMERS

CLIENTS	SERVICES PROVIDED
(since Ntegrator's inception in April 2002)	
<b>Viettel</b> - a leading telecommunications operator providing fixed line, Internet access and cellular services in Vietnam	<ul style="list-style-type: none"><li>• Full turn-key DWDM and SDH fibre optics network infrastructure solutions</li></ul>
<b>Ministry of Defence, Myanmar and Myanmar Post and Telecommunications</b> - the main telecommunications operator providing fixed line and cellular services in Myanmar	<ul style="list-style-type: none"><li>• Full turn-key SDH fibre optics network infrastructure solutions</li><li>• Full turn-key voice communications systems</li></ul>
<b>MobileOne</b>	<ul style="list-style-type: none"><li>• Full turn-key SDH and DCME fibre optics network infrastructure solutions</li><li>• VoIP media gateway</li></ul>
<b>Standard Chartered Bank</b>	<ul style="list-style-type: none"><li>• PABX solutions</li><li>• Maintenance of voice communication systems</li></ul>
<b>Alcatel</b>	<ul style="list-style-type: none"><li>• Project management service for installation of new PABX systems for Diamond Princess and Sapphire Princess Cruises</li></ul>
<b>SingTel</b>	<ul style="list-style-type: none"><li>• Supply of test equipment for network operations and maintenance applications</li></ul>





## COMPETITIVE STRENGTHS



### - INTEGRATED ONE-STOP SHOP SOLUTIONS

We have the technical capabilities and experience in providing a full range of data, video, fibre optics, wireless and cellular network infrastructure as well as voice communication systems.

### - STRONG TECHNICAL EXPERTISE

We have a team of qualified, skilled and experienced project engineers who have capabilities in designing, developing and implementing large-scale network infrastructure, enabling the company to respond swiftly to customers' requirements and provide value-added services.

### - EXPERIENCED MANAGEMENT AND SALES TEAM

We have an experienced management team who has a proven track record of between 15 and 25 years of experience each in the IT and telecommunications industry. They are supported by a highly motivated and competent sales and marketing team who are instrumental in expanding our customer base.

### - GOOD TRACK RECORD

We have carved a niche as an integration specialist for network infrastructure and voice communication systems. Our major projects include the provision of network infrastructure and/or voice communication systems for MobileOne, SMRT, Viettel and the government sector in Vietnam and Myanmar.

### - GOOD RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

Our major customers and suppliers have transacted with us since we commenced operations, resulting in repeat business.

### - NETWORK OF REGIONAL OFFICES

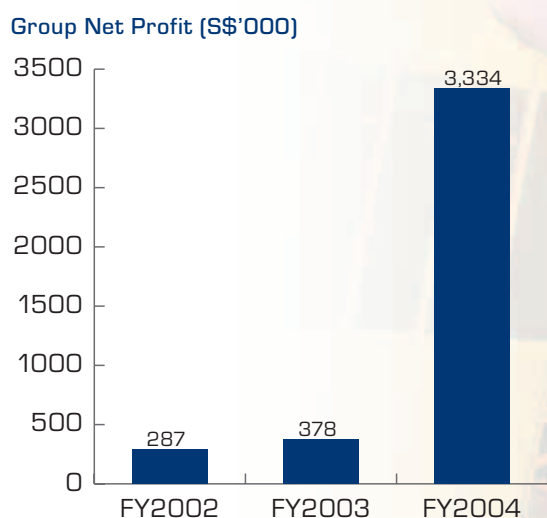
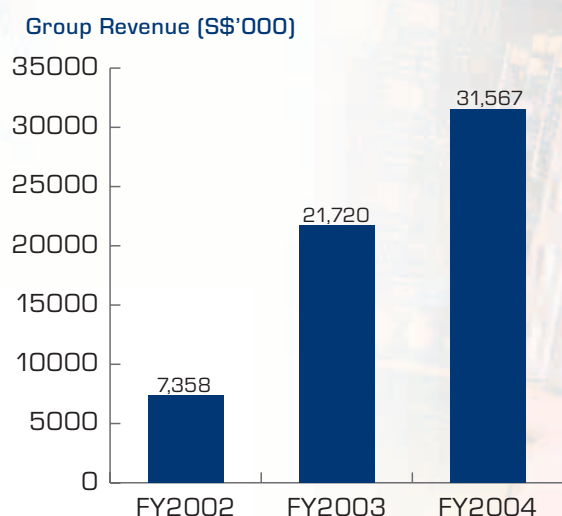
With a direct presence in the regional markets, we are better positioned to tap into the demand for our products and services in the respective local markets. Our local presence allows our team to provide customers with round-the-clock technical support.

## PROSPECTS

We believe that in the area of supplying, installing and implementing the various network infrastructure and voice communication systems, our industry prospects are positive due to:

- Constant upgrading of network infrastructure and voice systems by telecommunication service providers to keep up with new technology
- Upgrading of hardware and network to support newer handheld communication devices being brought onto the market regularly
- Opportunities to undertake projects in partnership with our principal suppliers who are industry leaders for their respective equipment and products
- Increasing fixed-line penetration in Asia as many developing countries are improving their telecommunication infrastructure to provide for better voice and data coverage
- Increasing mobile penetration in Asia, namely Vietnam and Myanmar

## FINANCIAL HIGHLIGHTS



FY: Financial year ending 31 December

## BUSINESS STRATEGIES

### • Maintain and develop relationships with key suppliers

- Provide us with up-to-date market and technology information to keep ourselves at the forefront of competition
- Continue being their preferred business partner in the countries where we operate

### • Attract and develop expertise

- Identify, attract, groom and retain skilled and qualified personnel
- Strengthen our sales and technical expertise as we seek more business opportunities for our project management services

### • Develop new prospects and suppliers

- Continually source for new suppliers to widen our range of products and services
- Reduce reliance on any one supplier
- Explored business opportunities for the provision of turn-key solutions for medical equipment as well as system integration for power distribution companies

### • Continue to develop and build up our corporate image and service brand name

- Aim to be recognised as a leading name in network infrastructure and system integration

### • Strategic business expansion locally and regionally

- Consider entering into strategic investments or alliances or joint ventures with suitable partners and/or acquire companies or assets in related fields, where opportunities arise, to expand our range of products and services, geographical reach and technological capabilities

## FUTURE PLANS

### • Expansion of our operations locally and overseas

- Earmarked \$2 million of IPO proceeds to expand our operations
  - o Increase our staff strength
  - o Expand resources at our 24-hour fault control centre in Singapore
  - o Enlarge current office premises
  - o Purchase/upgrade demonstration and office equipment

### • Expand through acquisitions, strategic partnerships and/or joint ventures

- Earmarked \$1 million of IPO proceeds for this mode of expansion

### • Diversify into the provision of turn-key solutions for medical equipment

- Supply, install, test and commission medical equipment in Indochina
- Intend to tap into the potential business of medical equipment planning

### • Expand into the business of installing and implementing power distribution equipment

- Installation and implementation of power distribution equipment in Vietnam and Myanmar



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## CONTENTS

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<b>CORPORATE INFORMATION .....</b>	<b>4</b>
<b>DEFINITIONS .....</b>	<b>7</b>
<b>GLOSSARY OF TECHNICAL TERMS .....</b>	<b>12</b>
<b>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS.....</b>	<b>16</b>
<b>SELLING RESTRICTIONS .....</b>	<b>17</b>
<b>DETAILS OF THE INVITATION.....</b>	<b>18</b>
– LISTING ON THE SGX-SESDAQ .....	18
– INDICATIVE TIMETABLE FOR LISTING .....	21
<b>PLAN OF DISTRIBUTION .....</b>	<b>22</b>
<b>PROSPECTUS SUMMARY .....</b>	<b>24</b>
<b>THE INVITATION.....</b>	<b>28</b>
<b>EXCHANGE RATES .....</b>	<b>29</b>
<b>RISK FACTORS .....</b>	<b>30</b>
– RISKS RELATING TO OUR BUSINESS.....	30
– RISKS RELATING TO OUR INDUSTRY .....	35
– RISKS RELATING TO OWNERSHIP OF OUR SHARES.....	36
<b>INVITATION STATISTICS .....</b>	<b>37</b>
<b>USE OF PROCEEDS .....</b>	<b>39</b>
<b>DIVIDEND POLICY .....</b>	<b>40</b>
<b>SHARE CAPITAL .....</b>	<b>41</b>
<b>CAPITALISATION AND INDEBTEDNESS.....</b>	<b>43</b>
<b>DILUTION .....</b>	<b>45</b>
<b>GROUP STRUCTURE .....</b>	<b>47</b>
<b>GENERAL INFORMATION ON OUR GROUP .....</b>	<b>49</b>
– HISTORY AND DEVELOPMENT OF OUR GROUP .....	49
– BUSINESS OVERVIEW .....	51
– OUR DISTRIBUTORSHIP AGREEMENTS.....	53
– OUR BUSINESS PROCESS.....	56
– QUALITY CONTROL.....	58
– STAFF TRAINING .....	58
– MAJOR CUSTOMERS .....	59
– MAJOR SUPPLIERS.....	60
– MARKETING AND DISTRIBUTION .....	61

---

## CONTENTS

---

– INVENTORY MANAGEMENT .....	61
– CREDIT POLICY .....	62
– INSURANCE .....	63
– INTELLECTUAL PROPERTY .....	63
– GOVERNMENT REGULATIONS .....	64
– RESEARCH AND DEVELOPMENT .....	66
– SEASONALITY .....	66
– COMPETITION .....	67
– COMPETITIVE STRENGTHS.....	68
– EXCHANGE CONTROLS .....	70
– PROPERTIES .....	71
– PROSPECTS .....	72
– TRENDS .....	73
– BUSINESS STRATEGIES.....	73
– FUTURE PLANS.....	74
<b>MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS .....</b>	<b>76</b>
– RESULTS OF OPERATIONS .....	76
– CONSOLIDATED BALANCE SHEET .....	77
– OVERVIEW .....	78
– REVIEW OF OPERATIONS .....	81
– REVIEW OF FINANCIAL POSITION .....	87
– LIQUIDITY AND CAPITAL RESOURCES.....	88
– CAPITAL EXPENDITURE AND COMMITMENTS .....	90
– INVESTMENTS.....	91
– INFLATION .....	92
– FOREIGN EXCHANGE EXPOSURE .....	92
– TAXATION .....	92
<b>DIRECTORS, MANAGEMENT AND STAFF .....</b>	<b>93</b>
– DIRECTORS AND EXECUTIVE OFFICERS .....	93
– MANAGEMENT REPORTING STRUCTURE .....	98
– DIRECTORS’ AND EXECUTIVE OFFICERS’ REMUNERATION.....	99
– SERVICE AGREEMENTS.....	100
– CORPORATE GOVERNANCE .....	101
– BOARD PRACTICES .....	102
– EMPLOYEES .....	103
– NTEGRATOR SHARE OPTION SCHEME .....	103

---

## CONTENTS

---

<b>PRINCIPAL SHAREHOLDERS .....</b>	<b>110</b>
– OWNERSHIP STRUCTURE .....	110
– MORATORIUM .....	111
<b>INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST .....</b>	<b>113</b>
– INTERESTED PERSON TRANSACTIONS .....	113
– REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS .....	113
– POTENTIAL CONFLICTS OF INTEREST .....	114
<b>CLEARANCE AND SETTLEMENT .....</b>	<b>115</b>
<b>GENERAL AND STATUTORY INFORMATION .....</b>	<b>116</b>
<b>APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT .....</b>	<b>A-1</b>
<b>APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT .....</b>	<b>B-1</b>
<b>APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT .....</b>	<b>C-1</b>
<b>APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY .....</b>	<b>D-1</b>
<b>APPENDIX E – DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES.....</b>	<b>E-1</b>
<b>APPENDIX F – DESCRIPTION OF SINGAPORE LAW AND REGULATIONS RELATING TO TAXATION.....</b>	<b>F-1</b>
<b>APPENDIX G – RULES OF THE INTEGRATOR SHARE OPTION SCHEME .....</b>	<b>G-1</b>
<b>APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE .....</b>	<b>H-1</b>



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## CORPORATE INFORMATION

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<b>BOARD OF DIRECTORS</b>	:	Bernard Chen Tien Lap (Non-Executive Chairman and Independent Director) Han Meng Siew (Deputy Chairman and Executive Director) Jimmy Chang Joo Whut (Managing Director) Tay Choon Chong (Non-Executive Director) Loudon Frank McLean Owen (Non-Executive Director) Lai Chun Loong (Independent Director) Charles George St John Reed (Independent Director)
<b>KEY EXECUTIVES</b>	:	Kenneth Sw Chan Kit (Financial Controller) Johnson Teo Hwee Kheng (General Manager, Voice Communications (Regional)) Desmond Chan Hong Lee (General Manager, Voice Communications (Singapore)) Jason Leong Wee Siong (Assistant General Manager, Network Infrastructure (Regional)) Vincent Vinu Edward (Assistant General Manager, Network Infrastructure (Singapore)) Diana Lee Meng Wah (Manager of Human Resource and Administration)
<b>JOINT COMPANY SECRETARIES</b>	:	Kenneth Sw Chan Kit, CPA Jim Lim Kheng Huat, LLB (Hons) Wendy Lee Su Lin, LLB (Hons)
<b>REGISTERED OFFICE</b>	:	4 Leng Kee Road #06-04 SIS Building Singapore 159088
<b>SHARE REGISTRAR AND SHARE TRANSFER OFFICE</b>	:	Lim Associates (Pte) Ltd 10 Collyer Quay, #19-08 Ocean Building Singapore 049315
<b>MANAGER, UNDERWRITER AND PLACEMENT AGENT</b>	:	UOB Asia Limited 80 Raffles Place UOB Plaza Singapore 048624
<b>PRIMARY SUB-UNDERWRITERS AND PRIMARY SUB-PLACEMENT AGENTS</b>	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624  UOB KayHian Private Limited 80 Raffles Place #30-01 UOB Plaza 1 Singapore 048624
<b>AUDITORS AND REPORTING AUDITORS</b>	:	Ernst & Young Certified Public Accountants 10 Collyer Quay #21-01 Ocean Building Singapore 049315

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## CORPORATE INFORMATION

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<b>SOLICITORS TO THE INVITATION AND LEGAL ADVISERS TO THE COMPANY ON SINGAPORE LAW</b>	:	Shook Lin & Bok 1 Robinson Road #18-00 AIA Tower Singapore 048542
<b>SOLICITORS TO THE MANAGER, UNDERWRITER AND PLACEMENT AGENT</b>	:	Venture Law LLC 50 Raffles Place #31-01 Singapore Land Tower Singapore 048623
<b>LEGAL ADVISERS TO THE COMPANY ON MALAYSIAN LAW</b>	:	Zaid Ibrahim & Co. Level 19 Menara Milenium Pusat Bandar Damansara 50490 Kuala Lumpur
<b>LEGAL ADVISORS TO THE COMPANY ON PHILIPPINE LAW</b>	:	Romulo Mabanta Buenaventura Sayoc & Delos Angeles 30th Floor Citibank Towers 8741 Paseo de Roxas, Makati City Philippines
<b>LEGAL ADVISORS TO THE COMPANY ON THAI LAW</b>	:	Tilleke & Gibbins International Ltd. Tilleke & Gibbins Building 64/1 Soi Tonson, Ploenchit Bangkok 10330, Thailand
<b>LEGAL ADVISORS TO THE COMPANY ON VIETNAMESE LAW</b>	:	Russin & Vecchi Hanoi Central Office Building, 11/F 44B Ly Thuong Kiet Street Hanoi, Vietnam
<b>LEGAL ADVISORS TO THE COMPANY ON BURMESE LAW</b>	:	Russin & Vecchi 8 (c), Bogyoke Museum Road Bahan Township Yangon, Myanmar
<b>PRINCIPAL BANKERS</b>	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624  Development Bank of Singapore 6 Shenton Way DBS Building Tower One Singapore 068809  Malayan Banking Berhad 2 Battery Road Maybank Tower Singapore 049907  Hong Leong Finance Limited 16 Raffles Quay #01-05 Hong Leong Building Singapore 048581

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## CORPORATE INFORMATION

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**RECEIVING BANKER** : United Overseas Bank Limited  
80 Raffles Place  
UOB Plaza  
Singapore 048624

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## DEFINITIONS

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In this Prospectus and the accompanying Application Forms, the following definitions apply where the context so admits:-

### Group Companies

<i>“Company” or “Ntegrator”</i>	:	Ntegrator International Ltd (formerly known as Kenbience International Pte Ltd)
<i>“Group”</i>	:	The group of companies comprising our Company and our subsidiaries, as at the date of this Prospectus
<i>“Ntegrator Singapore”</i>	:	Ntegrator Pte Ltd (formerly known as Kenstrike International Pte Ltd)
<i>“Ntegrator Malaysia”</i>	:	Ntegrator Sdn Bhd
<i>“Ntegrator Philippines”</i>	:	Ntegrator Philippines Incorporated
<i>“Ntegrator Thailand”</i>	:	Ntegrator (Thailand) Limited

### Other Organisations and Agencies

<i>“Alcatel”</i>	:	Alcatel Singapore Pte Ltd
<i>“Authority” or “MAS”</i>	:	The Monetary Authority of Singapore
<i>“Asiacom”</i>	:	Asiacom Business Networks Pte Ltd
<i>“Avaya”</i>	:	Avaya International Sales Ltd
<i>“BCA”</i>	:	Building and Construction Authority, Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“ECI”</i>	:	ECI Telecom Ltd
<i>“EPPU”</i>	:	Expenditure & Procurement Policies Unit of the Ministry of Finance, Singapore
<i>“Fortune Venture”</i>	:	Fortune Venture Investment Group
<i>“FTFI”</i>	:	Fortune Technology Fund I Ltd
<i>“McLean Watson Ventures”</i>	:	McLean Watson Ventures II Limited Partnership
<i>“MobileOne”</i>	:	MobileOne Ltd
<i>“Nortel”</i>	:	Nortel Networks Singapore Pte Ltd
<i>“RAD”</i>	:	RAD Data Communications Ltd
<i>“SCCS”</i>	:	Securities Clearing & Computer Services (Pte) Ltd
<i>“SGX-SESDAQ”</i>	:	SGX-ST Dealing and Automated Quotation System
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited



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## DEFINITIONS

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*"Sunrise Telecom"* : Sunrise Telecom Incorporated

*"UOB"* : United Overseas Bank Limited

*"UOB Asia", "Manager",  
"Underwriter" or "Placement Agent"* : UOB Asia Limited

*"UOB Kay Hian"* : UOB Kay Hian Private Limited

*"Viettel"* : Viettel Corporation

### General

*"Application Forms"* : The printed application forms to be used for the purpose of the Invitation and which form part of this Prospectus

*"Application List"* : The list of applications for subscription of the New Shares

*"Associate"* : (a) In relation to a corporation, means:-

- (i) a director or controlling shareholder;
- (ii) a subsidiary or associated company; or
- (iii) a subsidiary or associated company of the controlling shareholder, of the corporation;

(b) in relation to any director, chief executive officer or substantial shareholder (being an individual) means:-

- (i) his immediate family;
- (ii) the trustees, acting in their capacity as such trustees, of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any corporation in which he and his immediate family together (directly or indirectly) have an interest of not less than 30 per cent. of the aggregate of the nominal amount of all the voting shares; and

(c) in relation to a substantial shareholder, or controlling shareholder, which is a corporation, means, notwithstanding paragraph (a), any corporation which is its related corporation or associated company.

*"Associated Company"* : In relation to a corporation, means:-

- (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest of not less than 20% but not more than 50% of the aggregate of the nominal amount of all the voting shares; or
- (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is able to control or influence materially

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## DEFINITIONS

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<i>“ATM”</i>	:	Automated teller machines of a Participating Bank
<i>“Board”</i>	:	The Board of Directors of our Company, as at the date of this Prospectus
<i>“Bonus Issue”</i>	:	The bonus issue defined in the section entitled “Share Capital” of this Prospectus
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore
<i>“Controlling Shareholder”</i>	:	A person who:-  (a) holds directly or indirectly 15% or more of the nominal amount of all the voting shares in our Company; or  (b) in fact exercises control over our Company
<i>“Directors”</i>	:	The Directors of our Company as at the date of this Prospectus
<i>“Electronic Applications”</i>	:	Applications for the Offer Shares made through an ATM or through IB websites of the relevant Participating Banks in accordance with the terms and conditions of this Prospectus
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive directors of our Company as at the date of this Prospectus
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Prospectus
<i>“FY”</i>	:	Financial year ended or, as the case maybe, ending 31 December
<i>“government sector”</i>	:	In relation to the government of a country would include government ministries, departments, institutions, statutory boards, and other public sector organisations
<i>“IB”</i>	:	Internet Banking
<i>“Independent Directors”</i>	:	The Independent Directors of our Company, as at the date of this Prospectus
<i>“Indochina”</i>	:	A peninsula of southeast Asia comprising Myanmar, Cambodia, Laos, peninsular Malaysia, Thailand and Vietnam
<i>“Interim Dividend”</i>	:	The interim dividend of \$1,199,771.72 declared by our Company on 9 September 2005
<i>“Invitation”</i>	:	Our invitation to the public in Singapore to subscribe for the New Shares at the Issue Price, subject to and on the terms and conditions of this Prospectus
<i>“Issue Price”</i>	:	\$0.23 for each New Share
<i>“Latest Practicable Date”</i>	:	16 September 2005, being the latest practicable date prior to the lodgement of this Prospectus

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## DEFINITIONS

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<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“New Shares”</i>	:	The 20,100,000 new Shares for which we invite applications to subscribe for pursuant to the Invitation, subject to and on the terms and conditions of this Prospectus
<i>“NTA”</i>	:	Net Tangible Assets
<i>“Ntegrator Share Option Scheme” or “Scheme”</i>	:	The Ntegrator Share Option Scheme as described under the section entitled “Ntegrator Share Option Scheme” of this Prospectus and the rules of which are set out in Appendix G of this Prospectus
<i>“Offer”</i>	:	The offer by our Company of the Offer Shares to the public in Singapore for subscription at the Issue Price, subject to and on the terms and conditions of this Prospectus
<i>“Offer Shares”</i>	:	2,000,000 New Shares which are the subject of the Offer
<i>“Option Shares”</i>	:	The new Shares which may be allotted and issued pursuant to the Scheme
<i>“Participating Banks”</i>	:	United Overseas Bank Limited (“UOB”) and its subsidiary, Far Eastern Bank Limited (the “UOB Group”); The Development Bank of Singapore Limited (including POSB) (“DBS”) and Oversea-Chinese Banking Corporation Limited (“OCBC”)
<i>“PER”</i>	:	Price earnings ratio
<i>“Placement”</i>	:	The placement of the Placement Shares by the Placement Agent(s) and Primary Sub-Placement Agents on behalf of our Company for subscription at the Issue Price subject to and on the terms and conditions of this Prospectus
<i>“Placement Shares”</i>	:	18,100,000 of the New Shares (including the Reserved Shares), which are the subject of the Placement
<i>“Pre-IPO Scheme”</i>	:	A share option scheme implemented on 1 October 2002
<i>“Pre-IPO Scheme Conversion”</i>	:	The Pre-IPO Scheme conversion defined in the section entitled “Share Capital” of this Prospectus
<i>“Prospectus”</i>	:	This prospectus dated 17 October 2005
<i>“R&amp;D”</i>	:	Research and development
<i>“Reserved Shares”</i>	:	The 2,000,000 Placement Shares reserved for Directors, management, employees, business associates and those who have contributed to the success of our Group
<i>“Securities Account”</i>	:	The securities account maintained by a depositor with CDP
<i>“Service Agreements”</i>	:	The service agreements entered into between our Company and our Executive Directors, Messrs Han Meng Siew and Jimmy Chang Joo Whut and Executive Officer, Mr Kenneth Sw, as described in the section entitled “Service Agreements” of this Prospectus

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## DEFINITIONS

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“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore
“Shares”	:	Ordinary shares of \$0.10 each in the capital of our Company
“Substantial Shareholders”	:	Persons who have an interest in the Shares the nominal amount of which is not less than five per cent. of the aggregate of the nominal amount of all the voting shares of our Company
“USA”	:	The United States of America

### Currencies, Units of Measurement and Others

“\$” or “SGD” and “cents”	:	Singapore dollars and cents respectively
“RM”	:	Malaysian Ringgit
“PS”	:	Philippines Peso
“sq ft.”	:	Square feet
“sq m.”	:	Square metres
“US\$” or “USD”	:	United States dollars
“%” or “per cent.”	:	Per centum or Percentage

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Prospectus and the Application Forms and Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any statutory modification thereof and used in this Prospectus, the Application Forms and Electronic Applications shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or such statutory modification, as the case may be.

Any reference in this Prospectus and the Application Forms and Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that Applicant.

Any reference to a time of day in this Prospectus shall be a reference to Singapore time unless otherwise stated.

References in this Prospectus to “the Group”, “we”, “our”, and “us” refer to Ntegrator International Ltd and its subsidiaries.

Figures in relation to the financial performance and position of our Group have been rounded for ease of incorporation into this Prospectus.

Any discrepancies in the tables included in this Prospectus between the total sums of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.



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## GLOSSARY OF TECHNICAL TERMS

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To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations commonly found in our industry:-

<i>“Asynchronous Transfer Mode”</i>	:	Asynchronous Transfer Mode. A network technology based on transferring data in cells or packets of a fixed size
<i>“bandwidth”</i>	:	The amount of data that can be transmitted in a fixed amount of time. For digital devices, the bandwidth is usually expressed in bits per second (bps) or bytes per second. For analogue devices, the bandwidth is expressed in cycles per second, or hertz (Hz)
<i>“CDMA”</i>	:	Code Division Multiple Access. A system designed for mobile telephony that specifically uses a form of multiplexing, also called spread spectrum, in which analog signals are converted into digital form for transmission. For each communication channel, the signals are encoded into a sequence known to the transmitter and the receiver
<i>“CRM”</i>	:	Customer Relationship Management
<i>“DCME”</i>	:	Digital Circuit Multiplication Equipment. It is a general class of equipment which permits concentration of digital transmission
<i>“DSL”</i>	:	Digital Subscriber Line. DSL technology is a modern technology which uses sophisticated modulation schemes to transport high-bandwidth data
<i>“DWDM”</i>	:	Dense Wavelength Division Multiplexing. An optical technology used to increase bandwidth over existing fibre optic backbones
<i>“encoder”</i>	:	A device used to encode data or other signals into a form that is acceptable for transmission and storage
<i>“Ethernet”</i>	:	A type of networking technology for LANs
<i>“E1”</i>	:	The European format for digital transmission which carries signals at 2 Mbps (32 channels at 64Kbps, with 2 channels reserved for signalling and controlling)
<i>“EPON”</i>	:	Ethernet Passive Optical Network is a type of access network technology used in the deployment of optical access lines which allows for a full-services access network that delivers converged data, video and voice over a single optical access system
<i>“ERP”</i>	:	Enterprise Resource Planning. A complete enterprise wide business solution used to integrate all departments and functions in a company into a single computer system
<i>“firewall”</i>	:	A system designed to prevent unauthorised access to or from a private network. Firewalls can be implemented in both hardware and software, or a combination of both

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## GLOSSARY OF TECHNICAL TERMS

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<i>"GPON"</i>	:	Gigabit Passive Optical Network is a type of access network technology used in the deployment of optical access, it enables the service provider to allocate and sell large amounts of bandwidth to its business customers
<i>"GSM"</i>	:	Global systems for mobile communications. Originally developed as a pan-European standard for digital mobile telephony, GSM has become the world's most widely used mobile system
<i>"hub"</i>	:	A device used to connect several other devices, commonly used to connect several computers or hubs to form networks
<i>"Internet"</i>	:	The Internet is the largest internet (with a small "i") in the world. It is a three level hierarchy composed of backbone networks, mid-level networks, and stub networks. These include commercial (.com or .co), university (.ac or .edu) and other research networks (.org or .net) and military (.mil) networks and span many different physical networks around the world with various protocols, chiefly the IP
<i>"IP"</i>	:	Internet Protocol specifies the format of packets, also called datagrams, and the addressing scheme. Most networks combine IP with a higher-level protocol called Transmission Control Protocol (TCP), which establishes a virtual connection between a destination and a source
<i>"IP Centrex"</i>	:	An application which transmits its voice calls to the network as streams of packets for domestic and international calls across a broadband access network
<i>"IP Trunking"</i>	:	An application which converts voice to IP packets at the customers' premises through their business phones (in the local loop), then aggregates it into the existing network providers' IP backbone
<i>"ISDN"</i>	:	Integrated Services Digital Network. A set of communication standards allowing a single wire or optical fibre to carry voice, digital network services and video. ISDN is intended to eventually replace the plain old telephone system
<i>"ISO"</i>	:	International Standards Organisation, a worldwide federation of national standard of bodies
<i>"ISP"</i>	:	Internet Service Provider
<i>"IT"</i>	:	Information Technology
<i>"IVR"</i>	:	Interactive Voice Response. A telephony technology in which someone uses a touch-tone telephone to interact with a database to acquire information from or enter data into the database

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## GLOSSARY OF TECHNICAL TERMS

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<i>"LAN"</i>	:	Local Area Network. A computer network that spans a relatively small area. Most LANs are confined to a single building or group of buildings. However, one LAN can be connected to other LANs over any distance via telephone lines and radio waves
<i>"media gateway"</i>	:	A media gateway is any device, such as a circuit switch, IP gateway, or channel bank that converts data from the format required for one type of network to the format required for another
<i>"multiplexer"</i>	:	A communications device that combines multiple signals (analog or digital) for transmission over a single line or media
<i>"multi-service"</i>	:	Multiple work performed (or offered) by a server. This may mean simply serving simple requests for data to be sent or stored in a server or it may be more complex work, such as that of different servers such as process servers
<i>"MAN"</i>	:	Metropolitan Area Network. A computer network that was designed to serve an area the size of a town or city
<i>"NTU"</i>	:	Network Termination Unit. A device that connects the PSTN with communication equipment on the customer's premises
<i>"packet"</i>	:	The unit of information by which the network communicates. Each packet contains the identities of the sending and receiving stations, error-control information, a request for services, information on how to handle the request and any necessary data that must be transferred
<i>"PABX"</i>	:	Private Automatic Branch Exchange. A device typically installed within an office to provide for the connection and switching of telephone lines in that office and interfacing with the public telephone network. Common PABX systems include facilities for switchboard operators and may also be used to handle data traffic as well as voice communication system related services
<i>"PDH"</i>	:	Plesiochronous Digital Hierarchy. PDH (plesiochronous means nearly synchronous) was developed to carry digitised voice over twisted pair cabling more efficiently
<i>"PSTN"</i>	:	Public Switched Telephone Network. This refers to the international telephone system based on copper wires carrying analog voice data
<i>"softswitch"</i>	:	It is a generic term for any open application program interface software used to bridge a PSTN and VoIP by separating the call control functions of a phone call from the media gateway
<i>"SDH"</i>	:	Synchronous Digital Hierarchy. An international standard for synchronous data transmission over fibre optic cables
<i>"SNMP"</i>	:	Simple Network Management Protocol. A set of protocols for managing complex networks

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## GLOSSARY OF TECHNICAL TERMS

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<i>"test equipment"</i>	:	Test equipment used in the testing of IT and telecommunication networks and equipment
<i>"Turn-key"</i>	:	Supplied, installed or purchase in a condition ready for immediate use or operation
<i>"T1"</i>	:	A dedicated phone connection supporting high-speed data
<i>"TDM"</i>	:	Time Division Multiplexing. A type of multiplexing that combines data streams by assigning each stream a different time slot in a set
<i>"VoIP"</i>	:	Voice over Internet Protocol. The real-time transmission of voice signals over the Internet or a private data network
<i>"VPN"</i>	:	Virtual Private Network. The use of encryption in the lower protocol layers to provide a secure connection through an otherwise insecure network, typically the Internet
<i>"WAN"</i>	:	Wide Area Network. A computer network that spans a relatively large geographical area as compared to a MAN or LAN



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## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including statements as to our revenue and profitability, expected growth in demand, expected industry trends, anticipated expansion plans, prospects, future plans and other matters discussed in this Prospectus regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Some of these risk factors are discussed in more detail under the section entitled “Risk Factors” of this Prospectus.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Prospectus, undue reliance must not be placed on these statements which apply only as at the date of this Prospectus. Neither our Company, the Manager, Underwriter and Placement Agent, the Primary Sub-Underwriters and Primary Sub-Placement Agents, nor any other person represents or warrants that our Group’s actual future results, performance or achievements will be as discussed in those statements.

Our actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Manager, Underwriter and Placement Agent, the Primary Sub-Underwriters and Primary Sub-Placement Agents, disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances. We are, however, subject to the provisions of the SFA and the SGX-ST Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after the Prospectus is registered but before the close of the Invitation, our Company becomes aware of (a) a false or misleading statement or matter in the Prospectus; (b) an omission from the Prospectus of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since the Prospectus was lodged with the Authority and would have been required by Section 243 of the SFA to be included in the Prospectus, if it had arisen before this Prospectus was lodged and that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement prospectus with the Authority.

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## **SELLING RESTRICTIONS**

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This Prospectus does not constitute an offer, solicitation or invitation to subscribe for the New Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal regulatory requirements of any jurisdiction, except for the filing and/or registration of this Prospectus in Singapore in order to permit a public offering of the New Shares and the public distribution of this Prospectus in Singapore. The distribution of this Prospectus and the offering of the New Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by the Company, the Manager, Underwriter and Placement Agent, the Primary Sub-Underwriters and Primary Sub-Placement Agents to inform themselves about, and to observe and comply with, any such restrictions.

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## DETAILS OF THE INVITATION

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### LISTING ON THE SGX-SESDAQ

We have applied to the SGX-ST for permission to deal in and for quotation of, all our Shares already issued, the New Shares and the Option Shares. Such permission will be granted when our Company has been admitted to the Official List of the SGX-SESDAQ. Acceptance of applications will be conditional upon, *inter alia*, permission being granted by the SGX-ST to deal in, and for quotation of, all our existing issued Shares, the New Shares and the Option Shares. Monies paid in respect of any application accepted will be returned to you, without interest or any share of revenue or other benefit arising therefrom and at your own risk, if the said permission is not granted or for any other reasons (including where the Authority issues a stop order) and you will not have any claims whatsoever against us, the Manager, Underwriter and Placement Agent, the Primary Sub-Underwriters or the Primary Sub-Placement Agents.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of the SGX-SESDAQ is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our Shares, the New Shares, or the Option Shares.

A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of our Shares, the New Shares or the Option Shares, as the case may be, being offered or in respect of which an invitation is made, for investment.

We are subject to the provisions of the SFA and the SGX-ST Listing Manual regarding corporate disclosure. In particular, if after this Prospectus is registered but before the close of the Invitation, we become aware of:-

- (a) a false or misleading statement or matter in the Prospectus;
- (b) an omission from the Prospectus of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since the Prospectus was lodged with the Authority which would have been required by Section 243 of the SFA to be included in the Prospectus if it had arisen before this Prospectus was lodged,

that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority pursuant to Section 241 of the SFA.

Where applications have been made for the New Shares prior to the lodgement of the supplementary or replacement prospectus, we shall, within seven days from the date of lodgement of the supplementary or replacement prospectus, either:-

- (a) provide the applicants with a copy of the supplementary or replacement prospectus and, as the case may be, provide the applicants with an option to withdraw their applications; or
- (b) treat the applications as withdrawn and cancelled and return all monies paid, without interest or any share of revenue or other benefit arising therefrom, in respect of any application accepted within seven days from the date of lodgement of the supplementary or replacement prospectus.

Any applicant who wishes to exercise his option to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement prospectus, notify us whereupon we shall, within seven days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk.

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## DETAILS OF THE INVITATION

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Where the Authority issues a stop order pursuant to Section 242 of the SFA, and

- (a) in the case where the New Shares have not been issued to the applicants, the applications of the New Shares pursuant to the Invitation shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the stop order, pay to the applicants all monies the applicants have paid on account of their applications for the New Shares; or
- (b) in the case where the New Shares have been issued to the applicants, the issue of the New Shares pursuant to the Invitation is required by the SFA to be deemed void and our Company shall, within 14 days from the date of the stop order, pay to the applicants all monies paid by them for the New Shares.

Such monies paid in respect of your application will be returned to you at your own risk, without interest or any share or revenue or other benefit arising therefrom, and you will not have any claim against us, the Manager, Underwriter and Placement Agent, the Primary Sub-Underwriters and the Primary Sub-Placement Agents.

This Prospectus has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and all opinions expressed in this Prospectus are fair and accurate in all material respects as at the date of this Prospectus and that there are no material facts the omission of which would make any statements in the Prospectus misleading, and that this Prospectus constitutes full and true disclosure of all material facts about the Invitation and our Group.

Neither our Company, the Manager, Underwriter and Placement Agent, the Primary Sub-Underwriters and the Primary Sub-Placement Agents, nor any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Prospectus should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

The New Shares are offered for subscription solely on the basis of the information contained and the representations made in this Prospectus.

No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Manager, Underwriter and Placement Agent, the Primary Sub-Underwriters or the Primary Sub-Placement Agents. Neither the delivery of this Prospectus and the Application Forms nor any documents relating to the Invitation, nor the Invitation shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to invoke a change in our affairs or in the statements of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur, we may make an announcement of the same to the SGX-ST and/or the Authority and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST and/or the Authority. All applicants should take note of any such announcements and, upon the release of such an announcement, shall be deemed to have notice of such changes. Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies.

This Prospectus has been prepared solely for the purpose of the Invitation and may not be relied upon by any other persons other than the applicants in connection with their application for the New Shares or for any other purpose.



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## DETAILS OF THE INVITATION

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**This Prospectus does not constitute an offer, solicitation or invitation of the New Shares in any jurisdiction in which such offer, or solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.**

**Details of the procedures for application and acceptance of the New Shares are set out in Appendix H of this Prospectus.**

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability during office hours, from:-

**UOB ASIA LIMITED  
1 Raffles Place #13-01  
OUB Centre  
Singapore 048616**

and members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website: <http://www.sgx.com>.

**The Invitation will be open from 18 October 2005 to 24 October 2005.**

**The Application List will open at 10.00 a.m. on 24 October 2005 and will remain open until noon on the same day or for such further period or periods as our Directors may, in consultation with UOB Asia, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary prospectus or replacement prospectus is lodged with the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement prospectus.**

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## DETAILS OF THE INVITATION

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### INDICATIVE TIMETABLE FOR LISTING

An indicative timetable is set out for reference of applicants:-

Indicative time/date	Event
12.00 noon on 24 October 2005	Close of Application List
25 October 2005	Balloting of applications, if necessary (in the event of over-subscription for the Offer Shares)
9.00 a.m. on 26 October 2005	Commence trading on a “ready” basis
31 October 2005	Settlement date for all trades done on a “ready” basis on 26 October 2005

The above timetable is only indicative as it assumes that the date of closing of the Application List is 24 October 2005, the date of admission of our Company to the Official List of the SGX-SESDAQ is 26 October 2005, the shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 26 October 2005.

The above timetable and procedures may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the commencement date of trading on a “ready” basis.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same:-

- (i) through SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>; and
- (ii) in a local newspaper(s).

We will publicly announce the level of subscription and the results of the distribution of the New Shares pursuant to the Invitation, as soon as it is practicable after the close of the Application List:-

- (i) through SGXNET announcement to be posted on the Internet at the SGX-ST website, <http://www.sgx.com>; and
- (ii) in a local newspaper(s).

Investors should consult the SGX-ST’s announcement on “ready” trading date on the Internet (at SGX-ST website <http://www.sgx.com>), Teletext or the newspapers or check with their brokers on the date on which trading on a “ready” basis will commence.

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## PLAN OF DISTRIBUTION

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### THE SGX-SESDAQ

The Invitation is for 20,100,000 New Shares offered in Singapore by way of public offer and placement comprising 2,000,000 Offer Shares and 18,100,000 Placement Shares (including up to 2,000,000 Reserved Shares) managed and underwritten by UOB Asia, and sub-underwritten by UOB and UOB Kay Hian.

The Issue Price is determined by us in consultation with the Manager, based on market conditions and estimated market demand for our Shares determined through a book-building process. The Issue Price is the same for each New Share and is payable in full on application.

There are no arrangements whereby the number of Shares being offered pursuant to this Invitation may be increased by the exercise of an underwriter's over-allotment option.

### Offer Shares

Pursuant to the Management and Underwriting Agreement entered into between us and UOB Asia as set out in the section entitled "General and Statutory Information" of this Prospectus, we have appointed UOB Asia to manage the Invitation and to underwrite the 2,000,000 Offer Shares. UOB Asia will receive a management fee and an underwriting commission of 2.5 per cent. of the Issue Price for the Offer Shares payable by us for subscribing or procuring subscribers for any Offer Shares not subscribed for by the public and will pay or procure payment to us for such Offer Shares. UOB Asia may, at its absolute discretion, appoint one or more sub-underwriters for the Offer Shares. Members of the public may apply for the Offer Shares by way of printed Application Forms or by Electronic Application as described under the section entitled "Terms, Conditions and Procedures for Application and Acceptance" as set out in Appendix H of this Prospectus.

In the event of an under-subscription for the Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

In the event of an over-subscription for the Offer Shares as at the close of the Application List and/or the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Company after consultation with the Manager and the SGX-ST.

### Placement Shares

Pursuant to the Placement Agreement entered into between us and UOB Asia as set out in the section "General and Statutory Information" of this Prospectus, UOB Asia agreed to subscribe and/or procure subscribers for the 18,100,000 Placement Shares for a placement commission of 1.75 per cent. of the Issue Price for the Placement Shares payable by us. UOB Asia may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares. Applications for Placement Shares may only be made by way of printed Application Forms as described under the section entitled "Terms, Conditions and Procedures for Application and Acceptance" as set out in Appendix H of this Prospectus.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers of the Placement Shares (excluding Reserved Shares) may be required to pay brokerage up to 1.0 per cent. of the Issue Price (including the prevailing Singapore goods and services tax, if applicable).

The terms, conditions and procedures for application and acceptance are described in Appendix H of this Prospectus.

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## PLAN OF DISTRIBUTION

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Placement Shares at the Issue Price may be offered to our Substantial Shareholders and/or their Associates for application. They will not be subject to any moratorium in respect of the Placement Shares which they may take up. We will make the necessary announcements at the appropriate time if such person(s) were to make an application and are subsequently allotted such Placement Shares.

### **Reserved Shares**

Up to 2,000,000 Placement Shares shall be reserved for Directors, management, employees, business associates and those who have contributed to the success of our Group. However, none of them will be offered more than five per cent. of the total Invitation size or 20,100,000 New Shares.

In the event that any of the Reserved Shares are not taken up as at the close of the Application List, they will be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List or, in the event of an under-subscription for the Placement Shares as at the close of the Application List, to satisfy excess applications made by members of the public for the Offer Shares to the extent there is an over-subscription for the Offer Shares as at the close of the Application List.

The terms, conditions and procedures for application and acceptance are described in Appendix H of this Prospectus.

Please refer to the section "Ownership Structure" for offers of Reserved Shares and Placement Shares to our Directors and Substantial Shareholders respectively.

We are not aware of any person who intends to subscribe for more than five per cent. of the New Shares. However, through a book-building process to assess market demand for our Shares, there may be persons who may indicate an interest to subscribe for Shares amounting to more than five per cent. of the New Shares. If such person(s) were to make an application for more than five per cent. of the New Shares and are subsequently allotted such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 210 of the SGX-ST Listing Manual.

Further, no Shares shall be allotted on the basis of this Prospectus later than six months after the date of this Prospectus.

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## PROSPECTUS SUMMARY

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*The following summary highlights certain information found in greater detail elsewhere in this Prospectus. In addition to this summary, we urge you to read the entire Prospectus carefully, especially the section on “Risk Factors”, before deciding to invest in our Shares.*

### OVERVIEW OF OUR GROUP

#### Our Group

We are an integration specialist for network infrastructure and voice communication systems. Our core business activities include the design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure as well as voice communication systems.

In addition, we also provide maintenance and support services and project management services for network infrastructure and voice communication systems as well as turn-key solutions for medical equipment.

We have operations in Singapore, Malaysia, Philippines and Thailand through our subsidiaries. We also have a representative office in Vietnam and a business representative in Myanmar who provides technical services to our Group.

Our major customers include major telecommunication operators such as MobileOne in Singapore, Viettel in Vietnam and the Ministry of Defence in Myanmar.

Please see section entitled “Business Overview” of this Prospectus for further details.

#### Our Competitive Strengths

We believe our competitive strengths are as follows:-

- We provide “integrated one-stop shop” solutions to cater for our customers’ specific IT and telecommunications infrastructure needs.
- Our engineering team comprises engineers with seven to 15 years of experience who are qualified to provide solutions from inception, project consultation, design, installation and implementation to enable us to respond quickly to our customers’ requirements and provide customised and timely solutions.
- We have an experienced management team who is able to identify market niches, develop business strategies for our Group and spearhead our overseas expansion and a highly motivated and competent sales and marketing team who has been instrumental in expanding our customer base.
- We have a good track record and have carved a niche as an integration specialist for network infrastructure and voice communication systems.
- We maintain good relationships with our customers and suppliers and have transacted with them since we commenced business.
- We have a network of regional offices which allows us to tap into the demand for our products and services in the respective local markets.

Please refer to section entitled “Competitive Strengths” of this Prospectus for further details.

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## PROSPECTUS SUMMARY

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### **Our Future Plans**

Our future plans are:-

- To expand our local and overseas business through the increase of our staff strength, enlarging our existing office premises and purchasing or upgrading of demonstration and office equipment.
- To expand our capabilities and business through acquisitions, strategic partnerships and/or joint ventures when the opportunities arise.
- To expand our current business portfolio to include provision of turn-key solutions for medical equipment.
- To enter into the business of installing and implementing power distribution equipment.
- Please refer to section entitled “Future Plans” of this Prospectus for further details.

### **Where you can find us**

Our principal and registered office is located at 4 Leng Kee Road, #06-04, SIS Building, Singapore 159088. Our telephone number is (65) 6479 6033. Our facsimile number is (65) 6472 2966. Our internet address is <http://www.ntegrator.com>. **Information contained in our website does not constitute part of this Prospectus.**



## PROSPECTUS SUMMARY

### SUMMARY FINANCIAL DATA

You should read the following summary financial data in conjunction with the full text of the Prospectus in conjunction with the Audited Consolidated Financial Statements set out in Appendices A, B and C of this Prospectus.

Operating Results	Audited		
	Year ended 31 December		
\$'000	2002	2003	2004
Revenue	7,358	21,720	31,567
Other operating income	—	10	84
Total revenues	7,358	21,730	31,651
Changes in stocks & contract work-in-progress	192	1,653	(1,738)
Equipment and consumables used	(5,140)	(17,100)	(18,300)
Freight costs	(35)	(334)	(699)
Commission and consultancy expenses	(273)	(790)	(1,688)
Travelling expenses	(15)	(377)	(341)
Staff costs	(1,265)	(3,049)	(3,167)
Depreciation of plant & equipment	(59)	(179)	(233)
Foreign exchange loss, net	(26)	(86)	(514)
Other operating expenses	(357)	(974)	(804)
Profit from operations	380	494	4,167
Finance costs	(5)	(8)	(53)
Profit before income tax	375	486	4,114
Income tax	(88)	(116)	(839)
Net profit before minority interests	287	370	3,275
Minority interests	—	8	59
Net profit attributable to shareholders <sup>(1)</sup>	287	378	3,334
Basic EPS (cents) <sup>(2)</sup>	0.48	0.63	5.56

#### Notes:-

- (1) Had the Service Agreements been in place throughout FY2004, our profit before income tax and net profit attributable to our shareholders for FY2004 would have been \$3.9 million and \$3.1 million respectively.
- (2) For comparative purposes, basic EPS is computed based on the pre-Invitation share capital of 59,988,586 Shares.

## PROSPECTUS SUMMARY

Financial position	Audited As at 31 December 2004
<b>\$'000</b>	
<b>Non-Current Assets</b>	
Plant and equipment	337
Deferred expenditure	375
Cash & cash equivalents	964
Trade receivables	5,236
	<u>6,912</u>
<b>Current Assets</b>	
Inventories	460
Contract work-in-progress	175
Trade receivables	8,773
Other receivables	345
Cash and cash equivalents	5,147
	<u>14,900</u>
<b>Total Assets</b>	<u>21,812</u>
<b>Current Liabilities</b>	
Contract work-in-progress	1
Trade payables	10,426
Other payables	706
Deferred revenue	129
Finance lease liabilities	13
Interest bearing loans and borrowings	1,134
Income tax payables	831
	<u>13,240</u>
Net Current Assets	<u>1,660</u>
<b>Non-Current Liabilities</b>	
Finance lease liabilities	24
Deferred tax liabilities	33
	<u>57</u>
<b>Net Assets</b>	<u>8,515</u>
<b>Shareholders' Equity</b>	
Issued share capital	2,408
Share premium	2,029
Foreign currency translation reserve	(25)
Retained profits	3,999
	<u>8,411</u>
Minority interests	104
<b>Shareholders' equity and minority interests</b>	<u>8,515</u>
NTA per Share (cents) <sup>(1)</sup>	<u>14.02</u>

**Note:-**

(1) For comparative purposes, NTA per Share is computed based on the pre-Invitation share capital of 59,988,586 Shares.

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## THE INVITATION

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Issue Size : 20,100,000 New Shares offered in Singapore comprising 2,000,000 Offer Shares and 18,100,000 Placement Shares (including 2,000,000 Reserved Shares).

The New Shares, upon issue and allotment, will rank *pari passu* in all respects with the existing issued Shares.

Issue Price : \$0.23 for each New Share

Purpose of the Invitation : Our Directors consider that the listing of our Company and the quotation of our Shares on the SGX-SESDAQ will enhance our public image locally and overseas and enable us to tap the capital markets for the expansion of our operations. The Invitation will also provide members of the public, our Directors, management, employees and business associates as well as those who have contributed to our success with an opportunity to participate in the equity of our Company.

Listing status : Prior to the Invitation, there had been no public market for our Shares. Our Shares will be quoted in Singapore dollars on the SGX-SESDAQ, subject to admission of our Company to the SGX-SESDAQ and permission for the dealing in and quotation of our Shares being granted by the SGX-ST and the Authority not issuing a stop order.

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## EXCHANGE RATES

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For inclusion in our Group's financial statements, the profit and loss accounts of our foreign subsidiaries have been translated at average exchange rates for the financial year. All assets and liabilities of foreign subsidiaries as at the balance sheet dates are translated at the exchange rates prevailing at the end of the financial year. Exchange differences arising from translation are taken directly to shareholders' equity (foreign currency translation reserve).

The following tables set out the exchange rates that have been used by our Company to translate the financial statements of our foreign subsidiaries for the financial years covered in this Prospectus, unless otherwise stated. These exchange rates are used by our Company for internal accounting and are only included for illustrative purposes. They should not be construed as a representation that those \$, RM or PS amounts could have been, or could be, converted into \$, RM or PS amounts, as the case may be, at any particular rate, the rates stated below, or at all.

The exchange rates used to translate the financial statements of our foreign subsidiaries as applied in this Prospectus are as follows:-

	FY2002	FY2003	FY2004
Profit and Loss Statements			
RM1: \$	—	0.4579	0.4485
PS1: \$	—	0.0316	0.0306
Balance Sheets			
RM1: \$	—	0.4561	0.4337
PS1 : \$	—	0.0314	0.0295

**Note:-**

The exchange rates for FY2002 were not applicable as our foreign subsidiaries Ntegrator Malaysia and Ntegrator Philippines had not been incorporated in 2002.

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## RISK FACTORS

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*Investors should consider carefully the following risk factors and all other information contained in this Prospectus, before deciding to invest in our Shares. You should also note that certain of the statements set forth below constitute “forward-looking statements” that involve risks and uncertainties.*

*If any of the following risk factors and uncertainties develop into actual events, our business, financial condition or results of operations or cash flows may be adversely affected. In such circumstances, the trading price of our Shares could decline and investors may lose all or part of their investment. To the best of our Directors’ belief and knowledge, all the risk factors that are material to investors in making an informed judgement have been set out below.*

### **RISKS RELATING TO OUR BUSINESS**

#### **Our deferred payment arrangement with one of our major customer is longer than our usual credit terms**

Pursuant to two contracts with one of our major customers, we have agreed on a deferred payment arrangement over a period of three financial years from the completion of each project. The payment arrangement results in credit terms which are longer than our usual credit terms of 30 to 60 days granted to customers. We have completed one of these contracts and a phase of the second contract in FY2004. The outstanding balance owing from this customer as at 31 December 2004, which are under export letters of credit, amounted to approximately \$7.8 million and will be settled over a period of three financial years from FY2005. There are two remaining phases in the second contract which are scheduled for completion in FY2005 and FY2006. The remaining phases of the second contract would be settled similarly over a period of three financial years from completion. Although payments by this major customer have been secured by export letters of credit, in the unlikely default of or delay in payment by the issuing bank, we will not be able to collect our trade debts in a timely fashion or at all. In such events, our financial performance will be adversely affected.

#### **We face risks related to political, regulatory and economic uncertainties in the countries we operate**

A new constitutional framework may be implemented in the future due to the political circumstances in Myanmar which may affect our customers in Myanmar, particularly with our major customer, the Ministry of Defence, Myanmar. We are unable to predict the effects of any new constitutional framework on our business and operations. Currently, there are few practical limits on the powers of individual government officers, however, the action of governmental authorities may at some later juncture be called into question. Our decisions and advice sought on our decisions with regards to our operations in Myanmar are based upon the legal system in Myanmar as presently interpreted and enforced by the State Peace and Development Council of Myanmar and its Attorney General’s Office. In the event of a change in constitution framework in Myanmar, we are unable to assure that we would be able to continue maintaining our business relationships with our customers in Myanmar, particularly with our major customer, the Ministry of Defence, Myanmar.

In addition, our performance may be affected by the political, regulatory and economic uncertainties in the countries in which we operate. There are certain risks inherent in doing business overseas, such as unexpected changes in the regulatory requirements, difficulties in staffing and managing foreign operations, political instability, banking and credit risks and potentially adverse tax consequences. Such changes may have a material adverse impact on our business, results of operations and financial condition.

#### **Our revenue and profits are dependent on successful and timely awards of tender bids**

We are required to tender for most of our contracts. There is no assurance that we will be successful in our tenders for projects. In the event that we are not successful in our bids, we will lose the opportunity to carry out the projects and hence any potential revenue.

In addition, we may experience delays in the receipt of awards of tenders and therefore in the completion of the projects. This will in turn defer the recognition of projected revenue within a financial year as we recognise revenue upon completion and acceptance of the projects by the customers. Consequently our financial performance for that particular year may be adversely affected.

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## RISK FACTORS

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### **Our failure to retain services of key personnel will adversely affect our operations and results**

Our success to date has been largely due to the contributions of our management team comprising our Executive Directors and Executive Officers. In particular, our Executive Directors have made key contributions in the formulation of our Group's overall business strategy and together with certain of our Executive Officers are responsible for our marketing efforts. Our continued success is dependent, to a large extent, on our ability to retain the services of our management team. The loss of our management team without suitable replacement or the inability to attract and retain qualified management may have an adverse impact on our business, financial condition and results of operations. Please refer to the section entitled "Directors, Management and Staff" of this Prospectus for details of our Directors and Executive Officers.

### **Our business is dependent on the IT and telecommunications industry**

Our customers are mainly from the telecommunications industry and they contributed approximately 66.0 per cent. to our Group's revenue for FY2004. Our customers from this industry in Vietnam and Myanmar are government-owned companies. As such, our performance depends on the state of the telecommunications industry as well as government spending on telecommunications in Myanmar and Vietnam.

Any significant downturn in the telecommunications industry, change in governmental policies and spending in Myanmar and Vietnam may result in a reduction of expenditure on, cancellation and/or postponement of network infrastructure and/or voice communication systems projects, which would in turn have a detrimental impact on our revenue and profit growth.

### **We are currently reliant on our network infrastructure business for a significant portion of our revenue and profit**

During FY2002, FY2003 and FY2004, our network infrastructure business contributed between 48.1 per cent. to 72.6 per cent. of our Group's revenue and between 63.9 per cent. and 87.5 per cent. of our Group's gross profit. Any significant reduction in this core business activity due to any reason, will result in lower business volume and consequently lower earnings. Our turnover and gross profit derived from this business activity and as a percentage of our Group's turnover and gross profit are shown below:-

	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Revenue derived from network infrastructure business	72.6	48.1	67.8
Gross Profit derived from network infrastructure business	87.5	63.9	77.6

### **We will be adversely affected by the loss of our major customers**

We have a reputable base of customers. Many of our major customers include the government sectors in Singapore, Vietnam and Myanmar as well as major companies such as MobileOne and Viettel. In FY2004, our major customers accounted for 77.7 per cent. of our revenue. Please refer to the section entitled "Major Customers" of this Prospectus for more details of our major customers. While we have maintained and cultivated our business relationships with these major customers, there is no assurance that we can maintain these relationships in the future. The loss of or a significant reduction in orders from these major customers would have a material effect on our financial profitability and performance.

### **We are reliant on our major suppliers**

We are dependent on our suppliers for our network infrastructure and voice communication systems products. Our technical competency and product knowledge is gained from them through the training and information manuals provided for the installation of their products. We are reliant on our suppliers' product range, market reputation, technology and R&D capabilities. We are also reliant on our suppliers for referrals of customers who seek their particular brand of products or when our customers specify a particular brand of products. Our major suppliers, ECI, Avaya and Alcatel, in aggregate accounted for 73.7 per cent. of our total cost of equipment and consumables used for FY2004.



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## RISK FACTORS

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In addition, our agreements with these suppliers are mostly non-exclusive. Our suppliers may appoint more than one reseller or business partner in the countries we operate. As at the Latest Practicable Date, to the best of our Directors' knowledge, we are the only appointed reseller or business partner for ECI, Ceragon Networks Ltd, Flexlight Networks Limited and IMC Networks Corp in some jurisdictions. However, we are unable to assure that we will continue to be the only reseller or business partner of these suppliers in these countries as our distributorship agreements are non-exclusive. In the event additional resellers or business partners of these suppliers are appointed in the countries we operate, our financial performance may be adversely affected.

Further, our agreements with our suppliers are subject to renewal. Currently, most of our agreements with our suppliers are usually for a term of one year. In the event we are unable to renew our agreements with our suppliers on expiry or in the event of termination of these agreements for any reasons, our financial performance will be adversely affected. Please refer to the section entitled "Our Distributorship Agreements" of this Prospectus for more details.

### **We may have difficulties in collecting trade debts from our customers**

We do not currently experience significant payment delays or defaults from our customers. As our business grows, we could encounter customers who may be unable to pay us on time. In addition, some of these customers are located in countries where the collection, recovery and/or enforcement of the payment of debts is inefficient and/or uncertain. We are subject to general credit risk in the countries we operate in. Hence, there may be doubts over the timeliness and their overall ability to fulfil their payment obligations. Any adverse political or socio-economic developments in these countries in which these customers operate could also result in payment delays and defaults. There is no assurance that we will be able to collect our trade debts in a timely fashion or at all. In such events, our financial performance will be adversely affected.

### **We face foreign exchange risks**

Our reporting currency is currently \$ while we transact mainly in USD in the past two financial years. In FY2004, approximately 78.7 per cent. of our revenue was denominated in USD, while approximately 84.8 per cent. of our costs was denominated in USD. Currently, we do not have a formal hedging policy in respect of our foreign exchange exposure. We have also not used any financial hedging instruments to manage our foreign exchange risk. We recognise our revenue and costs on invoice and convert to \$ at the month-end exchange rate. However, actual receipt and payment of our revenue and costs respectively would be at a later date depending on the credit terms which may be granted. We are subject to foreign exchange loss or gain as a result of such timing differences. In particular, our exposure to foreign exchange losses may be higher as a result of a deferred payment arrangement over a period of three financial years from the completion of two contracts with one of our major customers.

In addition, given that the reporting currency of our consolidated financial statements is in \$, in order to prepare our consolidated financial statements, we translate the financial statements of our subsidiaries in Philippines and Malaysia from PS and RM to \$ based on the relevant average exchange rates prevailing as at the relevant period of the respective financial statements. Any such transaction gains or losses will be recorded as translation reserves or deficits as part of our shareholders' equity. Movements in the exchange rates may adversely affect our financial performance.

Our revenue from our operations in Vietnam and Myanmar are in US\$. We also have US\$ denominated bank accounts. As such, any appreciation or depreciation of the US\$ against the \$ will result in us incurring foreign exchange losses or gains.

In future, as we expand regionally, we may transact in the respective local currencies in the countries we operate. In such event, we would be subject to additional foreign exchange exposure. The failure to effectively manage our foreign exchange risks could result in us incurring significant foreign exchange losses. Our transactional foreign exchange losses for FY2002, FY2003 and FY2004 were \$26,000, \$86,000 and \$0.5 million respectively. For more information on our exchange losses for FY2002, FY2003 and FY2004, please refer to the section entitled "Foreign Exchange Exposure" of this Prospectus.

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## RISK FACTORS

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### **Our operations may be affected by the spread of communicable diseases**

We operate in Singapore, Vietnam, Myanmar, Malaysia, Philippines and Thailand. The spread or outbreak of communicable diseases such as a resurgence of Severe Acute Respiratory Syndrome (“SARS”) and the avian influenza in the countries in which we operate may have a material adverse effect on our business such as delays in project implementation and completion due to logistics and travel restrictions. Our business in Singapore, Vietnam and Myanmar were affected by the decrease in demand for our products and services during the first half of 2003 due to the SARS outbreak. In addition, in the event any of our employees or employees of our customers or suppliers is infected by such communicable diseases, our customers, our suppliers or we may be required by health authorities to temporarily shut down our respective affected offices and quarantine all staff working in such offices to prevent the spread of the disease. This could have an adverse impact on our business.

### **We are reliant on our skilled engineering team**

Our success depends on our ability to hire and retain skilled and qualified engineering personnel. The projects that we undertake require experienced project managers and skilled engineers to execute. The loss of the services of these personnel without suitable replacement or the inability to attract and retain qualified personnel may have an adverse impact on our business, financial condition and results of operations.

### **We are subject to liabilities and risks relating to our proposed new businesses**

As part of the expansion of our current business portfolio, we intend to supply, install, and implement power distribution equipment and provide turn-key solutions for medical equipment. These proposed businesses are new businesses for our Group. Please refer to the section entitled “Future Plans” of this Prospectus for details of our new businesses. These new businesses could put a strain on our resources, in particular, it could divert our management’s attention from other business concerns and expose our business to unforeseen liabilities or risks associated with entering new businesses. Such liabilities and risks include the loss and failure to replace key employees and sub-contractors, unsuccessful integration of any acquired equipment or technologies, lapse of customer service, incurring debt and contingent liabilities and damage to our goodwill and other intangible assets. If we are unable to effectively execute our strategy for these new businesses, our business operations and financial performance may be adversely affected.

### **We may be adversely affected by fluctuations in interest rates**

As we expand our operations, a sufficient level of funding is required to finance both our expansion plans as well as our day-to-day operations. In the event we finance our funding needs with borrowings, we would be exposed to changes in interest rates in respect of our borrowings. Currently, all our borrowings are pegged to rates such as Singapore inter-bank offered rate which may fluctuate from time to time. In the event that these rates increase, our financial performance may be adversely affected.

### **We face risks associated with project management and may be liable for liquidated damages**

We are required to conform with technical specifications, operation procedures and time schedules for the satisfactory completion of any project contracted to us. The project agreement between the customer and us would normally include a provision for the payment of liquidated damages by us in the event we are unable to complete the projects in accordance with the terms of the contract. Unforeseeable circumstances could disrupt or delay the completion of the projects that we undertake from time to time. Such disruption or delay will result in cost overruns and higher operating costs which will adversely affect our profitability. If we are the cause of the delay in the completion of our projects, we will be liable for liquidated damages which will adversely affect our financial performance. In addition, our failure to complete projects according to customer specifications may also lead to claims of liquidated damages against us which would affect our financial performance. While we have not encountered any claims since the commencement of our business, we cannot give an assurance that we will not be subject to any claim for liquidated damages in the future.

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## RISK FACTORS

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### **Our business will be materially affected by the non-renewal of our various certifications**

Registration with the BCA is a pre-requisite for us to tender for contracts with the government sector in Singapore for the installation of communication and security systems, electric and electronic products and components and internal telephone wiring for telecommunications. Similarly registration with EPPU is required for the supply of goods and/or services to the public sector in Singapore. Certain of our customers in the government sector in Singapore may also require that we have achieved specified ISO recognition as a tender pre-requisite. Please refer to the section entitled “Government Regulations” of this Prospectus for details of our various certifications.

Currently the industrial classifications awarded by the BCA and EPPU to our Group are determined by factors such as capital net worth, track record and turnover/sales. If we are unable to meet the criteria for the grant of these classifications, we may be downgraded in terms of the level of classification we have been granted or our classification may not be renewed. Depending on the particular classification, our classifications are reviewed and renewed once every two or three years. In the event our classification is downgraded, the financial value of contracts that we can tender for are smaller or we may not be allowed to bid for contracts which have a higher industrial classification as a pre-requisite for tender. These would be detrimental to our business operations.

### **We are dependent on the work performance of our subcontractors**

We may outsource certain parts of our turn-key projects or services required by our customers to subcontractors. If any of our subcontractors are unable to meet their contractual obligations, or fail to meet the requirements or specifications of our customers, we may not be able to hand over our projects to our customers in a satisfactory and/or timely manner. We may also be liable for any defects in our subcontractors’ work or any negligence on their part, which could adversely affect our business and financial performance. Although we may obtain indemnities from our subcontractors in our contracts for any liabilities arising from their work, there is no assurance that the subcontractors may be able to fulfill their obligations with regard to such indemnities. In such events, our business and financial performance may also be adversely affected.

### **Possible infringement of the Philippine’s Tariff and Customs Law (“TCL”) may adversely affect our business operations**

Our subsidiary, Ntegrator Philippines has in accordance with the TCL, obtained the CPE Type Approval and the Accreditation Certificate for Customer-Provided Terminal Equipment Supplier on 25 January 2005. This certificate is a requirement for the issuance of the Permit to Import. After obtaining this certificate, Ntegrator Philippines shall apply for the Permit to Import for each of its import of equipment in the future in compliance with the TCL. Please refer to the section entitled “Government Regulations” of this Prospectus for details of the said approvals and permits.

Prior to 25 January 2005, Ntegrator Philippines had previously imported equipment into the Philippines through the declaration of such equipment as electronic components and not under the abovementioned permits. It is within the powers of the Philippines custom officials to seize any such articles imported even though the articles may be in the possession of a third party. The relevant authorities may discharge articles which have been subject to seizure provided that the importer shall pay to such authorities the fines which may be imposed. In cases of seizure, the fine imposed shall be an amount between 20 per cent. and 80 per cent. of the landed cost of the seized article. The maximum amount of fine which can be imposed on Ntegrator Philippines based on the aggregate value of equipment Ntegrator Philippines had previously imported is \$62,720. Accordingly, we cannot assure you that there will not be a seizure of equipment from our customer’s premises although they have been installed. Ntegrator Philippines may additionally be liable to our customer for actual or compensatory damages. This could include not just the value of the seized equipment, but also loss of business suffered by our customer from the seizure if we are not able to replace the equipment on a timely basis.

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## RISK FACTORS

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### **We are subject to Foreign Investment Committee (“FIC”) Guidelines in Malaysia**

Our Malaysian subsidiary, Ntegrator Malaysia, is subject to any adverse political, legal, economic (including any foreign exchange currency restrictions, ownership restrictions and tax charges) and social changes in Malaysia. In particular, the said company are subject to the Foreign Investment Committee guidelines (the “Guidelines”) issued by the Economic Planning Unit in Malaysia. Under the current Guidelines, approval of the FIC must be obtained when an acquisition by a foreign interest or foreign associated group is made in respect of 15% or more of the voting shares of Malaysian companies. The prevailing judicial opinion in Malaysia is that the Guidelines have no force of law and no sanctioning provisions or penalties are imposed for non-compliance. Nevertheless, although the Guidelines are merely policy guidelines, failure to obtain FIC approval may have practical consequences in relation to regulatory approvals required by a foreign investor for matters requiring proof of FIC approvals, which include (i) transactions concerning landed property, (ii) employment of expatriate personnel, (iii) government approvals and licences and (iv) government tenders or contracts.

Our revenue from Ntegrator Malaysia was not substantial, i.e. Ntegrator Malaysia contributed 0.021% and 0.27% of the Group’s revenue for FY2003 and FY2004 respectively. We have not sought the approval of the FIC in respect of our shareholdings in Ntegrator Malaysia. In the event that we apply for FIC approval or if FIC approval is required in future, we may have to dilute our shareholdings in Ntegrator Malaysia. In such an event, the contribution from Ntegrator Malaysia to our business would be unfavourably affected, thereby reducing our profits.

### **Our financial condition and results of operations may be materially affected in the event we are unable to reach our purchasing targets**

Certain of our distributorship agreements with our suppliers contain purchasing targets. We are required to purchase minimum order quantities of the relevant products so as to meet our purchasing targets. Although we have been able to meet all such purchasing targets set by our suppliers since commencement of our business, we are unable to assure that we will continue to meet these contractual obligations as our purchases are dependent on, amongst others, our business performance and demand for the products. In the event that we fail to meet our purchasing targets, our suppliers may exercise their right of remedies in accordance with the respective distributorship agreements which include the right to terminate the agreements, the right to terminate our distribution rights for certain products and/or the right to adjust relevant business terms of the agreements such as discounts levels. In such events, our financial condition and results of operations may be materially affected.

### **Our business and profitability may be affected by terrorist attacks and other acts of violence or war**

The effect of terrorist attacks or armed conflicts may negatively impact on our operations or those of our customers and suppliers. Such terrorist attacks or armed conflicts may also affect the demand for our products and our ability to deliver our products to our customers in a timely and cost-effective manner, which could in turn have a material impact on our revenue and our business. Such terrorist attacks may also result in political and economic instability in some regions in the world and this could also negatively impact our financial performance.

## **RISKS RELATING TO OUR INDUSTRY**

### **Our business is affected by technological changes**

The IT and telecommunications industry is characterised by rapid changes due to changing market trends, evolving industry standards and the introduction of new technologies. Our business success depends on our ability to be at the forefront of competition in terms of knowing the market trends and demands well in advance and to obtain new technology-based products from new or existing suppliers to cater for our customer’s changing needs. For example in recent times, the development of GPON and EPON may result in cost efficiency for fibre optics networks. These new technologies may be used in substitution of existing SDH technology used in fibre optics networks. If we fail to keep abreast of developments in our industry, our products and technical know-how may become obsolete and our business will be adversely affected.

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## RISK FACTORS

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### **We face intense competition**

The network infrastructure and voice communication systems integration business in which we operate is highly competitive. Companies who possess their own proprietary products and have better financial power are able to capitalise on pricing strategies to gain an edge over competition. Such companies include established players such as Huawei Technologies Co. Ltd. and Lucent Technologies Inc. We may also face competition from new entrants. In the event that our existing or potential competitors offer cheaper alternatives to our products or services, or engage in aggressive pricing in order to increase market share, our performance may be adversely affected. This will have a material adverse effect on our business and results of operations.

Our competitiveness depends on various factors such as the pricing of products and services, relationships with customers and suppliers, level of expertise of engineers and brand recognition. Competition in Singapore is especially keen because the market is small and saturated. Please refer to the section entitled “Competition” of this Prospectus for details of our main competitors. In the event we are unable to compete successfully against our competitors in these areas, our financial performance will be materially and adversely affected.

### **RISKS RELATING TO OWNERSHIP OF OUR SHARES**

#### **Our shareholding structure is fragmented**

As evident from our shareholding structure immediately following the Invitation, there would not be a single Controlling Shareholder to influence our direction. The lack of a single Controlling Shareholder makes it relatively easy for a person or an entity to consolidate control in our Company. The emergence of a single Controlling Shareholder could result in a change of the current intentions and objectives of our Board and the management of our Company, resulting in different business strategies and future plans from those currently contemplated. In addition, such a Controlling Shareholder may influence the composition of our Board and/or management of our Company thereby resulting in a change of Directors or management. The possible instability and disruption arising from such changes could adversely affect the business and results of our Group.

#### **Investors in our Shares will face immediate and substantial dilution in the book value per Share and may experience future dilution**

Our Issue Price of 23.0 cents is substantially higher than our Group’s NTA per Share of 15.2 cents (based on the NTA of our Group as at 31 December 2004 and adjusted for the Pre-IPO Scheme Conversion, the Bonus Issue, the Interim Dividend and the estimated net proceeds from the Invitation). If we were liquidated based on NTA immediately following the Invitation, each shareholder subscribing to the Invitation would receive less than the price they paid for their Shares. Further details are set out under the section entitled “Dilution” of this Prospectus. In addition, we intend to issue options under our Ntegrator Share Option Scheme. To the extent that such options are ultimately exercised and new Shares issued pursuant to such exercise are issued at below the Issue Price, there will be further dilution to investors participating in the Invitation. Further details of the Ntegrator Share Option Scheme are described under the section entitled “Ntegrator Share Option Scheme” of this Prospectus and in Appendix G of this Prospectus where the rules of the Scheme are set out.

#### **We may require additional funding for our future growth**

Although we have identified our future growth plans set out in this Prospectus as the avenues to pursue growth in our business, the issue proceeds from the Invitation will not be sufficient to fully cover the estimated costs of implementing all these plans. We may also find opportunities to grow through acquisitions which cannot be predicted at this juncture. Under such circumstances, secondary issue(s) of securities after the Invitation may be necessary to raise the required capital to develop these growth opportunities. If new Shares placed to new and/or existing shareholders are issued after the Invitation, they may be priced at a discount to the then prevailing market price of our Shares trading on the SGX-SESDAQ, in which case, existing shareholders’ equity interest may be diluted. If we fail to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted, and this could lead to a decline in our Share price. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.



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## INVITATION STATISTICS

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<b>Issue Price</b>	\$0.23
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### NTA

NTA per Share based on the audited consolidated balance sheet of our Group as at 31 December 2004 adjusted for the Pre-IPO Scheme Conversion, the Bonus Issue and the Interim Dividend:-

- |   |            |
|---|------------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Invitation share capital of 59,988,586 Shares | 14.7 cents |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Invitation share capital of 80,088,586 Shares | 15.2 cents |

Premium of Issue Price of \$0.23 over the NTA per Share as at 31 December 2004:-

- |   |                |
|---|----------------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Invitation share capital of 59,988,586 Shares | 56.5 per cent. |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Invitation share capital of 80,088,586 Shares | 51.3 per cent. |

### Earnings

Historical net earnings per Share based on the audited consolidated results of our Group for FY2004 and our Company's pre-Invitation share capital of 59,988,586 Shares	5.6 cents
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Historical net earnings per Share had the Service Agreements been in effect for FY2004 and based on the pre-Invitation Share Capital of 59,988,586 Shares	5.2 cents
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### Price Earnings Ratio

Historical price earnings ratio based on the Issue Price of \$0.23 and the historical net earnings per Share for FY2004	4.1 times
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Historical price earnings ratio based on the historical net earnings per Share had the Service Agreements been in effect for FY2004	4.4 times
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### Net Operating Cash Flow<sup>(1)</sup>

Historical net operating cash flow per Share for FY2004, based on our Company's pre-Invitation share capital of 59,988,586 Shares	6.0 cents
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Historical net operating cash flow per Share for FY2004, had the Service Agreements been in effect for FY2004 and based on our Company's pre-Invitation share capital of 59,988,586 Shares	5.6 cents
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### Price to Cash Flow Ratio

Ratio of Issue Price to historical net operating cash flow per Share of the Group for FY2004 based on our Company's pre-Invitation share capital of 59,988,586 Shares	3.8 times
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Ratio of Issue Price to historical net operating cash flow per Share of the Group for FY2004 had the Service Agreements been in effect for FY2004 and based on our Company's pre-Invitation share capital of 59,988,586 Shares	4.1 times
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## INVITATION STATISTICS

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### Market Capitalisation

Our market capitalisation based on the post-Invitation share capital of 80,088,586 Shares and the Issue price of \$0.23 \$18.4 million

### Note:

- (1) Net operating cash flow is defined as profit after income tax and minority interest with provision for depreciation expenses added back.

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## USE OF PROCEEDS

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The net proceeds from the issue of the New Shares are estimated to be approximately \$3.4 million, which we intend to use in the following manner:-

1. approximately \$2.0 million for the expansion of our local and overseas operations through the increase of our staff strength, enlarging our existing office premises and purchasing or upgrading of demonstration and office equipment;
2. approximately \$1.0 million to finance acquisitions, strategic partnerships and/or joint ventures, particularly businesses in the area of voice communication systems and maintenance and support services; and
3. the balance to be used as general working capital of our Group.

Please refer to the section entitled “Future Plans” of this Prospectus for further details on our plans above.

Pending the deployment of the net proceeds from the issue of the New Shares as aforesaid, the funds will be placed in short-term deposits or money market instruments as our Directors may deem fit.

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## DIVIDEND POLICY

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We currently do not have a fixed dividend policy. Our Company has not distributed any dividends since its incorporation on 24 July 1999, except that on 9 September 2005, an interim dividend of \$1,199,771.72 was declared to our existing Shareholders.

We may declare annual dividends with the approval of our shareholders in a general meeting, but the amount of such dividends shall not exceed the amount recommended by our Directors. Our Directors may also declare an interim dividend without seeking the approval of our shareholders. We must pay all dividends out of profits or pursuant to Section 69 of the Companies Act.

Future dividends will be paid by us as and when approved by our shareholders and Directors. Any such dividend payments will be subject to the level of our future earnings, cash flow, financial condition, projected levels of capital expenditures and investment plans, including such legal or contractual restrictions as may apply from time to time.

For information relating to taxes payable on dividends, please refer to Appendix F of this Prospectus.

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## SHARE CAPITAL

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Our Company was incorporated in Singapore on 24 July 1999 under the Act as a private limited company under the name of Kenbience International Pte Ltd. Our Company's name was changed to Ntegrator International Pte Ltd on 28 December 2004.

As at 31 December 2004, our authorised share capital was \$10,000,000 comprising 100,000,000 ordinary shares of \$0.10 each and our issued and paid-up capital was \$2,408,021 comprising 24,080,210 ordinary shares of \$0.10 each.

On 8 September 2005, 5,914,083 Shares were issued upon the exercise of share options held by our Directors, management and employees pursuant to the Pre-IPO Scheme ("Pre-IPO Scheme Conversion") and our issued and paid-up capital was increased to \$2,999,429.30.

At a further extraordinary general meeting held on 9 September 2005, our shareholders approved, *inter alia*, the following:-

- (a) the bonus issue of 29,994,293 ordinary shares of \$0.10 each fully paid in the capital of our Company prior to the Invitation by way of capitalising the share premium account of our Company ("Bonus Issue");
- (b) conversion of our Company into a public limited company and the change of our name to Ntegrator International Limited;
- (c) the adoption of a new set of Articles of Association;
- (d) the issue of New Shares pursuant to the Invitation which when fully paid, allotted and issued, will rank *pari passu* in all respects with the existing issued Shares (the "Issue of New Shares");
- (e) the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to
  - (i) issue shares whether by way of rights, bonus or otherwise (including Shares as may be issued pursuant to any Instrument (as defined below) made or granted by our Directors while this Resolution is in force notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time of issue of such Shares); and/or
  - (ii) 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 warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares issued pursuant to such authority (including Shares issued pursuant to any Instrument but excluding Shares which may be issued pursuant to any adjustments ("Adjustments") effected under any relevant Instrument, which Adjustment shall be made in compliance with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of our Company), shall not exceed 50 per cent. of the issued share capital of our Company immediately after the Invitation, and provided that the aggregate number of such Shares to be issued other than on a *pro rata* basis in pursuance to such authority (including Shares issued pursuant to any Instrument but excluding Shares which may be issued pursuant to any Adjustment effected under any relevant Instrument) to the existing Shareholders shall not exceed 20 per cent. of the issued share capital of our Company immediately after the Invitation, and, unless revoked or varied by our Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of our Company or the date by which the next Annual General Meeting of our Company is required by law to be held, whichever is the earlier; and

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## SHARE CAPITAL

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- (f) the adoption of the Ntegrator Share Option Scheme, the rules of which are set out in Appendix G of this Prospectus and that our Directors be authorised to allot and issue Option Shares upon the exercise of Option granted under the Scheme.

As at the date of this Prospectus, our authorised share capital was \$10,000,000 comprising 100,000,000 ordinary shares of \$0.10 each and our issued and paid-up capital was \$5,998,858.60 comprising 59,988,586 ordinary shares of \$0.10 each.

Upon the allotment and issue of the New Shares which are subject to the Invitation, the resultant issued and paid-up share capital of our Company will be increased to \$8,008,858.60 comprising 80,088,586 Shares.

Details of changes in our issued and paid-up capital since 31 December 2004, being the date of our last audited financial statements and immediately after the Invitation are as follows:-

	Number of Shares	\$
Issued and fully paid Shares as at 31 December 2004	24,080,210	2,408,021.00
Pre-IPO Scheme Conversion	5,914,083	591,408.30
Bonus Issue	29,994,293	2,999,429.30
	59,988,586	5,998,858.60
New Shares issued pursuant to the Invitation	20,100,000	20,100,000
Post-Invitation share capital	80,088,586	8,008,858.60

## CAPITALISATION AND INDEBTEDNESS

The following table shows our cash and cash equivalents and capitalisation as at 31 August 2005:-

- (i) on an actual basis based on our unaudited management accounts as at 31 August 2005;
- (ii) as adjusted to reflect the Pre-IPO Scheme Conversion, the Bonus Issue and the Interim Dividend; and
- (iii) as adjusted to give effect to the sale of 20,100,000 New Shares pursuant to the Invitation and the application of the net proceeds.

You should read this table in conjunction with the section entitled “Management Discussion and Analysis of Financial Position and Results of Operations” of this Prospectus.

\$'000	← As at 31 August 2005 → As adjusted for the Pre-IPO Scheme Conversion, the Bonus Issue and the Interim Dividend		
	Actual	As adjusted for the Pre-IPO Scheme Conversion, the Bonus Issue and the Interim Dividend	As adjusted for the Invitation
Cash and cash equivalents <sup>(1)</sup>	2,602	4,187	7,572
Short-term debt:			
Bank overdraft, unsecured <sup>(2)</sup>	—	—	—
Bank loan, unsecured <sup>(2)</sup>	1,000	1,000	1,000
Current portion of finance lease liabilities	4	4	4
	1,004	1,004	1,004
Long-term debt:			
Non-current portion of finance lease liabilities	29	29	29
	29	29	29
Total debts	1,033	1,033	1,033
Shareholders' equity:			
Issued and paid-up share capital	2,408	5,998	8,008
Share premium	2,029	24	1,400
Foreign currency translation reserve	35	35	35
Retained profits	4,875	3,675	3,675
Total shareholders' equity	9,347	9,732	13,118
Total capital and debts	10,380	10,765	14,151

**Notes:-**

- (1) Included in cash and cash equivalents are amounts totalling approximately \$0.9 million which have been pledged as securities with financial institutions for credit facilities extended to us.
- (2) The unsecured bank overdraft and loan are guaranteed by certain Directors of our Company.

As at the Latest Practicable Date, the finance lease liabilities due to financial institutions were \$33,000 for the purchase of a motor van.

As at the Latest Practicable Date, we had a short-term loan of approximately \$1.0 million from a financial institution for working capital which is repayable within the next 1.5 months.



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## CAPITALISATION AND INDEBTEDNESS

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### CONTINGENT LIABILITIES

As at Latest Practicable Date, to the best of our knowledge, information and belief, we are not aware of any material contingent liabilities which may have a material effect on the financial position and profitability of our Group.

## DILUTION

Dilution is the amount by which the Issue Price paid by the subscribers of our Shares in this Invitation exceeds the NTA per Share after the Invitation. Our audited NTA per Share as at 31 December 2004 adjusted for the Pre-IPO Scheme Conversion, the Bonus Issue and the Interim Dividend before adjusting for the net proceeds from the Invitation and based on the pre-Invitation issued and paid up share capital of 59,988,586 Shares was 14.66 cents per Share.

Pursuant to the Invitation in respect of 20,100,000 New Shares at the Issue Price, our NTA per Share after adjusting for the estimated proceeds from the Invitation and based on the post-Invitation issued and paid-up share capital of 80,088,586 Shares would have been 15.21 cents. This represents an immediate increase in NTA per Share of 0.55 cents to our existing shareholders and an immediate dilution in NTA per Share of 7.79 cents or approximately 33.9 per cent. to our new investors.

The following table illustrates the dilution per Share:-

	Cents
Issue Price per Share	23.00
NTA per Share as of 31 December 2004 adjusted for the Pre-IPO Scheme Conversion, the Bonus Issue and the Interim Dividend before adjusting for the Invitation and based on the pre-Invitation Share Capital of 59,988,586 Shares	14.66
Increase in NTA per Share attributable to existing investors	0.55
NTA per Share after the Invitation	15.21
Dilution in NTA per Share to new public investors	7.79

The following table summarises the total number of Shares issued by us, the total consideration paid to us and the average price paid per Share by our existing shareholders and by our new investors in the Invitation.

	Number of Shares	%	Total Consideration \$	%	Average price per Ordinary Share Cents
Existing shareholders	59,988,586	74.9	6,022,472	56.6	10.04
New investors	20,100,000	25.1	4,623,000	43.4	23.00
Total	80,088,586	100	10,645,472	100	

## DILUTION

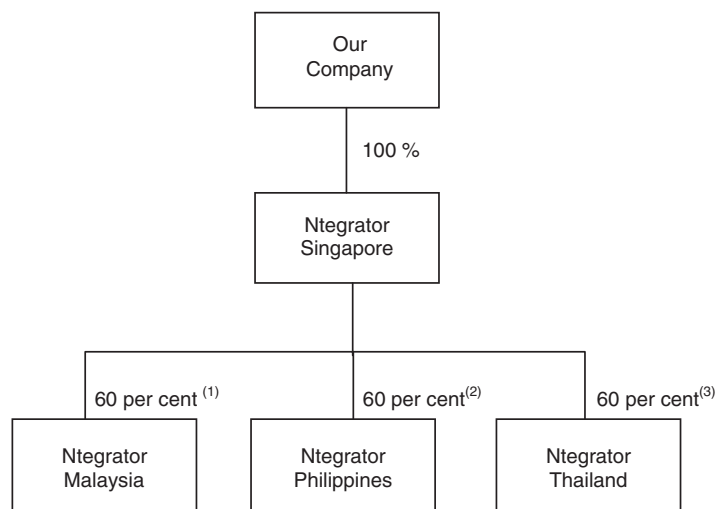
Save as disclosed in the table below, none of our Directors and Substantial Shareholders and their Associates acquired any Shares at any time during the period of three years before the date of lodgement of this Prospectus.

	Number of Shares	Total Consideration (\$)	Effective cash cost per Share (\$)
<b>Director</b>			
Bernard Chen	200,000	26,800	0.134
Han Meng Siew	1,400,000	187,600	0.134
Jimmy Chang Joo Whut	3,400,000	287,600	0.085
Tay Choon Chong	400,000	53,600	0.134
Loudon Owen	200,000	26,800	0.134
Charles Reed	400,000	53,600	0.134
<b>Substantial Shareholders</b>			
Goh Siok Kuan	6,000,000	300,000	0.050
FTFI	11,940,280	1,599,997.52	0.134
1413782 Ontario Inc	1,014,140	135,894.76	0.134
1413783 Ontario Inc	11,206,000	1,501,604	0.134

## GROUP STRUCTURE

### GROUP STRUCTURE

Our Group structure as at the Latest Practicable Date is as follows:



In addition to the above, our Subsidiary, Ntegrator Singapore has established a representative office in Vietnam.

#### Notes:-

- (1) The remaining 40 per cent. is owned by Mr Abdur Rahman Bin K M M Ebrahim (20 per cent.) and Mr Habibur Rahman Bin Ibrahim (20 percent.), unrelated third parties.
- (2) Messrs Kenneth Sw, Johnson Teo and Mario Luz Bautista each hold one share which is beneficially owned by Ntegrator Singapore. The remaining 40 per cent. is held by Messrs Antonio C. Fernando (15 per cent.), Vicente G. Solon (25 per cent.), Carlos A. Valenzuela (one share), Alma de Leon Villosa (one share) and Victoria A. Fernando (one share), all unrelated third parties.
- (3) The remaining 799,997 shares (approximately 40 per cent.) is held by Worldplus Company Limited. In accordance with Thai law which requires a minimum of seven individual shareholders, Messrs Han Meng Siew, Jimmy Chang Joo Whut, Kenneth Sw, Diana Lee, Peerapol Chamroenvidhya, Chansuda Charusathien and Varaporn Boonsuk each hold one share in Ntegrator Thailand.

The details of each subsidiary of our Company as at the date of this Prospectus are as follows:-

Name	Date and place of incorporation	Principal business	Principal place of business	Percentage owned
Ntegrator Singapore	22 July 2000 Singapore	System integration of voice, video and data communication networks and services and provision of information communication services	Singapore	100 per cent.
Ntegrator Malaysia	8 September 2003 Malaysia	System integration of voice, video and data communication networks and services and provision of information communication services	Malaysia	60 per cent. through Ntegrator Singapore
Ntegrator Philippines	8 August 2003 Philippines	Import and export, provision of consultation services, system integration of voice, video and data communication networks and provision of information communication services	Philippines	60 per cent. through Ntegrator Singapore

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## GROUP STRUCTURE

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Name	Date and place of incorporation	Principal business	Principal place of business	Percentage owned
Ntegrator Thailand	18 November 2004 Thailand	Operating the distribution, design and system implementation, acting as a consultant to install, repair with regard to an integrated system on communications network, data, voice and video	Thailand	60 per cent. through Ntegrator Singapore

The shares in Ntegrator Thailand are classified into Class A and Class B shares pursuant to the subsidiary's articles of association whereby shareholders holding Class A and Class B shares must hold 60 per cent. and 40 per cent. of the subsidiary's shares at all times. Our entire shareholding in Ntegrator Thailand comprises Class A shares. Similarly, Messrs Han Meng Siew, Jimmy Chang Joo Whut, Kenneth Sw and Diana Lee hold Class A shares. The remaining shareholders Worldplus Company Limited, Peerapol Chamroenvidhya, Chansuda Charusathien and Varaporn Boonsuk hold Class B Shares. Save as provided below, shares of both Class A and Class B rank *pari passu* in all respects and neither has preference of any kind over the other:

- (1) shareholders holding Class A shares are entitled to nominate three directors, while the shareholders holding Class B shares are entitled to nominate two directors;
- (2) the chairman of the board of directors of Ntegrator Thailand shall be a director nominated by Class A shareholders and shall have the casting vote in the event of a deadlock of the board of directors of Ntegrator Thailand;
- (3) no business shall be transacted at any meeting of the directors unless a quorum of three directors is present, comprising at least one director nominated by Class A shareholders and one director nominated by Class B shareholders present in person or by his/her proxy holder;
- (4) both Class A and Class B shareholders must be present to constitute a quorum for the purpose of a general meeting of Ntegrator Thailand; and
- (5) the articles of association of Ntegrator Thailand provide a list of decisions and actions of Ntegrator Thailand which require the approval of all the Class A Shareholders, for example, a change in the share capital of the company or a change in its business.

We have entered into joint venture agreements with the other shareholders of our subsidiaries. Please refer to paragraph 21 of the section entitled "General and Statutory Information" of this Prospectus for further details of these joint venture agreements. These agreements regulate our relationships as shareholders. In particular, each of these joint venture agreements provide for a non-competition clause. Each party to the relevant joint venture agreement has undertaken that as long as each of them remain as shareholders of the company (or within a period of one year after ceasing to be a shareholder), it shall not without prior written consent of the company, be directly or indirectly engaged or interested in any capacity whatsoever in any business competing with the joint venture business.

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## GENERAL INFORMATION ON OUR GROUP

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### HISTORY AND DEVELOPMENT OF OUR GROUP

Our Company was incorporated in Singapore under the Companies Act on 24 July 1999 as a private limited company under the name of Kenbience International Pte Ltd which remained dormant as a shelf company until it was transferred and we commenced operations in April 2002. On 28 December 2004, we changed our name to Ntegrator International Pte Ltd. On 15 September 2005, we converted to a public limited company and changed our name to Ntegrator International Ltd. Ntegrator is the holding company of our Group. It wholly owns Ntegrator Singapore which owns 60 per cent. of each of Ntegrator Malaysia, Ntegrator Philippines and Ntegrator Thailand.

### Our Singapore Operations

We acquired Ntegrator Singapore, a shelf company, and commenced operations in April 2002 with 13 staff led by our Managing Director, Mr Jimmy Chang Joo Whut. We began our business by focusing on the network infrastructure business with MobileOne as one of our first major customers. We supplied and implemented DCME as well as provided related maintenance and training services to MobileOne. Subsequently, we were also engaged by MobileOne for maintenance and support services of its SDH fibre optics network on a 24 hours a day, seven days a week basis. In December 2002, we received an order for the supply and implementation of DCME for the expansion of MobileOne's international direct dialling ("IDD") call capacity. Subsequently, we received a milestone order from MobileOne in May 2003 for VoIP media gateway on a turn-key basis to provide IDD call services.

In July 2002, we commenced our voice communication systems business and in September 2002, we were awarded a major contract by the Singapore Institute of Management for the provision of a full turn-key PABX solution, which entailed providing the PABX systems as well as maintenance and support services thereof. Subsequently, we have also provided PABX solutions to, amongst others, Borneo Motors (S) Pte Ltd, Star Cruise Pte Ltd, Asiacom, Surbana Corporation Pte Ltd (formerly known as HDB Corporation Pte. Ltd.), Singapore Computer Systems Limited, Standard Chartered Bank and Valuair Ltd.

The following are milestone projects we have undertaken in relation to our network infrastructure and our voice communications systems business:-

- (i) with Power Automation Pte Ltd for the provision of our first full turn-key data network infrastructure solution for the PowerGrid, Singapore project;
- (ii) with Alcatel to provide project management service for Diamond Princess and Sapphire Princess Cruises. This also involved the installation of new PABX systems; and
- (iii) with Singapore Telecommunications Ltd for test equipment for their network operations and maintenance applications.

Amongst some of our major contracts for our maintenance and support services, we have received orders from SP Power Assets Ltd to maintain its SDH fibre optics network infrastructure and from Standard Chartered Bank to maintain its voice communication systems.

In January 2003, investment funds from 1413782 Ontario Inc and 1413783 Ontario Inc and FTFI were injected into our Company for the purposes of our business expansion locally and overseas. 1413782 Ontario Inc. and 1413783 Ontario Inc. are beneficially owned by McLean Watson Ventures while FTFI is an investment fund managed by Fortune Venture. McLean Watson Ventures and Fortune Venture are venture capital companies based in Canada and Taiwan respectively. Between January 2003 and July 2003, 1413782 Ontario Inc. and 1413783 Ontario Inc. collectively and FTFI invested \$1,637,498.74 and \$1,599,997.52 which represented a 25.37 per cent. and 24.79 per cent. equity interest in our Company respectively.

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## GENERAL INFORMATION ON OUR GROUP

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On 13 May 2002, Ntegrator Singapore was qualified by the BCA for the following:-

- ME04 Communication and Security Systems with L1 tender capacity of up to \$100,000
- SY05 Electrical and Electronic Materials, Products and Components with L2 tender capacity of up to \$500,000

On 20 November 2003, the BCA upgraded Ntegrator Singapore to its present qualification for ME04 Communication and Security Systems to L5 which has a tender capacity of up to \$10 million.

Ntegrator Singapore was named a Top Exporting Construction Firm of 2002 in a press release by the BCA on 10th October 2003. This was a rating of the top twenty contractors based on the value of overseas construction contracts secured.

On 12 January 2004, Ntegrator Singapore was awarded the ISO 9001:2000 certification by the accreditation body, BSI Management Systems, in recognition of our quality management system.

We were awarded “Promising SME Award” in the Singapore SME 500 (“SME 500”) in 2005. The SME 500 ranks and recognises the most successful small and medium enterprise (SME) companies based on annual financial performance of sales/turnover. The ranking and certification of these rankings is organized by DP Information Group together with Ernst & Young, supporting organisations, IE Singapore, SPRING Singapore and The Business Times.

### **Our Overseas Operations**

Ntegrator Singapore received its first orders from Vietnam in 2002. One of our first major transactions in 2002 was the supply, installation and commissioning of ECI's SDH fibre optics network infrastructure for Viettel, one of the leading telecommunications company in Vietnam. This network infrastructure provides E1 leased line service and telephone switching interconnection for country wide access. Viettel continues to be our customer to-date and we have provided other network infrastructure to Viettel as its SDH fibre optics network expanded.

In August 2002, we established our representative office in Vietnam to facilitate our business with our major customer, Viettel, and also to explore other business opportunities in Vietnam.

In June 2002, we ventured into the Myanmar market in order to extend our reach of customers. In August 2002, we clinched a major contract with the government sector in Myanmar to provide a full turn-key solution for voice, data and fibre optics network infrastructure. On 13 January 2003, we appointed a business representative in Myanmar to render technical services to our customers. Our business representative in Myanmar also acts as our sub-contractor for the provision of engineering services for our projects in Myanmar. In April 2004, we had received a major milestone contract from one of the ministries of Myanmar for the second phase of the implementation of a SDH/DWDM fibre optics network in Myanmar to increase its network capacity.

In May 2003, we obtained our first contract for project management services which was outsourced from ECI under which we were responsible for the management of its SDH fibre optics network infrastructure contract in Indonesia.

To further expand our business in the region, we incorporated our subsidiaries, Ntegrator Philippines, Ntegrator Malaysia and Ntegrator Thailand on 8 August 2003, 8 September 2003 and 18 November 2004 respectively.

Since commencement of our business in April 2002, our Group's business has grown from a revenue of \$7.4 million in FY2002 to \$21.7 million in FY2003. For FY2004, our revenue was \$31.6 million. Our number of staff has also grown in tandem with our growth from 13 employees to 68 as at the Latest Practicable Date.



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## GENERAL INFORMATION ON OUR GROUP

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### BUSINESS OVERVIEW

We are an integration specialist for network infrastructure and voice communication systems. Our core business activities include the design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure as well as voice communication systems.

In addition, we also provide maintenance and support services and project management services for network infrastructure and voice communication systems as well as turn-key solutions for medical equipment.

We have operations in Singapore, Malaysia, Philippines and Thailand through our subsidiaries. We also have a representative office in Vietnam and a business representative in Myanmar who provide, technical services to our Group.

#### A. Network Infrastructure

We integrate network infrastructure that enable our customers to communicate electronically within an organisation or with another organisation, whether located in the same country or globally. The type of information transmitted can be voice, data and/or video. The type of network infrastructure which may be implemented may be:-

- (i) LAN which usually covers a limited area such as the same floor of a building or within a building itself;
- (ii) MAN which is usually designed to cover a large area such as a town or city; or
- (iii) WAN which spans a wider area than a LAN or a MAN, and usually covers a wide geographical area which may cover a number of countries.

We integrate hardware and software components required to implement the various network infrastructure and also the specified software solutions, which cater to different applications as required by our customers.

The following are some of the major integrated network infrastructure we have provided:-

1. Fibre optics network infrastructure solutions using SDH, DCME and DWDM

Fibre optics networks are mediums of transmission for communications systems. Our solutions offer customers a multi-service platform which is optimised in MAN and WAN as our solutions are able to meet all our customers' bandwidth requirements. We do so by increasing the capacity of the fibre optics network by utilising SDH, DCME and DWDM.

2. Multi-service access solutions for network infrastructure

Our solutions consist of specialised multi-service access equipment which support a variety of LAN, MAN and WAN at our customers' premises. Our solutions enable network providers to bundle multiple services such as analog and digital voice communication, fax, high and low speed data, IP and ISDN transmitted over copper, fibre optics or DSL.

3. Solutions for ISPs and Internet applications

We build end-to-end IP network infrastructure comprising DSL equipment, subscriber management systems for ISPs which provide such customers with the web-based tools they require for account management, billing, access control and network equipment.

4. Computer security solutions for IP networks

We provide computer security solutions for small offices, home offices, small businesses and carrier applications. These solutions deliver comprehensive network protection with network-based anti-virus, content filtering, firewall, VPN as well as intrusion-detection and prevention functionality.

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## GENERAL INFORMATION ON OUR GROUP

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5. VoIP solutions

Our solutions provide deployment flexibility to network providers by combining media gateway platforms with robust management systems. These solutions address a wide range of network provider applications such as tandem switching, IP trunking, IP centrex, VPN, pre/post paid calling card platforms and unified messaging systems (receipt of data through a different medium from which it was sent, such as receipt of a facsimile message in an electronic mail).

6. Broadband wireless solutions using Free Space Optics ("FSO")

Our solutions are able to provide secured transmission through the use of FSO technology which uses laser technology to send wireless optical signals and provide a higher bandwidth to the end-user at a faster speed.

7. Wireless LAN deployment for campuses and public facilities

Our wireless LAN solutions enable service providers to provide real-time access to the Internet in particular localities. These solutions will enable users of personal computers, laptops and personal digital assistants to access the Internet conveniently, wirelessly and with mobility.

8. Cellular GSM & CDMA network solutions

Our solutions provide network operators with a single resource integration for CDMA or GSM cellular network infrastructure which includes the provision of the following services:-

- analysing of topographic data, performance of drive tests and preparation of nominal plan;
- planning and allocation of frequencies;
- issuing of a fibre optics network layout plan;
- selecting sites for use as base station, hubs and switching centres; and/or
- coverage simulation with the use of advanced planning tools.

In addition, we provide test solutions which utilise the latest technology and innovation in the testing of data/video, fibre optics, wireless and cellular network infrastructure. These test equipment allow network operators to carry out tests on the efficiency of their network infrastructure.

### B. Voice Communication Systems

Our voice communication systems provide our customers with seamless integration of a wide variety of voice and data signals used in large institutional telecom applications. We are able to provide flexible and user-configurable systems to provide exact customisation to our customers' needs.

The products we provide for voice communications systems include the following:-

1. PABX

PABX provides for switching and interface capabilities for voice and data transmission. Certain advanced PABX may also function as a networking tool by serving as the hub of a system that links voice-to-voice communication such as telephones, voice-to-data communication such as IVR and data-to-data communication such as unified messaging systems.

2. Video conferencing system

This is a two-way full motion audio and visual communication tool which allows face-to-face meetings between groups of individuals whether they are located in the same country or in different countries.

3. Voice messaging / recording / logging system

This system comprises a minicomputer integrated with a PABX which provides each user with an individual voice mailbox.

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## GENERAL INFORMATION ON OUR GROUP

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We also supply and implement test equipment designed for testing voice communication systems. These test equipment utilise the latest technology and innovation to enable our customers to ensure that their voice communication systems are effective, reliable and efficient.

### C. Provision of Maintenance and Support Services and Project Management Services

#### 1. Maintenance and support services

We provide maintenance and support services mainly for the network infrastructure and voice communication systems which we have set up. We occasionally provide maintenance and support services for the infrastructure or systems set up by third parties. Our maintenance and support services includes the provision of a 24-hour fault control hotline, hardware repair services, software repair services, on-line CRM system services, 24-hour on-site support services and 24-hour remote modem dial-in services. Such services are carried out on contracts which usually last between one to five years. We may also provide software and hardware upgrades and implementation depending on the terms of the particular contract.

#### 2. Project management services for network infrastructure and voice communication systems

We may be engaged by our suppliers on a project basis to provide installation and implementation services of the network infrastructure or voice communication systems that have been purchased by their customers. We believe that such engagements by our suppliers are recognition that we possess the requisite skills and expertise to provide the installation and implementation services to their customers.

### D. Provision of Turnkey Solutions for Medical Equipment

As part of our business plan to expand our current business portfolio to include the provision of turn-key solutions for medical equipment, we have on 11 August 2005 entered into a contract to provide medical equipment to the government sector in Myanmar. We have ordered the relevant medical equipment which is scheduled for delivery within the last quarter of FY2005. Please refer to the section entitled "Future Plans" of this Prospectus for details of this business plan.

## OUR DISTRIBUTORSHIP AGREEMENTS

In order to allow us to supply and integrate the network infrastructure and voice communication systems products, we have entered into distributorship agreements with our suppliers for the purchase of the relevant network infrastructure products and voice communication systems. When requested by customers, our distributorship agreements also allow us to sell network infrastructure products and voice communication systems which are sourced from our suppliers directly to end-users and resellers. The following are details of our distributorship agreements with our nine core suppliers:-

Suppliers	Type of Certification by the Suppliers	Distributorship Status	Type of Products that we supply
Alcatel	Premium Business Partner This is a recognition of our commercial and qualified resources, investment in facilities and ability to offer service to customers.	■ Non-exclusive ■ Term of one year commencing 1 June 2003 ■ Automatically renewable appointment ■ Authorised distributor in Singapore, Vietnam	Voice communication products such as business phones, contact centre applications, voice communication applications and communication server products
		■ Non-exclusive ■ Term of one year commencing 1 July 2002 ■ Automatically renewable appointment ■ Authorised distributor in Myanmar	Voice communication products such as business phones, contact centre applications, voice communication applications and communication servers products

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## GENERAL INFORMATION ON OUR GROUP

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Suppliers	Type of Certification by the Suppliers	Distributorship Status	Type of Products that we supply
Avaya	Gold Business Partner This Gold certification is an industry recognised designation that Ntegrator Singapore has met Avaya's series of rigorous criteria to ensure superior technical competency and the ability to deliver best-in-class customer service and support.	<ul style="list-style-type: none"> <li>■ Non-exclusive</li> <li>■ Term of one year commencing 1 January 2005</li> <li>■ Renewable upon written agreement</li> <li>■ Authorised distributor in Singapore, Malaysia, Myanmar, Vietnam and Indonesia</li> <li>■ Purchasing targets stipulated</li> </ul>	Voice communication products such as business phones, contact centre applications, voice communication applications and communication server products
Ceragon Networks Ltd	Distributor	<ul style="list-style-type: none"> <li>■ Non-exclusive</li> <li>■ Term of two years commencing 8 November 2004</li> <li>■ Automatically renewable appointment</li> <li>■ Authorised distributor in Singapore, Vietnam, Myanmar and Thailand</li> </ul>	Wireless network infrastructure products such as SDH and PDH microwave systems
ECI	Distributor	<ul style="list-style-type: none"> <li>■ Non-exclusive</li> <li>■ Term commencing 27 April 2005 and expiring on 31 December 2006</li> <li>■ Renewable upon notice</li> <li>■ Authorised distributor in Singapore, Myanmar and Vietnam</li> </ul>	DWDM and SDH fibre optics network infrastructure products such as SDH multiplexer and VoIP softswitch and media gateway
Flexlight Networks Ltd	Business Partner	<ul style="list-style-type: none"> <li>■ Non-exclusive</li> <li>■ Term of one year commencing 20 July 2004</li> <li>■ Automatically renewable appointment</li> <li>■ Authorised distributor in Singapore and Malaysia</li> <li>■ Purchasing targets stipulated</li> </ul>	Data/IP Network infrastructure products such as passive optical network products
IMC Networks Corp	Distributor	<ul style="list-style-type: none"> <li>■ Non-exclusive</li> <li>■ Term commencing 3 April 2003</li> <li>■ Effective till terminated by either party</li> <li>■ Authorised distributor in Singapore</li> </ul>	Fibre optics network infrastructure products such as fibre to the building/curb and copper to fibre converter with remote SNMP

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## GENERAL INFORMATION ON OUR GROUP

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Suppliers	Type of Certification by the Suppliers	Distributorship Status	Type of Products that we supply
Nortel	Business Partner	<ul style="list-style-type: none"> <li>■ Non-exclusive</li> <li>■ Term of one year commencing 1 January 2005</li> <li>■ Renewable upon notice</li> <li>■ Authorised distributor in Philippines</li> <li>■ Purchasing targets stipulated</li> </ul>	Voice communication products such as business phones, contact centre applications, voice communications and communication server products
Sunrise Telecom	Exclusive Distributor	<ul style="list-style-type: none"> <li>■ Exclusive</li> <li>■ Term commencing 1 September 2002</li> <li>■ Effective till terminated by either party</li> <li>■ Exclusive distributor in Singapore and Myanmar</li> </ul>	Telecommunication test equipment products such as DWDM, SDH, PDH, DSL line, Ethernet
RAD	Reseller	<ul style="list-style-type: none"> <li>■ Non-exclusive</li> <li>■ Term of one year commencing 20 March 2003</li> <li>■ Automatically renewable appointment</li> <li>■ Authorised reseller in Vietnam</li> <li>■ Purchasing targets stipulated</li> </ul>	Voice, data and video network infrastructure last mile access products such as Asynchronous Transfer Mode to IP converter, modems, multiplexers, TDM, E1/T1 multiplexer, Ethernet over SDH and Asynchronous Transfer Mode NTU products
		<ul style="list-style-type: none"> <li>■ Non-exclusive</li> <li>■ Term of one year commencing 16 July 2002</li> <li>■ Automatically renewable appointment</li> <li>■ Authorised reseller in Singapore</li> <li>■ Purchasing targets stipulated</li> </ul>	Voice, data and video network infrastructure last mile access products such as Asynchronous Transfer Mode to IP converter, modems, multiplexers, TDM, E1/T1 multiplexer, Ethernet over SDH and Asynchronous Transfer Mode NTU products

To-date, none of the above distributorship agreements have been terminated or not renewed. Our Directors are not aware of any reasons which would cause or lead to a non-renewal of any of the above distributorship agreements.

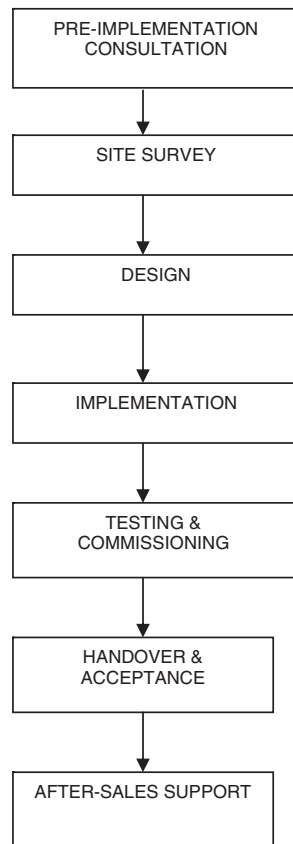
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## GENERAL INFORMATION ON OUR GROUP

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### OUR BUSINESS PROCESS

A diagrammatic depiction of our business process is as follows:-



#### (a) Pre-implementation Consultation

A project manager is assigned immediately upon signing of the contract with the customer. The sales manager will conduct a meeting with the appointed project manager and brief him on all the required details in terms of customer details, system configuration, project design and implementation schedule. The sales manager will then hand over the project to the project manager with an Engineering Project File. The Engineering Project File will include the following:-

- Job number
- Customer details
- Tender specifications (if applicable)
- System configurations
- List of equipments (bill of materials)
- Implementation schedule

A technical support team will then be set up by the project manager.

#### (b) Site Survey

We conduct site surveys to evaluate new or existing facilities and to identify and understand the site environment in order to ensure an efficient and accurate installation, compliance with specifications and establishment of work procedures. Mechanical, electrical and physical information provided by our customers are also confirmed during site surveys.

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## GENERAL INFORMATION ON OUR GROUP

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### (c) Design

Based on the information from the pre-implementation consultation and site survey, we generate installation schedules according to our customer's specifications, as well as implementation procedures and schematic drawings. A schematic drawing indicates the size and routes of the cable pathways, the location of the telecommunication service room, the size and route of the network infrastructure backbone, distribution point layout and labelling convention. We will then discuss the installation schedules and implementation procedures with our customers. Relevant modifications are made according to their feedback. A comprehensive test plan and detailed system configuration are then generated.

### (d) Implementation

All hardware and software intended for the project will be first tested by our engineers in our test laboratory to ensure their functionality and suitability prior to delivery. Installation is then carried out in accordance with the agreed implementation procedures.

### (e) Testing and Commissioning

After installation, a comprehensive test will be conducted according to the test plans and all test results properly documented. In addition, our project team would generate migration procedures for projects where there is an existing network infrastructure and voice communication systems. We would then carry out system and network migration and update as-built drawings, if necessary, to ensure that the infrastructure or system is in working order.

### (f) Handover and Acceptance

The commissioning period is the period for the completion and handover of the project before signing off. Once the on-site installation and testing are completed, our project team will prepare the final system configuration documentation and drawings. We would then obtain our customer's approval on the Customer Acceptance certificate, which signifies their acceptance of the project, and handover is then complete.

In addition, we provide training for our customer's relevant personnel to ensure that they are able to operate and service their network infrastructure or voice communication systems at maximum levels of efficiency. Our training program is customizable and comprehensive, and covers all aspects of the theory, operation and maintenance of the network infrastructure or voice communication systems.

### (g) After-sales Support

#### (i) Maintenance Support

We provide maintenance support to our customers during the warranty period which is usually one year from the date of acceptance. Our Customer Support Centre is a one-stop shop for all support-related issues. The Centre which is located at our office premises manages all calls 24 hours a day, seven days a week. An engineer would be dispatched to the customer's site when required.

#### (ii) Provision of Maintenance and Support Services

After the warranty period, our customers may engage us to provide on-going maintenance and support services. Please refer to the heading "Provision of Maintenance and Support and Project Management Services" in the section entitled "Business Overview" of this Prospectus for further details.



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## GENERAL INFORMATION ON OUR GROUP

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### QUALITY CONTROL

We were awarded the ISO 9001:2000 certification on 12 January 2004 for system integration of telecommunication and data communication equipment. It is a certification in respect of quality management and systems of specific business activities. This is a testimony of our quality management system and commitment to excellent service for our customers.

We believe that the quality of our products and services is crucial to our continued growth and we therefore strive to ensure consistent quality in and timely delivery of our products and services. Our quality control programme consists of a range of quality control measures at different stages of a project to ensure that high quality is maintained in our products and services. Such measures include the following:-

#### (a) Sales Process

During the sales process, our sales managers conduct a review prior to our commitment to provide the products and services to our customers to ensure that all the requirements are defined. We also ensure that the customer's requirements are verified in cases where the customer does not provide any documented statement of requirements. We ensure that we have the ability to meet all defined requirements to minimise any disputes with regard to specifications.

#### (b) Procurement

Our engineers would inspect all incoming equipment and components to ensure that they comply with the specifications provided to our suppliers. In addition, tests are carried out on all equipment and components to check the quality and performance. Only equipment and components which pass such inspection may be accepted and used for integration. Equipment and components with defects will be rejected and returned to our suppliers for rectification.

#### (c) Implementation, Testing and Commissioning

We generate and conduct a comprehensive test plan to test all network infrastructure and voice communication systems products. All test results are properly documented to ensure compliance with tender specifications and with customer requirements.

Tests are generally run for between three to five days. Any defects will be re-worked and rectified by our engineers or the defective components will be sent back to our suppliers for rectification or replacement. Once we have completed our internal testing satisfactorily, our customers are invited on-site to carry out pre-acceptance inspection. They would visually inspect the equipment to check adherence to technical specifications and perform functionality tests.

#### (d) Handover and Acceptance

The project managers in charge of the particular project will be present to supervise all installations at our customers' premises and to witness the customer's approval on our customer acceptance certificate, which signifies their acceptance of the project. If any defects are found, we would assist in rectification. However, defects are minimal at this stage as they would have been rectified during the earlier stages.

### STAFF TRAINING

We recognise that employee training is essential to maintaining the required standards of quality and meeting customers' expectations. Such training can also contribute to the employees' future career growth and personal development.

#### ■ Internal Training

We conduct on-the-job trainings for all newly recruited engineers. Our newly recruited engineers are given training on the job by more experienced engineers so as to familiarise themselves with the features, installation and implementation of our products.

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## GENERAL INFORMATION ON OUR GROUP

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We also conduct in-house seminars from time to time whenever the need arises. Our seminars are mainly on technical aspects of our business. Our project managers collate information and feedback which we receive from the execution of our projects and disseminate solutions as well as corrective and preventive actions to be taken for our future projects to our engineers at these seminars.

### ■ External Training by Suppliers

Pursuant to the distributorship agreements with our suppliers, our suppliers conduct training courses for our engineers usually on a quarterly or half-yearly basis or whenever a new product is introduced. Our staff has undergone training conducted by our suppliers such as ECI, Avaya, RAD and Alcatel so as to be qualified to install and implement their products. We send engineers who have been newly recruited for such training by our suppliers. These external trainings are conducted at our suppliers' premises which have laboratories and facilities to enable our engineers to have hands-on applications of their products.

Our training expenses for FY2002, FY2003 and FY2004 are insignificant, i.e. less than \$41,000, as most of our training is provided free of charge by our suppliers pursuant to our distributorship agreements.

## MAJOR CUSTOMERS

The following table sets forth our customers accounting for five per cent. or more of our Group's total turnover for each of the financial periods below:-

	As a percentage of total revenue		
	FY2002	FY2003	FY2004
	%	%	%
Asiacom	14.7	37.7	17.9
Viettel	24.1	11.1	31.2
Ministry of Defence, Myanmar	35.4	22.5	26.5
MobileOne	8.8	5.8	2.1

Save for Asiacom which is a reseller, our major customers are end-users of our products and services. As such, their demand for our products and services would vary from year to year depending on their IT and telecommunication needs during the financial year. Our transactions are on a project basis and are therefore not consistently recurrent except for the provision of maintenance and support services.

Asiacom is one of the resellers of our products. Our sales to Asiacom increased from FY2002 to FY2003 due to the increase in demand in the region for the voice systems distributed by us. We are not reliant on any one of our resellers.

Viettel is the second largest telecommunications operator in Vietnam. Viettel is a fixed line, ISP and cellular licence holder and provides all types of fixed line, Internet access and cellular services in Vietnam. We provided full turn-key DWDM and SDH fibre optics network infrastructure solutions to Viettel. The percentage revenue decreased from 24.1 per cent. to 11.1 per cent., in FY2003 and FY2002 although in terms of value, our revenue from Viettel increased by \$0.6 million in FY2003 despite the outbreak of SARS. The decrease in percentage was mainly attributed to our higher revenue in FY2003 of \$21.7 million as compared to \$7.4 million in FY2002. Revenue increased 20.1 per cent. or \$7.4 million in FY2004 mainly due to new projects awarded and completed in FY2004 for the DWDM and SDH fibre optics network infrastructure solutions. These projects were delayed in FY2003 due to the outbreak of SARS.

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## GENERAL INFORMATION ON OUR GROUP

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We supply network infrastructure to the Ministry of Defence, Myanmar for their own use as well as for use by Myanmar Post and Telecommunications, the main telecommunications operator providing all fixed line and cellular services in Myanmar. We provide full turn-key SDH fibre optics network infrastructure as well as the full turn-key voice communication systems to the Ministry of Defence, Myanmar. The percentage of revenue decreased from 35 per cent. to 23 per cent., in FY2003 and FY2002 although in terms of value, our revenue from the Ministry of Defence, Myanmar increased by \$2.3 million in FY2003. The decrease in percentage is mainly attributed to our higher revenue in FY2003 of \$21.7 million as compared to \$7.4 million in FY2002. Revenue increased 4.0 per cent or \$3.5 million in FY2004. This was mainly due to the completion of Phase 2 for the SDH fibre optics network infrastructure as well as the full turn key voice communication systems to the Ministry of Defence, Myanmar.

We provide MobileOne full turn-key SDH and DCME fibre optics network infrastructure solutions and a VoIP media gateway. We also provide maintenance and support services to MobileOne on an annual basis. The percentage revenue decreased from 8.8 per cent. to 5.8 per cent. in FY2003 and FY2002 although in terms of value, our revenue from MobileOne increased by \$0.6 million in FY2003. The decrease in percentage is mainly attributed to our higher revenue in FY2003 of \$21.7 million as compared to \$7.4 million in FY2002. The decrease in percentage revenue from 5.8 per cent. to 2.1 percent or \$0.6 million in value from FY2003 to FY2004 was mainly due to lower demand for network infrastructure solutions by MobileOne.

None of our Directors or Substantial Shareholders is related to or has any interest in any of our major customers listed above.

### MAJOR SUPPLIERS

The following table sets forth our suppliers accounting for five per cent. or more of our Group's total cost of equipment and consumables for each of the financial periods below:-

Suppliers	As a percentage of our total cost of equipment and consumables		
	FY2002 %	FY2003 %	FY2004 %
Avaya	20.5	50.9	24.0
Alcatel	7.7	4.7	5.7
ECI	20.4	14.0	44.0

Our major suppliers are market leaders in telecommunication systems, applications and services. Our purchases from our suppliers are dependent on orders from our customers as we source for and purchase equipment that is required for our customers' projects on a back-to-back basis when we are awarded contracts by our customers.

Avaya is a provider of communication network and services for businesses such as, IP telephony and other related voice communication systems. Purchases from Avaya increased from 20.5 per cent. in FY2002 to 50.9 per cent. in FY2003. This was mainly attributed to the increase in demand for voice communication systems in Singapore and Myanmar. Purchases from Avaya decreased from 50.9 per cent in FY 2003 to 24.0 per cent in FY 2004 due mainly to lower demand from one of our resellers.

Alcatel is a company that provides end-to-end communications solutions, enabling carriers, service providers and businesses to optimise their networking. They provide network infrastructure solutions as well as voice communication systems for a wide range of businesses. Percentage of purchases from Alcatel decreased from 7.7 per cent. to 4.7 per cent., in FY2003 and FY2002 although the actual value of purchases increased by \$0.3 million in FY2003. The decrease in percentage was mainly attributed to our higher revenue in FY2003 of \$21.7 million, as compared to \$7.4 million in FY2002. This was mainly due to the completion of the voice communication network for the Princess Cruises, Panalpina and Ministry of Defence, Myanmar. Purchases remained relatively constant and fluctuations were immaterial.

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## GENERAL INFORMATION ON OUR GROUP

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ECI provides telecommunication solutions to leading carriers and service providers. They specialise in several key technologies such as broadband access solutions, optical networking solutions and VoIP solutions. Percentage of purchases from ECI decreased from 20.4 per cent. to 14.0 per cent., in FY2003 and FY2002 although the value of purchases increased by \$1.2 million in FY2003. The decrease in percentage was mainly attributed to our higher revenue in FY2003 of \$21.7 million, as compared to \$7.4 million in FY2002. This was mainly due to the completion of the infrastructure network of SDH for Ministry of Defence, Myanmar in FY2003. Purchases in FY2004 increased by 30.0 per cent. or \$6.6 million, mainly attributed to the projects for Viettel and Ministry of Defence, Myanmar.

Please refer to section entitled “Our Distributorship Agreements” of this Prospectus for details on the products we obtain from each of our suppliers above. None of our Directors or Substantial Shareholders is related to or has any interest in any of our major suppliers set out above.

### MARKETING AND DISTRIBUTION

Our sales and marketing department is headed by our Managing Director, Mr Jimmy Chang Joo Whut, who is assisted by a team of 20 sales and marketing personnel.

We secure contracts for the provision of our products and services through either tenders or quotations. Our marketing initiatives include:-

- Maintaining close relationships with our customers

We visit our customers from time to time in order to assess their needs as well as to gain feedback on our products and services. This allows us to respond quickly when our customers have new requirements or requests. Due to our close contact with our customers, we are better able to understand our customers’ needs and provide suitable solutions.

- Maintaining close rapport with our suppliers

We endeavour to build good business relationships with our suppliers. Through this close rapport, we have received referrals and project management contracts from our suppliers from time to time. We also receive new information on a timely basis which allows us to update our customers and respond to our customers’ requirements.

- Local partnerships

Our close working relationships with our local partners in our regional offices allow us to receive business leads although we have occasionally received referrals from unrelated third parties.

- Seminars

We seek to create awareness for our products and services amongst our corporate customers through seminars. These seminars are usually conducted by our sales and marketing team. Such seminars seek to highlight features of our products and services. We also conduct demonstrations during these seminars which allow seminar participants to observe and assess the merits of our products and services.

### INVENTORY MANAGEMENT

We are authorised distributors for various suppliers and not stockists. We source for and purchase any equipment that is required for our projects on a back-to-back basis when we are awarded contracts by our customers. This accounts for our short inventory turnover days of less than one day for each of FY2002, FY2003 and FY2004. However, we do hold a small inventory of maintenance parts including phone sets, CPU cards and SDH line cards and SDH tributary cards so as to meet our maintenance and support services requirements as well as for our warranty commitments. Although we have a policy to write down such inventory kept for warranty commitments over a period of five years, this inventory is generally still applicable for our maintenance and support services commitments for seven to 15 years from the date of the installation of our networking infrastructure.

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## GENERAL INFORMATION ON OUR GROUP

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### CREDIT POLICY

Our contracts provide for a schedule of progressive payments at designated milestones during the project. In particular, a retention sum equivalent to five per cent. of the total contract value is payable upon final acceptance which is typically a year after handover. However, in cases where the duration of the project is relatively short such as one to two weeks, we invoice upon completion. In some circumstances, our schedule of progressive payments may be extended over a longer period after handover.

The actual credit terms granted to a customer depends on the assessment of the creditworthiness of that customer. The assessment of credit terms for contracts of value in excess of \$100,000 must be approved by our Managing Director and those in excess of \$1,000,000 must be approved by a committee comprising our Deputy Chairman, Managing Director and our Financial Controller. We grant credit terms of between 30 to 60 days to our customers. For new customers, we may require sales to be on a cash-on-delivery basis. We may also request for letters of credit to be provided by certain customers depending on their creditworthiness so as to secure their payment obligations. In addition, specific payment terms may also be requested by our customers. In such cases, the abovementioned committee will approve the payment arrangement on a case-by-case basis after considering various factors such as creditworthiness of the customers and viability of the project.

Our average receivables turnover days for the period under review are as follows:-

	FY2002	FY2003	FY2004
Receivables turnover days	27	85	95

**Note:-**

Average receivables turnover days are computed as: (average trade receivables/total revenue) x 240 days (for FY2002) or 365 days (for FY2003 and FY2004)

In FY2003, the higher average receivables turnover days was mainly due to an increase in trade receivables as at 31 December 2003, as a result of revenue recognised upon the completion of projects in the last quarter of FY2003 which were not due for payment by our customers until the next financial period.

In FY2004, average receivables turnover days increased significantly due mainly to deferred payment arrangements for two contracts with a customer. We have completed one of these contracts and a phase of the second contract in FY2004. There are two remaining phases in the second contract which are scheduled for completion in FY2005 and FY2006. The outstanding balance owing from this customer as at 31 December 2004, which are under export letters of credit, amounted to approximately \$7.8 million and will be settled over a period of three financial years from FY2005. The remaining phases of the second contract would be settled similarly over a period of three financial years from completion. Had the outstanding receivables been excluded from the computation, our turnover days for FY2004 would have been 85 days. This is the first time such payment arrangements, which were part of the tender specifications, have been requested by any customer. We had tendered for the project after considering that the tender was made by an existing customer, a letter of credit was to be provided by the customer and support was received from our bank. During our budget planning prior to the acceptance of this project, we foresaw that we were able to provide the products and services as specified in the tender with our bank facilities and internal resources. This is a one-off arrangement with the customer as all previous projects have been based on letters of credit on sight. We are unaware if the customer may continue to request for such payment arrangements.

An allowance for doubtful debts is made when collection for the full amount of trade receivable is no longer probable. Bad debts are written-off as incurred. We did not experience any bad or doubtful debts in FY2002, FY2003 and FY2004.

Payment terms extended by our suppliers vary from supplier to supplier and are also dependent, *inter alia*, on our relationship with the supplier and the size of the transaction. The usual credit terms extended to us by our suppliers is between 30 to 90 days.

## GENERAL INFORMATION ON OUR GROUP

Our average payables turnover days for the period under review are as follows:-

	FY2002	FY2003	FY2004
Payables turnover days	34	57	88

**Note:-**

Average payables turnover days are computed as: (average trade payables/total cost of sales) x 240 days (for FY2002) or 365 days (for FY2003 and FY2004)

In FY2003, the higher average payables turnover days was mainly due to an increase in trade payables as at 31 December 2003, as a result of purchase of equipment and consumables for projects carried out in the last quarter of FY2003 which were not due for payment until the next financial period. In FY2004, the average payables turnover days increased significantly due mainly to extensions of credit periods by certain suppliers as our purchases from them increased.

### INSURANCE

We maintain insurance for our full-time employees of Ntegrator Singapore which provides coverage for workmen's compensation, accidental death, permanent total or partial disablement, travel insurance and medical expenses.

As part of good business practice, Ntegrator Singapore maintains public liability insurance to insure against accidental bodily injury or loss of or damage to property in connection with our trade, business and operations.

In addition to Ntegrator Singapore's office premises, contents in such premises and stock-in-trade are insured against theft, or damage occasioned by fire and earthquake.

### INTELLECTUAL PROPERTY

We are in the process of registering the following proprietary trademarks:-

Trademark	Applicant	Class No.	Date of Submission of Application
	Ntegrator Pte Ltd	38 and 42	14 September 2004

We have registered the following proprietary trademarks:

Trademark	Applicant	Class No.	Validity Period
	Ntegrator Pte Ltd	37	14 September 2004 to 14 September 2014
	Ntegrator Pte Ltd	41	14 September 2004 to 14 September 2014

**Note:-**

Classes 37, 38, 41 and 42 refers to the specification of goods and services under classes 37, 38, 41 and 42 of the International Classification of Goods and Services published by the World Intellectual Property Organisation. Some of the goods and services classified under the respective classes that are relevant to our Group include installation, maintenance and operation of computer hardware and software relating to network communications and telecommunication, consultancy services for the systems integration of voice, video and data communications networks and services, consultancy services relating to communications and telecommunications, training services relating to the use of information technology and telecommunication apparatus.



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## GENERAL INFORMATION ON OUR GROUP

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Our business or profitability are not materially dependent on any patent, patent rights, licences, processes or other intellectual property.

### GOVERNMENT REGULATIONS

#### Singapore

Pursuant to the Government Procurement Act and the Government Procurement Regulations (Cap. 120) of Singapore, companies or businesses who wish to supply goods and/or services to the public sector such as government departments and ministries, hospitals, schools, educational institutions, statutory boards and other related organisations, need to be registered with the BCA and/or EPPU.

There are various registration categories for the BCA and EPPU and each registration category is subdivided into further sub-categories of specific goods and services. Companies who wish to supply goods or services to the public sector will have to register under the registration category that relates to the goods or services to be supplied.

We have registered as a contractor with the BCA under the registration categories of Mechanical and Electrical Workheads (ME) as well as Supply Workheads (SY). There are seven financial grades in each of these registration categories. The validity of any registration under the various registration categories by the BCA is for a period of three years. Registration will thereafter lapse automatically unless a renewal is filed and approved by the BCA. Renewals shall be made one month before the expiry of the validity period. An applicant applying for renewal would be required to prove that it is still active in the line of business. Such applicant must produce evidence to show that it has undertaken relevant works or supplies during the preceding three years.

We are a registered supplier with EPPU under the registration categories of Computer Hardware and Software Products, Communication and Navigation Systems and Service (Maintenance of System, Equipment and Computers). There are ten financial grades in each of these registration categories. The validity of any registration under the various registration categories by EPPU is for a period between one and a half to three years. Registration will thereafter lapse automatically unless a renewal is filed and approved by EPPU. Renewals shall be made three months before the expiry of the validity period. An applicant applying for renewal would be required to show that the net tangible assets of the company is positive and both the net tangible assets and the total amount of sales generated from the applicant in one year, meets the minimum value of the desired financial grade. In the event any of these do not meet the minimum grade, the application may be rejected or the financial grade of the applicant may be downgraded.



## GENERAL INFORMATION ON OUR GROUP

The details of our registration with the BCA and EPPU are as follows:-

### For the BCA:-

Category of Registration/Term	Title/Head of Description	Type of Supply	Tender Capacity
L5 for ME04 Term of certification expires on 1 May 2008	Communications & Security Systems	(a) Installation and maintenance of communication system (includes intercom & wireless radio) and security systems (includes closed-circuit televisions, security alarm, car park security control and card access system).  (b) Installation and maintenance of Central Antenna Television systems.	Up to \$10 million
L1 for ME08 Term of certification expires on 1 May 2008	Internal Telephone Wiring for Telecommunications	Wiring work within a building for telecommunication purposes.	Up to \$100,000
L2 for SY05 Term of certification expires on 1 May 2008	Electrical & Electronic Materials, Products & Components	Supply of electrical and electronic products and materials such as batteries, electrical cables and wires, lightings, and includes control and measuring instruments.	Up to \$500,000

### For EPPU:-

Category of Registration/Term	Title/Head of Description	Type of Supply	Tender Capacity
S10 for EPU/CMP/10 Term of certification from 17 March 2005 to 17 May 2008	Computer Hardware and Software Products, Software Development and Maintenance of System, Equipment & Computers	Readily available hardware and software products, modems, accessories and computer cabling excluding computer suppliers including diskettes and computer ribbons Software development on tailor-made basis, projects on turn-key basis and ISP for all Internet related services and any other types of IT services. Maintenance of system equipment including domestic equipment.	More than \$30 million
S10 for EPU/CNE/10 Term of certification from 17 March 2005 to 17 May 2008	Communication and Navigation Systems	All communication equipment such as very high frequency (VHF) sets, and radar systems. It also covers equipment such as PABX systems and encoders.	More than \$30 million

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## GENERAL INFORMATION ON OUR GROUP

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### Philippines

Pursuant to the Tariff and Customs Laws of the Philippines, NTC Circular No. 01-04-88 and NTC Circular No. 02-01-2001 require importers of telecommunication hardware and software equipment to obtain from the National Telecommunications Commission (the “NTC”) the following approvals: Customer Premises Equipment (“CPE”) Supplier Accreditation; CPE Type Approval; and an Application for Permit to Import. The CPE Type Approval and CPE Supplier Accreditation is a requirement for the issuance of the Permit to Import. Ntegrator Philippines has obtained the CPE Type Approval and the Accreditation Certificate for Customer-Provided Terminal Equipment Supplier on 25 January 2005. Ntegrator Philippines shall apply for the Permit to Import with each of its import of equipment. In the absence of the approvals from the NTC, the telecommunication hardware and software imported by Ntegrator Philippines may be subject to forfeiture if it is still in the custody of the Philippines government. In the event the imports are no longer in the custody of the Philippines government, it is within the powers of the Philippines custom officials to seize any articles when the same would have been subject to forfeiture. This is notwithstanding that the articles may be in the possession of a third party. The relevant authorities may discharge articles which have been subject to seizure or forfeiture provided that we pay to such authorities the fines which may be imposed. In cases of seizure, the fine imposed shall be an amount between 20 per cent. and 80 per cent. of the landed cost which is all costs relating to the “landing” of the article in the Philippines, which means the price paid, cost of transportation to the Philippines, customs and other government imposts, storage fees, and transportation expenses to the site of the factory, plant, or office premise of the seized article. In cases of forfeiture, we would be required to pay the market value of the forfeited articles in the Philippines domestic market.

### Thailand

Pursuant to the Foreign Business Act 1999, companies which are majority-owned by foreigners are prohibited from engaging in certain business activities reserved only for Thai nationals, such as wholesale/retail, brokerage/agency and any kind of service business activities. Exemptions are granted to companies that have received Board of Investment of Thailand (the “BOI”) promotional privileges, and subsequently, on that basis, obtained a Foreign Business Certificate from the Ministry of Commerce of Thailand so that such companies are allowed to engage in the abovementioned activities.

Ntegrator Thailand has obtained the BOI Certificate from the BOI and the Foreign Business Certificate from the Ministry of Commerce of Thailand so as to be able to engage in the following activities:-

- (a) engineering and technical services (excluding services in architecture and civil engineering);
- (b) business concerning the machinery, equipment, tool and other accessories;
- (c) importation of certain goods into Thailand for wholesale purposes; and
- (d) installation, maintenance and repairs services.

Ntegrator Thailand is also permitted under these certificates to engage foreign technicians or experts in Thailand, own land in Thailand and to take out or remit foreign currency from Thailand.

### RESEARCH AND DEVELOPMENT

We are currently not engaging in any R&D activities as it is not in the nature of our business to engage in R&D activities.

### SEASONALITY

We have not experienced any significant seasonal fluctuations in our business.

## GENERAL INFORMATION ON OUR GROUP

### COMPETITION

We face competition from companies offering network integration and telecommunications equipment manufacturers. Competition would depend on various factors such as the pricing of products and services, relationships with customers and suppliers, level of expertise of engineers and brand recognition.

To the best of our Directors' knowledge, there are no published sources with respect to our market share and industry statistics. As such, it is not possible for us to determine on a comparative basis the market share of our Group and our major competitors.

We have identified the following as our main competitors:-

Country	Competitor	Competing Activities
Singapore	ST Electronics (Info-Comm Systems) Pte. Ltd. (formerly known as CET Technologies Pte Ltd)	Voice communication systems, network integration, project management services, maintenance and support services
	Datacraft Asia Ltd	Network integration, maintenance and support services
	Nera Telecommunications Ltd	Network integration, project management services, maintenance and support services
	NCS Pte. Ltd. (formerly known as National Computer Systems Pte Ltd)	Voice communication systems, network integration, project management services, maintenance and support services
	Teledata (Singapore) Limited	Voice communication systems, network integration, project management services, maintenance and support services
Vietnam and Myanmar	Huawei Technologies Co. Ltd.	Network integration, project management services, maintenance and support services
	Lucent Technologies Inc.	Network integration, project management services, maintenance and support services
	Nortel Networks Limited	Voice communication systems and network integration
	Siemens AG	Voice communication systems, network integration, project management services, maintenance and support services
Malaysia	O'Connors Engineering Sdn Bhd	Voice communication systems
	Davotek Sdn Bhd	Voice communication systems
	Jebsen & Jensen Communications (M) Sdn Bhd	Voice communication systems
Philippines	Lambda Technologies Inc.	Voice communication systems
	3D Networks Philippines, Inc.	Voice communication systems
	Trends & Technologies, Inc.	Voice communication systems

## GENERAL INFORMATION ON OUR GROUP

Country	Competitor	Competing Activities
Thailand	Huawei Technologies Co. Ltd.	Network integration, project management services, maintenance and support services
	Lucent Technologies Inc.	Network integration, project management services, maintenance and support services
	Nortel Networks Limited	Voice communication systems, network integration, project management services, maintenance and support services
	Siemens AG	Voice communication systems, network integration, maintenance and support services

### COMPETITIVE STRENGTHS

Our competitive strengths are as follows:-

#### **Comprehensive solutions for integration of voice, data, video, fibre optics, wireless and cellular network infrastructure**

We provide “integrated one-stop shop” solutions for our customers’ IT and telecommunications infrastructure needs. We are able to provide a full range of data, video, fibre optics, wireless and cellular network infrastructure as well as voice communication systems so as to cater to specific needs of our customers. We are also able to provide total end-to-end business solutions for network infrastructure and voice communication systems to customers who have numerous local and overseas offices.

In addition, we have the ability to set up an integrated platform which allows the users to transport voice, data and video over the same network. For example, we have set up full turn-key system integration and commissioning of PABX, access multiplexer, SDH and fibre optics equipment.

#### **Strong technical expertise and ability to conceptualise comprehensive solutions**

Our project engineers are skilled and qualified to provide our customers with network infrastructure and voice communication solutions from inception, project consultation, design, installation to implementation. This enables us to respond quickly to our customers’ requirements and provide customised and timely solutions. We have the capabilities to design, develop and implement large-scale network infrastructure. Our engineers have between seven to 15 years of experience in the IT and telecommunications industry. Our engineers have also been trained and qualified to provide the different network infrastructure solutions by the respective suppliers. We believe that our strong engineering team allows us to provide value-added services to our customers with their strong technical expertise and their ability to conceptualise comprehensive solutions.

#### **Experienced management and sales team**

Our management team comprises of a group of individuals who have a proven track record of between 15 to 25 years of experience in the IT and telecommunications industry. With their in-depth knowledge of trends and requirements of the IT and telecommunications industry, they are able to identify market niches, develop business strategies for our Group and spearhead our overseas expansion. For more details on the work experience of our management team, please see the section entitled “Directors, Management and Staff” of this Prospectus.

In addition, we have a highly motivated and competent sales and marketing team who are dedicated to provide pre-sales and after-sales support to our customers and are instrumental to expanding our customer base.

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## GENERAL INFORMATION ON OUR GROUP

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### **Good track record**

Although the IT and telecommunications industry is highly competitive, we have carved a niche as an integration specialist for network infrastructure and voice communication systems. Our major projects include provision of network infrastructure and/or voice communication systems for the following:-

- MobileOne
- SMRT Corporation Ltd, as subcontractor to Siemens AG
- Viettel, a leading telecommunications company in Vietnam
- the government sector in Vietnam and Myanmar

As a testimony of our good track record, we have been selected by ECI to provide project management services for projects in the region and have also provided project management services onboard the Diamond Princess and Sapphire Princess cruise ships for Alcatel.

### **Good relationships with our customers and suppliers**

Our major customers and suppliers have transacted with us since we commenced business.

Our good business relationships with our customers have provided us with recurring contracts. We believe that this is one of the main reasons we have been successful in securing projects throughout the countries where we operate.

We maintain good business relationships with our core suppliers. Since commencement of our business operations, we have secured diverse distributorship agreements with our suppliers which allow us to meet a variety of customer needs. Our suppliers are also a source of business leads for our Group. Please see section entitled “Our Distributorship Agreements” of this Prospectus for more details.

### **Network of regional offices**

We have established our presence overseas through the setting up of subsidiaries in Philippines, Malaysia and Thailand as well as a representative office in Vietnam. We have also engaged a business representative in Myanmar. With this overseas presence, we are able to tap into the demand for our products and services in the respective local markets and have also acquired valuable experience and market knowledge. Each of our offices is managed by local executives who possess the relevant experience in our line of business. We provide our regional customers with round-the-clock technical support.

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## GENERAL INFORMATION ON OUR GROUP

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### EXCHANGE CONTROLS

#### Singapore

There are no Singapore governmental laws, decrees, regulations or other legislation that may affect the following:-

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

#### Malaysia

Based on the exchange control regulations in Malaysia issued by Bank Negara Malaysia in September 1998 and modified thereafter, foreign funds and the profits made therefrom are subject to the following rules:-

- (a) the principal amount of the foreign funds brought into Malaysia when repatriated will not attract any levy; and
- (b) between 1 February 2001 and 2 May 2001, all profits realised in the utilisation of such foreign funds in portfolio investments, when repatriated within 12 months starting from the month the profits are realised, attracted a standard 10 per cent. levy. With effect from 2 May 2001, the 10 per cent. levy is abolished. No such levy is imposed on the repatriation of profits made from the sale of other types of assets, including real property.

The criteria set by Bank Negara Malaysia in determining whether an investment is considered a portfolio investment include:-

- (i) a short-term investment with concern on safety of capital, returns and likelihood of appreciation;
- (ii) the investor has no significant influence over the operations of the investee company; and
- (iii) the investor holds less than 10 per cent. of the equity or voting rights in the investee group of companies.

Whilst there is no restriction on the repatriation of profits from Malaysia, including dividends, interest, commissions and rental incomes, Bank Negara Malaysia requires documentary evidence to be furnished to the remitting banks to show that the funds to be remitted are not subject to levy.

#### Philippines

Under current regulations of the BSP (Philippine's central bank), foreign investments must be registered if the foreign exchange needed to service capital repatriation and dividend remittance will be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance will be sourced outside the Philippine banking system, registration is not required. Foreign investments shall be registered by the BSP upon submission of proof that: (1) the foreign exchange funding the investment has been sold to the banking system for pesos; or (2) deposited in Foreign Currency Deposit Unit accounts in local banks; provided that the written permission of the depositor-investee shall be secured by the bank concerned for disclosure of such deposit to the BSP; or (3) that there has been an actual transfer of assets to the Philippines in the case of investments in kind and the endorsement of the Securities and Exchange Commission (SEC) or Bureau of Trade Regulation and Consumer Protection (BTRCP) has been obtained.

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## GENERAL INFORMATION ON OUR GROUP

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### Thailand

In accordance with the Exchange Controls Act of Thailand, foreign funds and profits made therefrom are subject to the following:-

- (a) the remittance of dividends, investment funds, profits, loan repayment and interest payment thereon, after settlement of all applicable taxes in Thailand, are not restricted under the Exchange Control Acts, B.E. 2485 (1942);
- (b) in respect of the purchase of foreign currencies in excess of US\$5,000 or its equivalent in other currencies, the Bank of Thailand requires that notification form of the remittance to the Exchange Control Officer and documentary evidence shall be furnished to the remitting banks as evidence of the transaction; and
- (c) further, in respect of the purchase of foreign currencies for any purpose, the Bank of Thailand requires that documentary evidence shall be furnished to the remitting banks to establish the legitimacy of the transaction.

Under Thai laws, Ntegrator Thailand is required to retain 5% of its annual profits as its reserve fund and may only declare 95% of its annual profits as dividends. In addition, dividends paid are subject to a withholding tax rate of 10%.

### Vietnam

We are not subject to foreign exchange controls in Vietnam as all our customers in Vietnam remit payments directly to Singapore and we do not repatriate capital or remit profits, dividends, interest or other payments.

### Myanmar

The Foreign Exchange Regulation Act of 1947 of Myanmar sets out prohibitions as to the taking out or sending out of Myanmar any currency or foreign exchange, except with the permission of the Central Bank of Myanmar.

Under the laws of Myanmar, Ntegrator Singapore would have to provide the relevant documentation to the Foreign Exchange Management Department of the Central Bank of Myanmar showing that monies have in fact been earned in Myanmar and receive the requisite permission before we may remit any of our revenue and profits out of Myanmar.

## PROPERTIES

We lease the following property:-

Location	Use	Area	Term	Annual rental	Lessor
#06-02/03/04, SiS Building, 4 Leng Kee Road, Singapore 159088 , Singapore	Office Premises	5,834.1 sq ft.	2 years commencing 1 June 2004	\$133,020	SiS Realty Pte Ltd
Unit 808 Globe Telecom Plaza, Pioneer Street, Mandaluyong City, Philippines	Office Premises	160 sq m.	2 years commencing 1 January 2004	PS576,000	Filipinas Multi-Line Corporation
Unit 312, Building No. 22 Lang Ha Street Hanoi, Vietnam	Office Premises	130.6 sq m.	20 September 2005 to 30 September 2007	US\$20,930	TDL Company Limited



## GENERAL INFORMATION ON OUR GROUP

Location	Use	Area	Term	Annual rental	Lessor
No. 29 Tingkat 2, Jalan 8/146, Metro Centre, Bandar Tasik Selatan, 57000 Kuala Lumpur, Malaysia	Office Premises	approximately 178.4 sq m.	2 years commencing 1 January 2004	RM18,000.00	Maju Alat Ganti Sdn Bhd
99/349, 4 <sup>th</sup> floor Chaengwattana Road, Thungsonghong, Laksi, Bangkok 10210, Thailand	Office Premises	150 sq. meters	1 year commencing 1 January 2005	270,000 Baht	Na-Nakorn Estate Co., Ltd

### PROSPECTS

The provision of network infrastructure and voice communication systems is technically specialised with few major players able to provide specialist integration services and a full range of data/video, fibre optics, wireless and cellular network infrastructure, voice communication systems and complete turn-key networking solutions to meet the specific needs of customers. Our business prospects are dependent on the telecommunications industry as the products and services we provide are mainly used by state-owned or private telecommunication providers.

Our Directors believe that in the area of supplying, installing and implementing the various network infrastructure and voice communication systems, our industry prospects are positive due to several reasons:-

- (a) The telecommunications industry is vital to a country's economy and upgrading of voice systems and network infrastructure is constantly being undertaken. With the dynamic introduction of newer modern telecommunication solutions and infrastructure such as fixed-mobile convergence, broadband and wireless technology, next generation SDH, Third Generation (3G) mobile, and VoIP telephony and switching, telecommunication service providers would have to constantly provide for capital expenditure to keep up with technology, which creates a demand for our products and services.
- (b) The telecommunications industry is also consumer-driven with newer handheld communication devices being brought onto the market regularly. These newer models of handphones, personal digital assistants and other communication devices are also loaded with more features such as General Packet Radio Service (GPRS), wireless internet, video-camera, music and 3G-based features which would require corresponding hardware and network upgrading by the telecommunication service providers to support such features.
- (c) The principal suppliers whom we have an existing business relationship with, such as ECI, Avaya, Alcatel and Nortel, are industry leaders for their respective equipment and products. As their preferred business partner, we would have opportunities to undertake projects in partnership with them.
- (d) Fixed-line penetration in Asia is increasing as many of the developing countries, such as Vietnam and Myanmar, are improving their telecommunication infrastructure to provide for better voice and data coverage. Our Directors believe that this trend is expected to continue as the countries become more industrialised.
- (e) Mobile penetration in Asia is also increasing with more people having access to and using handphones. Along with this trend, relatively newer telecommunications service providers have emerged in competition to the incumbent operators in the region. Our Directors believe that the handphone penetration rate for Vietnam and Myanmar is currently still very low at approximately less than five per cent.. This presents opportunities for our business.

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## GENERAL INFORMATION ON OUR GROUP

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The abovementioned growth in the telecommunications industry will correspondingly allow us to expand our maintenance and support services contracts, and our project management contracts for network infrastructure.

Our Directors are optimistic about our business prospects and expect future industry growth in Asia to stem from increased market penetration, upgrading of and provision of new telecommunications infrastructure, and service scope expansion.

### TRENDS

Based on our Directors' knowledge and experience of the industry, our order book visibility is typically three to nine months in view of the time required to design and integrate a customised industrial solution.

As at the Latest Practicable Date, our order book based on confirmed orders from our customers amounted to \$16.2 million. Based on the current trend to-date, we do not expect sharp fluctuations in the selling prices of our network infrastructure and voice communication systems solutions. The unit price of our equipment and consumables used, which constitute part of our cost of sales, had been relatively stable over the period from FY2002 to FY2004. Based on the current trend to-date and barring any unforeseen circumstances, we do not expect a significant deviation from this trend in FY2005. As our stocks consist of equipment purchased for delivery to our customers, we expect our inventory levels to remain relatively low.

Save as disclosed above and in the section entitled "Risk Factors" of this Prospectus, and barring unforeseen circumstances, we are not aware of any other known recent trends in sales, the costs and selling prices of our solutions or other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material and adverse effect on our revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition.

### BUSINESS STRATEGIES

#### **Maintain and develop relationships with key suppliers**

Most of our key suppliers have been with us since our commencement of operations. These suppliers such as ECI and Avaya, provide us with up-to-date market and technology information from their R&D efforts. Based on informed market trends and developments, we explore with our suppliers various business opportunities that may arise or actions that may be needed to secure or increase our sales. We have also consistently renewed our distributorship agreements with our various suppliers. We need to maintain and develop good business relationships with our key suppliers to continue being their preferred business partner in the countries where we operate. These close relationships also allow us access to the latest market and technology information which we can apply in our system integration solutions to customers. This will provide us with a competitive edge over our competitors.

#### **Attract and develop expertise**

As an integration specialist for network infrastructure and voice communication systems, the maintenance of a quality pool of skilled technical personnel is key to our success. Our success is based on our ability to identify, attract, groom and retain skilled and qualified personnel.

In addition, we provide training and upgrading of skills for our staff so that we are kept up to date with the latest market and technology information. We also employ personnel from the countries we operate in as this will allow for easier culture integration and also provide additional insights in the penetration of each market.

As we intend to seek more business opportunities in the provision of project management services, we believe that strengthening our technical expertise as well as sales expertise will enable us to achieve our objective.

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## GENERAL INFORMATION ON OUR GROUP

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We aim to retain our employees by providing them with a conducive working environment, good career opportunities as well as give them a sense of ownership in our Group through the Ntegrator Share Option Scheme which takes effect upon listing. Please turn to the section entitled “Ntegrator Share Option Scheme” of the Prospectus for more details.

### **Develop new prospects and suppliers to reduce our dependence on any one supplier**

As at the Latest Practicable Date, we have nine core suppliers. We intend to continually source for new suppliers to provide the appropriate equipment suitable to our business needs. We aim to increase our range of products which will enable us to provide a wider range of services and reduce our reliance on any one supplier.

We are also open to business opportunities with new suppliers other than those which provide products within our core business activities. This may provide us with additional revenue contributions. Currently, we have explored business opportunities for the provision of turn-key solutions for medical equipment as well as system integration for power distribution companies. Please refer to section entitled “Future Plans” of this Prospectus for more details.

### **Continue to develop and build up our corporate image and service brand name**

We believe that our good corporate image and service brand name is critical to our success. We have been marketing our services under our brand name “Ntegrator” since our inception. Our sales and marketing efforts have helped broaden our customer base and increase awareness. We aim to be recognised as a leading name in network infrastructure and system integration.

### **Strategic Business Expansion locally and regionally**

We may consider entering into strategic investments or alliances or joint ventures with suitable partners and/or acquire companies or assets in related fields, where the opportunities arise, to expand our range of products and services, geographical reach and technological capabilities.

## **FUTURE PLANS**

Our future business plans are as follows:-

### **Expansion of our operations both locally and overseas**

We intend to expand our local and overseas business through the increase of our staff strength by recruiting and training of sales and technical personnel. Further resources will also be allocated to our 24-hour fault control centre in Singapore. In addition, we will enlarge our existing office premises and purchase or upgrade demonstration and office equipment. Our demonstration equipment facilitates demonstration of our equipment and the training of our customers in the use of our equipment. We have earmarked approximately \$2.0 million of the Invitation proceeds for this purpose.

### **Expansion through acquisitions, strategic partnerships and/or joint ventures**

Where opportunities arise, we will expand our capabilities and business through acquisitions, strategic partnerships and/or joint ventures which can add value to our business by allowing us to have greater involvement in businesses on which our present business is reliant, particularly businesses in the area of voice communication systems and maintenance and support services. \$1.0 million of the Invitation proceeds will be used for such acquisitions, strategic partnerships and/or joint ventures.

### **Diversification into the provision of turn-key solutions for medical equipment**

Our Directors believe that the healthcare sector in Indochina is a growing industry as more governments in these developing countries are realising the importance of medical care and are improving their health care.

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## GENERAL INFORMATION ON OUR GROUP

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We intend to expand our current business portfolio to include the provision of turn-key solutions for medical equipment which is to supply, install, test and commission medical equipment. On 11 August 2005, we clinched our first contract for the provision of medical equipment such as radiography and ultrasound units to the government sector in Myanmar. We have currently scheduled the delivery of these medical equipment in the last quarter of FY2005.

During the negotiations for our contract for the supply of medical equipment, our customer has indicated a possible need for medical equipment planning which is the designing of equipment solutions for use in hospitals. Should the opportunity arise, we intend to tap into the potential business of medical equipment planning and will engage design specialists to assist us in the planning. Our role would be to source for, supply and install the medical equipment required and to coordinate with the design specialist on behalf of the customer. We would also continue to source for customers who require turn-key solutions for medical equipment such as X-ray machines, ultrasound units, mammogram units and CT scan units.

Currently, we have adequate manpower to support the abovementioned expansion and will be utilising our internal resources and/or bank borrowings to finance the entry into such business.

### **Expand into the business of installing and implementing power distribution equipment**

We are currently working with our local partners in Vietnam and Myanmar to enter into the business of, installing and implementing power distribution equipment. Our potential customers would be power supply companies in these countries. We have sourced several suppliers who would be able to provide us with power distribution equipment such as circuit breakers.

Currently, we have adequate manpower to support the abovementioned expansion into the business of installing and implementing power distribution equipment. We will be utilising our internal resources and/or bank borrowings to finance the entry into such business.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

### RESULTS OF OPERATIONS

The following discussion of our results of operations for the past three financial years ended 31 December 2004 should be read in conjunction with the Audited Consolidated Financial Statements set out on in Appendices A, B and C of this Prospectus.

Operating Results \$'000	Audited Year ended 31 December		
	2002	2003	2004
Revenue	7,358	21,720	31,567
Other operating income	–	10	84
Total revenues	7,358	21,730	31,651
Changes in stocks & contract work-in-progress	192	1,653	(1,738)
Equipment and consumables used	(5,140)	(17,100)	(18,300)
Freight costs	(35)	(334)	(699)
Commission and consultancy expenses	(273)	(790)	(1,688)
Travelling expenses	(15)	(377)	(341)
Staff costs	(1,265)	(3,049)	(3,167)
Depreciation of plant & equipment	(59)	(179)	(233)
Foreign exchange loss, net	(26)	(86)	(514)
Other operating expenses	(357)	(974)	(804)
Profit from operations	380	494	4,167
Finance costs	(5)	(8)	(53)
Profit before income tax	375	486	4,114
Income tax	(88)	(116)	(839)
Net profit before minority interests	287	370	3,275
Minority interests	–	8	59
Net profit attributable to shareholders <sup>(1)</sup>	287	378	3,334
Basic EPS (cents) <sup>(2)</sup>	0.48	0.63	5.56

#### Notes:-

- (1) Had the Service Agreements been in place throughout FY2004, our profit before income tax and net profit attributable to our shareholders for FY2004 would have been \$3.9 million and \$3.1 million respectively.
- (2) For comparative purposes, basic EPS is computed based on the pre-Invitation share capital of 59,988,586 Shares.

# MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

## CONSOLIDATED BALANCE SHEET

	Audited as at 31 December 2004
<b>\$'000</b>	
<b>Non-Current Assets</b>	
Plant and equipment	337
Deferred expenditure	375
Cash and cash equivalents	964
Trade receivables	5,236
	6,912
<b>Current Assets</b>	
Inventories	460
Contract work-in-progress	175
Trade receivables	8,773
Other receivables	345
Cash and cash equivalents	5,147
	14,900
<b>Total Assets</b>	21,812
<b>Current Liabilities</b>	
Contract work-in-progress	1
Trade payables	10,426
Other payables	706
Deferred revenue	129
Finance lease liabilities	13
Interest bearing loans and borrowings	1,134
Income tax payable	831
	13,240
<b>Net Current Assets</b>	1,660
<b>Non-Current Liabilities</b>	
Finance lease liabilities	24
Deferred tax liabilities	33
	57
<b>Net Assets</b>	8,515
<b>Shareholders' Equity</b>	
Issued share capital	2,408
Share premium	2,029
Foreign currency translation reserve	(25)
Retained profits	3,999
	8,411
Minority interests	104
<b>Total shareholders' equity and minority interests</b>	8,515
NTA per Share (cents) <sup>(1)</sup>	14.02

**Note:-**

(1) For comparative purposes, NTA per Share is computed based on the pre-Invitation share capital of 59,988,586 Shares.

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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*The following discussion of our results of operations for the past three financial years ended 31 December 2004 should be read in conjunction with the Audited Consolidated Financial Statements and the related notes set out in Appendices A, B and C of this Prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward looking-statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in "Risk Factors".*

### OVERVIEW

#### Revenue

We are an integration specialist for network infrastructure and voice communication systems. Our core business activities include the design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure as well as voice communication systems.

In addition, we also provide maintenance and support services and project management services for network infrastructure and voice communication systems.

Our revenue is generated through the following business activities:

- i. Supply, installation and implementation of data, video, fibre optics and wireless network infrastructure. We design and recommend network configurations of data, video, fibre optics, and wireless network infrastructure which best suit our customers' needs. After consultation with our customers, we purchase the systems from our principals, and supply and install the network infrastructure. Based on orders received from our customers, we also distribute data, video, fibre optics and wireless network infrastructure products. Revenue is recognised upon the installation and successful implementation of the systems and/or delivery and acceptance of the network by our customers. Revenue from this segment accounted for approximately 72.6 per cent., 48.1 per cent. and 67.8 per cent. for FY2002, FY2003 and FY2004 respectively.
- ii. Supply, installation and implementation of voice communication network systems. We design and recommend network configurations for voice communication systems which best suit our customers' needs. After consultation with our customers, we purchase the systems from our principals, and supply and install the voice communications network systems. Based on orders from our customers, we also purchase and distribute products related to voice communication systems. Revenue is recognised upon the installation and successful implementation of the voice communication systems and/or delivery and acceptance of the systems by our customers. Revenue from this segment accounted for approximately 24.3 per cent., 45.4 per cent., and 27.0 per cent. for FY2002, FY2003 and FY2004 respectively.
- iii. Provision of maintenance and support services, and project management services for network infrastructure and voice communication systems. We normally maintain and support network infrastructure and voice communication systems installed by us. We also provide such services to end-users of our principals' products whose network infrastructure or systems were installed by third parties. The maintenance and support contracts are usually for terms of between one to five years, renewable at the end of each term. Project management contracts, including planning and provision of technical support, are awarded to us by our principals. Revenue is recognised upon services rendered. Revenue from this segment accounted for approximately 3.1 per cent., 6.5 per cent. and 5.2 per cent. for FY2002, FY2003 and FY2004 respectively.

We have operations in Singapore, Malaysia, Philippines and Thailand through our subsidiaries. We also have a representative office in Vietnam and a business representative in Myanmar who provide technical services to our Group. We incorporated our subsidiary, Ntegrator Thailand, in November 2004. Revenue by geographic segment is categorised by the location of the projects or customers. For FY2004, revenue from Singapore, Vietnam, Myanmar and other countries (namely the Philippines, Malaysia, Thailand, Cambodia and Japan) comprised approximately 34.9 per cent., 32.4 per cent., 26.9 per cent. and 5.8 per cent. respectively.



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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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*Factors affecting our revenue include the following:*

(1) Competition

The voice communication systems and network infrastructure integration industry in which we operate is highly competitive. Companies which possess their own proprietary products and have better financial resources are able to capitalise on pricing strategies to gain an edge over their competitors. Our business may be affected in the event that existing or potential competitors offer better solutions, services or products, or more competitive pricing to our customers.

(2) Maturity of the market

In a mature market such as Singapore, the end-users have in place existing voice and network infrastructure systems, and they are knowledgeable of the system network products. Our ability to increase revenue is dependent on our ability to provide innovative, efficient and cost competitive solutions to cater to our customers' expansion and upgrading plans and budgets.

(3) Economic situation of the markets we operate in

Demand for our voice communications and network infrastructure services depends on the economic conditions of the markets in which we operate. Generally, prolonged downturns in the economy may lead to the shrinkage of budgets for upgrading of network systems by our customers.

(4) Pricing and quality of our principals' products and systems

Our customers such as the telecommunications operators actively source for products that are of high quality, reliable and reasonable in pricing in order for them to enhance their competitive edge. Our ability to purchase such products from our principals at competitive prices will affect our revenue.

(5) Technology of our principals' products and systems

The IT and telecommunications industry is characterised by rapid changes due to changing market trends, evolving industry standards and the introduction of new technologies. Our ability to source and supply new and suitable products that satisfy our customers' demands will affect our revenue. To a certain extent, our business growth depends on our principals' ability to be at the forefront of research and development and their understanding of the market trends and demand for new technology.

(6) Ability to service customers

Our customers require good and prompt services provided by trained and qualified engineers. Our ability to satisfy our customers' requirements when delivering our services will affect our revenue.

We have not experienced any significant seasonal fluctuations in our revenue.

Please also refer to the section "Risk Factors" of this Prospectus for other factors that may affect our revenue and financial performance.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

### Cost of Sales

Our cost of sales consists of two main components: Equipment and Consumables Used and Direct Costs.

#### (i) Equipment and Consumables Used

Equipment and consumables used accounted for approximately 93.9 per cent., 91.1 per cent. and 88.0 per cent. of our cost of sales for FY2002, FY2003 and FY2004 respectively. Our equipment and consumables used include the voice communication systems, data, video, fibre optics and wireless network infrastructure products, software licences, cables, bank charges on project financing for the purchase of equipment and consumables, and other miscellaneous items.

The equipment are mainly procured from suppliers/principals from the USA, Israel and France. Consumables are mainly procured locally.

#### (ii) Direct Costs

Our direct costs comprise of freight costs, commission and consultancy expenses, and travelling expenses.

Activity	FY2002		FY2003		FY2004	
	\$'000	%	\$'000	%	\$'000	%
Freight costs	35	10.8	334	22.3	699	25.6
Commission and consultancy expenses	273	84.5	790	52.6	1,688	61.9
Travelling expenses	15	4.7	377	25.1	341	12.5
	323	100.0	1,501	100.0	2,728	100.0

Freight costs are charges from freight forwarders for handling the import and export of network equipment into and out of Singapore.

Commission is paid to our salesman and/or third party overseas agents who have assisted us in securing projects through their marketing efforts. Consultancy fees relate to payment to various third party professionals who have provided either technical or legal advices relating to the projects.

Travelling expenses comprise airfare, accommodation costs and subsistence allowances incurred for the implementation of our overseas projects.

### Operating Expenses

Our operating expenses comprise staff costs, depreciation of plant and equipment, foreign exchange differences, and other operating expenses. The proportion of these expenses as a percentage of revenue is as follows:-

Activity	FY2002		FY2003		FY2004	
	\$'000	%	\$'000	%	\$'000	%
Staff costs	1,265	17.2	3,049	14.0	3,167	10.0
Depreciation of plant and equipment	59	0.8	179	0.8	233	0.7
Foreign exchange loss, net	26	0.4	86	0.4	514	1.6
Other operating expenses	357	4.8	973	4.5	804	2.6
	1,707	23.2	4,287	19.7	4,718	14.9

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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Staff costs comprise salaries, annual wage supplements, CPF contributions, paid-leave, staff insurance, medical expenses and training costs.

Depreciation is in relation to our plant and equipment.

Foreign exchange differences relate to the gains or losses arising from the translation of monetary assets and liabilities denominated in foreign currencies into Singapore Dollars for the preparation of our financial statements.

Other operating expenses comprise mainly office rental, warehouse rental, marketing expenses, entertainment, professional fees, telephone charges and utilities, and other insurance expenses.

### Finance Costs

Finance costs include interest expense on bank loans, bank overdrafts and finance lease charges. Interest rates varied from 3.3 per cent. to 7.5 per cent. per annum for FY2002, FY2003 and FY2004.

### Income Tax

In Singapore, corporate income tax was paid at the rate of 22 per cent. for FY2002 and FY2003. The current corporate income tax rate in Singapore is 20 per cent..

Our subsidiaries in Malaysia and the Philippines did not derive any taxable profits for FY2003 and FY2004. Accordingly, we were not subject to tax in these countries.

In FY2003, one of our subsidiaries, Ntegrator Singapore, received double tax deductions for certain qualifying expenses amounting to approximately \$25,000.

## REVIEW OF OPERATIONS

### Breakdown of our past performance by activity and geographic market

A breakdown of our revenue and profit by activity and geographic market for the FY2002, FY2003 and FY2004 are set out below. This analysis should be read in conjunction with the financial statements and the related notes included elsewhere in this Prospectus.

#### By Activity

#### Revenue

Activity	FY2002		FY2003		FY2004	
	\$'000	%	\$'000	%	\$'000	%
Voice Communication Systems	1,785	24.3	9,860	45.4	8,504	27.0
Network Infrastructure Projects	5,343	72.6	10,439	48.1	21,414	67.8
Project Management and Maintenance Services	230	3.1	1,421	6.5	1,649	5.2
	7,358	100.0	21,720	100.0	31,567	100.0

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

### Gross Profit

Activity	FY2002		FY2003		FY2004	
	\$'000	%	\$'000	%	\$'000	%
Voice Communication Systems	131	6.3	832	17.4	1,105	12.6
Network Infrastructure Projects	1,826	87.5	3,047	63.9	6,834	77.6
Project Management and Maintenance Services	130	6.2	893	18.7	863	9.8
	2,087	100.0	4,772	100.0	8,802	100.0

### By Geographic Market

#### Revenue

	FY2002		FY2003		FY2004	
	\$'000	%	\$'000	%	\$'000	%
Singapore	2,884	39.2	11,997	55.2	11,027	34.9
Myanmar	2,605	35.4	5,266	24.3	8,488	26.9
Vietnam	1,811	24.6	3,694	17.0	10,223	32.4
Others <sup>(1)</sup>	58	0.8	763	3.5	1,829	5.8
	7,358	100.0	21,720	100.0	31,567	100.0

(1) "Others" comprise projects in the Philippines, Malaysia, Thailand, Cambodia and Japan.

### FY2002 to FY2003

#### Revenue

Revenue increased by \$14.4 million or 195.2 per cent. from \$7.4 million in FY2002 to \$21.7 million in FY2003. This was mainly due to the growth of our business during its first full year of operations in FY2003 as compared to only seven months of operations in FY2002.

Revenue for our network infrastructure projects segment increased by \$5.1 million or 95.4 per cent. from \$5.3 million in FY2002 to \$10.4 million in FY2003. In FY2003, we completed the SDH fibre optics network infrastructure providing telecommunications backbones linking 20 cities between Hanoi and Ho Chi Minh City in Vietnam. In addition, we have also completed another telecommunications backbone linking 65 cities in Myanmar including Yangon, Mandalay, Taung Gyi and Bagan. The revenue derived from these two projects were the main contributors to the increase in revenue of \$5.1 million. We also received orders from MobileOne for provision of VoIP media gateway to provide IDD call services as well as an order for SDH access multiplexers to expand its E1 access between two mobile switch centre sites.

Revenue for our voice communication systems segment increased by \$8.1 million or 452.4 per cent. from \$1.8 million in FY2002 to \$9.9 million in FY2003. This was mainly due to an increase in sales for PABX systems to Surbana Corporation Pte. Ltd., Singapore Institute of Management, Asiacom and a government ministry in Singapore.

Revenue for our project management and maintenance services segment increased by \$1.2 million or 517.8 per cent. from \$0.2 million in FY2002 to \$1.4 million in FY2003. This was mainly due to the completion of a contract from Alcatel for the project management and installation of PABX systems in Japan onboard the new cruise ships, Diamond Princess and Sapphire Princess in FY2003 and an increase in demand for our maintenance services from new and existing customers including MobileOne and StarHub Ltd.

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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Revenue from all geographic segments increased in line with our continual expansion into the regional markets.

In Singapore, we completed several major voice communication systems projects and network infrastructure projects in FY2003. This contributed to an increase in revenue of approximately \$9.1 million, which is 316.0 per cent. over FY2002. This was mainly due to an increase in sales for PABX systems to Surbana Corporation Pte. Ltd., Valuair Pte Ltd, Singapore Institute of Management, Asiacom and a government ministry in Singapore and the provision of VoIP media gateway and SDH access multiplexer for MobileOne. Our maintenance revenue also increased by approximately \$1.2 million, which is 517.8 per cent. over FY2002 due mainly to increase in demand for our services.

In Myanmar, we completed a network infrastructure project for a government ministry involving the setting up of a telecommunications backbone linking 65 cities in Myanmar. This contributed to an increase in revenue of approximately \$2.7 million, which is 102.1 per cent. over FY2002.

In Vietnam, we secured several large scale projects including the supply of full turn-key DWDM and SDH fibre optics network infrastructure to Viettel including setting up the telecommunications backbones between Hanoi and Ho Chi Minh City. This contributed to an increase in revenue of approximately \$1.9 million which is 104.0 per cent. over FY2002.

### Gross Profit

Our gross profit increased by \$2.7 million or 128.7 per cent. from \$2.1 million in FY2002 to \$4.8 million in FY2003, in line with higher revenue in FY2003. This was mainly due to the growth of our business during its first full year of operations in FY2003 as compared to only seven months of operations in FY2002.

Gross profit for our network infrastructure projects segment increased by \$1.2 million or 66.9 per cent. from \$1.8 million in FY2002 to \$3.0 million in FY2003. This was mainly due to the completion of new projects in Singapore, Myanmar and Vietnam.

Gross profit for our voice communication systems segment increased by \$0.7 million or 535.1 per cent. from \$0.1 million in FY2002 to \$0.8 million in FY2003. This was mainly due to an increase in sale of products distributed by us in Singapore.

Gross profit for our project management and maintenance services segment increased by \$0.8 million or 586.9 per cent. from \$0.1 million in FY2002 to \$0.9 million in FY2003. This was mainly due to the project management contract which we secured from Alcatel and an increase in demand for our maintenance services in Singapore in FY2003.

The gross profit margin was 28.4 per cent. and 22.0 per cent. for FY2002 and FY2003 respectively. This decrease in percentage resulted from increased competition for our services due to the downturn of the market caused by the SARS outbreak in FY2003. The prolonged SARS outbreak had partly resulted in more aggressive competition from our competitors and manufacturers who were seeking to gain or retain market shares. This consequently resulted in more competitive pricing for our services and hence lower gross profit margins in several projects.

### Operating Expenses

Operating expenses increased by \$2.6 million or 151.1 per cent. from \$1.7 million in FY2002 to \$4.3 million in FY2003. This was mainly due to the growth of our businesses during our first full year of operations in FY2003 as compared to only seven months of operations in FY2002.

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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The increase was mainly attributable to the following reasons:-

- i. The increase in our staff costs of approximately \$1.8 million or 141.0 per cent. which resulted from the hiring of new staff for the expansion of our Voice Communication Systems and maintenance businesses in FY2003. As our headcount increased progressively throughout the first seven months of our operations and most of our new staff were hired in January 2003, our staff costs in FY2002 were lower as compared to FY2003.
- ii. Our other operating expenses also increased due to the start up and support costs incurred for the setting up of our subsidiaries in Malaysia and the Philippines. Such expenses included registration, administration and legal costs.
- iii. The marketing and travelling expenses increased as there were higher levels of marketing and sales activities in FY2003 in line with the expansion of our business.

### Finance Costs

Our finance costs were \$5,000 and \$8,000 for FY2002 and FY2003 respectively. These costs mainly related to finance lease charges.

### Profit Before Income Tax

Our profit before income tax increased by \$0.1 million or 29.6 per cent. from \$0.4 million in FY2002 to \$0.5 million in FY2003. Despite an increase in our revenue, our profit before income tax did not increase due mainly to higher operating expenses caused by the increased staff costs and an expansion to overseas markets. We hired additional staff before the outbreak of SARS in accordance with our business expansion plan. Although the outbreak of SARS affected our business, we did not reduce our staff strength as we anticipated that our business would pick up after the SARS crisis.

Profit before income tax from network infrastructure projects segment increased by \$0.37 million or 35.3 per cent.. This was mainly due to the completion of projects in Singapore, Myanmar and Vietnam.

Profit before income tax from voice communication systems segment decreased by \$2,000 or 0.67 per cent. and profit before income tax from project management and maintenance services segment decreased by \$0.26 million or 72.2 per cent.. These were mainly due to increases in staff costs caused by the hiring of new staff in line with our business expansion plan.

### Income Tax

Our income tax increased by \$0.03 million or 31.8 per cent. from \$0.09 million in FY2002 to \$0.1 million in FY2003, in line with higher profit in FY2003. Our effective tax rate for FY2003 was 23.8 per cent., which was higher than the corporate income tax rate of 22 per cent. in Singapore due mainly to expenses not-deductible for tax purposes.

### FY2003 to FY2004

#### Revenue

Revenue increased by \$9.8 million or 45.3 per cent. from \$21.7 million in the FY2003 to \$31.6 million in FY2004. For FY2003, we were affected by the outbreak of SARS in the first half of the year which led to travel restrictions and consequently delays in and/or cancellation of capital expenditure by our existing and/or potential customers. This had a negative impact on our FY2003 revenue. Subsequently after the SARS outbreak, the market picked up in the second half of FY2003 and the increase in revenue for FY2004 was mainly due to our strong sales team and the completion of orders from Vietnam and Myanmar.

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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Revenue for our network infrastructure projects segment increased by \$11.0 million or 105.1 per cent. from \$10.4 million for FY2003 to \$21.4 million for FY2004. This was mainly attributable to our strong sales team and the completion of several new projects for new and existing customers in Vietnam, Myanmar and Singapore during FY2004. This included the implementation of SDH fibre optics network infrastructure for Electric Telecom Company and the ongoing expansion work on the telecommunications backbone infrastructure for Viettel, the delivery and completion of the Phase 2 network infrastructure project for a government ministry involving the setting up of a telecommunications backbone linking 65 cities in Myanmar and the supply of test equipment to Singapore Telecommunications Ltd, Mediaring Ltd and Fujitsu Asia Pte Ltd.

Revenue for our voice communication systems segment decreased by \$1.4 million or 13.8 per cent. from \$9.9 million for FY2003 to \$8.5 million for FY2004. This was mainly due to lower demand from one of our reseller in FY2004. The reduction in revenue from our reseller was partially offset by an increase in revenue from the sales of PABX systems made by our sales team to our new and existing customers including Valuair Ltd, Standard Chartered Bank and a government ministry in Singapore.

Revenue for our project management and maintenance services segment increased by \$0.23 million or 16.0 per cent. from \$1.4 million for FY2003 to \$1.6 million for FY2004. This was mainly due to ongoing project management services provided to Alcatel on-board the Diamond Princess and Sapphire Princess. The increase in revenue for our maintenance services was mainly due to additional demand from existing customers and new customers such as PowerGrid Pte Ltd and Standard Chartered Bank.

Revenue from all geographic segments increased in line with our continual expansion into the regional markets.

In Singapore, we completed several major voice communication systems and network infrastructure projects for Valuair Ltd, Standard Chartered Bank, and a government ministry in Singapore and the supply of test equipment to Singapore Telecommunications Ltd, Mediaring Ltd and Fujitsu Asia Pte Ltd. Revenue remains fairly constant for both FY2003 and FY2004.

In Vietnam, we implemented SDH fibre optics network infrastructure for Electric Telecom Company and the ongoing expansion work on the telecommunications backbone infrastructure for Viettel. This contributed to an increase in revenue of approximately \$6.5 million which is 176.7 per cent. over FY2003. In addition, the revenue in FY2003 was lower due mainly to the outbreak of SARS in the first half year which resulted in delays in and/or cancellation of capital expenditure by our existing and potential customers.

In Myanmar, we supplied network infrastructure to a government ministry for its own use as well as for use by Myanmar Post and Telecommunications, which is the main telecommunications operator providing all fixed line and cellular services in Myanmar. We also provided full turn-key SDH fibre optics network infrastructure as well as the full turn-key voice communication systems to a government ministry. Revenue increased by \$3.2 million or 61.2 per cent. in FY2004, this was due mainly to the completion of Phase 2 of the SDH fibre optics network infrastructure as well as the installation of full turn key voice communication systems.

### **Gross Profit**

Gross profit increased by \$4.0 million or 84.5 per cent. from \$4.8 million for FY2003 to \$8.8 million for FY2004 in line with higher revenue. This was mainly due to better discounts from our suppliers as well as projects with higher margins which were secured from overseas customers in FY2004.

Gross profit for our voice communication systems segment increased by \$0.3 million or 32.8 per cent. from \$0.8 million for FY2003 to \$1.1 million for FY2004. This was mainly due to an increase in sales of PABX systems distributed by us to our new and existing customers.



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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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Gross profit for our network infrastructure projects segment increased by \$3.8 million or 124.3 per cent. from \$3.0 million for FY2003 to \$6.8 million for FY2004. This was mainly attributable to the completion of several new projects for new and existing customers in Vietnam, Myanmar and Singapore during FY2004.

Gross profit for our project management and maintenance services segment for FY2004 remained comparable to FY2003 at \$0.9 million.

The gross profit margin was 22.0 per cent. and 27.9 per cent. for FY2003 and for FY2004 respectively. In FY2003, about half of our revenue was derived from the distribution of voice communication products which had a lower margin whereas in FY2004, our revenue were mainly contributed by our network infrastructure segment which enabled us to earn a higher margin.

### Operating Expenses

Operating expenses increased by \$0.43 million or 10.1 per cent. from \$4.3 million to \$4.7 million for FY2003 and for FY2004 respectively.

The increases were mainly attributable to the following reasons:-

- i. Staff costs increased by \$0.1 million or 3.9 per cent. which were due mainly to increase of new staff.
- ii. Depreciation increased by approximately \$54,000 or 30.2 per cent. which was due mainly to the depreciation of equipment purchased for demonstration purposes.
- iii. Foreign exchange loss increased by approximately \$0.4 million or 497.7 per cent. arose mainly from realised exchange losses of \$0.4 million due to the weakening of US\$ in the second half of FY2004.
- iv. Other operating expenses decreased by approximately \$0.2 million or 17.4 per cent. which were due mainly to the completion of setting up of our two newly formed subsidiaries in Malaysia and Philippines in FY2003.

### Finance Costs

Our finance costs were \$8,000 and \$53,000 for FY2003 and for FY2004 respectively. The increase was due mainly to interest expense on a short term loan and bank overdraft obtained from financial institutions in the second half of FY2003 and second half of FY2004 to provide for additional working capital.

### Profit Before Income Tax

We recorded a profit before income tax of approximately \$4.1 million for FY2004 as compared to \$0.5 million for FY2003. The increase was due mainly to the higher revenue achieved in FY2004 while we maintained our operating expenses at FY2003 level except for an increase in foreign exchange loss of \$0.4 million.

The profit before income tax from network infrastructure projects segment increased by \$3.8 million or 124.3 per cent.. This was mainly attributable to the completion of several new projects for new and existing customers in Vietnam, Myanmar and Singapore in FY2004.

Profit before income tax for the voice communication systems segment decreased by \$0.3 million or 32.8 per cent., in line with the decline in revenue.

The profit before income tax from project management and maintenance services segment decreased by \$30,000 or 3.4 per cent.. This was mainly due to the completion of the project management services for Alcatel in FY2003.

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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### Income Tax

We provided for income tax for FY 2003 and FY2004 based on the prevailing corporate income tax rates of 22 per cent. and 20 per cent. respectively.

### REVIEW OF FINANCIAL POSITION

#### Non-Current Assets

Our non-current assets comprise plant and equipment, deferred expenditure, trade receivables, and cash and cash equivalents.

Plant and equipment comprise mainly office equipment, computers and software, telephones, furniture and fittings, demonstration equipment for our products and a delivery van.

Deferred expenditure represents a portion of the total expenses to be incurred in connection with the initial public offering of the ordinary Shares of our Company.

Non-current trade receivables were export letters of credit which are due for settlement after 12 months from the balance sheet date.

Non-current cash and cash equivalents were deposits pledged with financial institutions as securities for credit facilities granted to us.

As at 31 December 2004, our plant and equipment amounted to \$0.34 million and accounted for 1.5 per cent. of our total assets. Non-current trade receivables amounted to \$5.2 million due mainly to the export letters of credit for Myanmar projects which are due for settlement 12 months from 31 December 2004. Non-current cash and cash equivalents amounted to \$1.0 million as at 31 December 2004.

#### Current Assets

Our current assets comprise stocks, contract work-in-progress, trade receivables, other receivables, and cash and cash equivalents.

Stocks comprise items held for resale and for use in our maintenance services, and items which we have purchased after orders have been received from our customers.

Contract work-in-progress of \$0.2 million refers to system integration services that are not completed, delivered and accepted by customers as at the balance sheet date.

Contract work-in-progress is stated at cost less progress billings received or receivable. Cost includes cost of equipment and software purchased for the projects, subcontracting costs and other direct expenses attributable to the project activity. Where project costs incurred to date less recognised losses exceed progress billings, the surplus is presented as "Excess of costs incurred over progress billings" (as a current asset). Where progress billings exceed project costs incurred to date less recognised losses, the surplus is classified as "Excess of progress billings over work-in-progress" (as a current liability).

Trade and other receivables comprise mainly trade receivables, bills receivables, retention monies, deposits, prepayments and advances for project costs.

As at 31 December 2004, current assets comprised mainly trade receivables of \$8.8 million and cash and cash equivalents of \$5.1 million which comprised mainly cash collections from our customers and capital contribution.

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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### Current Liabilities

Current liabilities comprise contract work-in-progress, trade payables, other payables, deferred revenue, finance lease liabilities, loans and income tax payable.

Trade payables and other payables comprise mainly trade and bill payables for purchases of equipment used in our projects of \$6.8 million, accruals for project costs of \$3.1 million and operating expenses of \$0.5 million.

Deferred revenue represents maintenance revenues received in advance of services being rendered. Deferred revenue amounted to \$0.13 million as at 31 December 2004.

The current finance leases are mainly in relation to the purchase of motor vehicles, computers and software under the finance agreement. These leases will expire over the next five years.

Loans refer to a short-term revolving loan obtained in FY2003 from a financial institution. It is unsecured, bears average interest of 5.25 per cent. per annum and is repayable within the next 12 months.

Income tax payable of \$0.83 million relates mainly to current tax liabilities for FY2004.

### Non-Current Liabilities

Non-current liabilities comprise long-term portion of our finance lease and deferred tax liabilities.

### Shareholders' Equity

Shareholders' equity comprise issued share capital, share premium, foreign exchange translation reserve and retained profits.

As at 31 December 2004, shareholders' equity of \$8.4 million comprised mainly issued share capital, share premium and retained profits of \$2.4 million, \$2.0 million and \$4.0 million respectively.

### Minority Interests

Minority interests are in relation to the two overseas subsidiaries which are in Malaysia and the Philippines.

## LIQUIDITY AND CAPITAL RESOURCES

Our business growth and expansion have been financed through a combination of capital contribution from our shareholders, retained profits, bank borrowings and finance leases. Our cash and cash equivalents, which were not pledged, amounted to \$5.1 million and \$2.0 million as at 31 December 2004 and 31 December 2003 respectively. As at 31 December 2004 and 31 December 2003, we had net working capital of \$1.7 million and \$4.0 million respectively. Our working capital requirements are financed mainly by cash flows generated from our operations and capital contributions from our shareholders.

As at 31 December 2004, our total borrowings (comprising of a short-term loan, bank overdrafts and finance lease liabilities) were \$1.1 million.

As at 31 December 2004, our outstanding loan amounted to \$0.1 million. The loan is secured by a cash deposit placed with a financial institution amounting to \$250,000 and are guaranteed by certain directors of one of our subsidiaries. The loan bears average interest of 5.25 per cent. per annum and is repayable within the next 12 months.

As at 31 December 2004, our outstanding bank overdraft amounted to \$1.0 million. The bank overdraft is guaranteed by certain directors of the Company. The bank overdraft bears average interest at 7.0 per cent. per annum and is repayable upon demand.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

As at 31 December 2004, our outstanding finance lease liabilities amounted to \$37,000. The discount rate implicit in the leases ranges from 3.3 per cent. to 6.0 per cent. per annum.

The bank loan, bank overdraft and finance leases are guaranteed by our Directors and our Company. Upon the listing of our Company on the SGX-ST SESDAQ, we intend to request for the discharge of the guarantees. In the event that any such requests affect our ability to obtain the facilities on comparable terms, our Directors have agreed to continue to provide the relevant guarantees.

As at the Latest Practicable Date, our sources of unused liquidity comprise cash and bank balances of approximately \$2.4 million, unused credit facilities of approximately \$22.0 million from banks, unused bank overdrafts of approximately \$1.6 million and unutilised short-term loan facilities of approximately \$1.4 million.

Our Directors are of the opinion that, after taking into account the cash flows generated from the operations, our banking facilities and our existing cash and cash equivalents as at the Latest Practicable Date, we have sufficient working capital for our present requirements.

### Summary of Cash Flows

\$'000	FY2003	FY2004
Operating cash flows before working capital changes	642	4,365
Net changes in working capital	(2,221)	(810)
Interest received/paid and income tax paid	(64)	(147)
Net cash flows (used in)/from operating activities	(1,643)	3,408
Net cash flows used in investing activities	(297)	(104)
Net cash flows from/(used in) financing activities	3,681	(1,117)
Net increase in cash and cash equivalents at the end of the year	1,741	2,187
Cash and cash equivalents at the beginning of the year	219	1,961
Cash and cash equivalents at the end of the year	1,961	4,148

### FY2003

#### *Net cash flows used in operating activities*

In FY2003, we recorded a net cash flows used in operating activities of \$1.6 million. This comprised operating cash flows before working capital changes of \$0.6 million after adjusting the profit before tax of \$0.5 million for depreciation of \$0.2 million, interest expense of \$8,000, interest income of \$10,000 and foreign currency translation difference of \$22,000.

Net working capital changes of \$2.2 million were the result of:-

- an increase in stocks and contract work-in-progress of \$1.7 million;
- an increase in trade and other receivables of \$4.7 million; and
- an increase in trade and other payables of \$4.2 million.

The above increases in current assets and current liabilities correspond to our sales growth and operational expansion.

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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### ***Net cash flows used in investing activities***

Net cash outflow used in investing activities amounted to \$0.3 million in FY2003. This was mainly due to the purchase of plant and equipment for the purpose of demonstration to customers.

### ***Net cash flows from financing activities***

Net cash inflow from financing activities amounted to \$3.7 million. This was mainly due to proceeds of \$3.4 million from the issuance of new shares for cash and a short-term loan obtained from a financial institution of \$0.7 million, offset by an increase in deposits pledged with financial institutions of \$0.4 million as securities for banking facilities granted to us.

## **FY2004**

### ***Net cash flows from operating activities***

In FY2004, we recorded a net cash flow from operating activities of \$3.4 million. This comprised operating cash flow before working capital changes of \$4.4 million after adjusting the profit before tax of \$4.1 million for depreciation of \$0.23 million, interest expense of \$53,000, interest income of \$20,000 and foreign currency translation difference of \$16,000.

Net working capital changes of \$0.8 million were the result of:-

- a decrease in stocks and contract work-in-progress of \$1.2 million due mainly to completion of projects in Myanmar;
- an increase in trade and other receivables of \$4.8 million; and
- an increase in trade and other payables of \$2.8 million.

The above increases in current assets and current liabilities correspond to our sales growth and operational expansion.

### ***Net cash flows used in investing activities***

Net cash flows used in investing activities amounted to \$0.1 million due mainly to the purchase of plant and equipment for demonstration purpose to customers.

### ***Net cash flows used in financing activities***

Net cash flows used in financing activities amounted to \$1.1 million. These were the result of:-

- repayment of short term loan to a financial institution of \$0.6 million;
- repayment of finance lease obligations of \$27,000;
- an increase of fixed deposits pledged to financial institutions of \$0.1 million; and
- payment of deferred expenditure of \$0.4 million in connection with the initial public offering of the ordinary Shares of our Company.

## **CAPITAL EXPENDITURE AND COMMITMENTS**

Our capital expenditure consisted mainly of the acquisition of office equipment, computers, telephones, softwares, motor van, demonstration equipments, furniture and fittings. The purchases of such assets are mainly financed by funds generated from our operations and finance lease liabilities from financial institutions.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The details of such expenditure made by our Group are as follows:-

\$	FY2002	FY2003	FY2004
<u>Acquisitions</u>			
Office Equipment	45,699	5,039	21,797
Computers	105,819	29,877	24,314
Telephones	1,970	3,760	659
Software	30,360	3,250	1,668
Motor Van	56,000	—	—
Demonstration Equipment	7,576	162,959	50,075
Furniture	63,795	6,970	5,922
Fittings	101,993	15,019	2,771
Capital Work-In-Progress	—	69,615	5,700
	413,212	296,489	112,906

We do not have any material capital or lease commitments as at the Latest Practicable Date.

### INVESTMENTS

Save as disclosed below, we do not have any major investments or divestments in the last three financial years and for the period from 1 January 2005 up to the Latest Practicable Date:-

#### Unlisted shares, at cost

Name	Principal Activities	Country of Incorporation	Cost (\$)	Equity Interest (%)
Ntegrator Philippines	Import and export, provision of consultation services, system integration of voice, video and data communication networks, and provision of information communication services	Philippines	211,920	60
Ntegrator Malaysia	System integration of voice, video and data communication networks, and services and provision of information communication services	Malaysia	69,417	60
Ntegrator Thailand	Operating the distribution, design and system implementation, acting as a consultant to install, repair with regard to an integrated system on communications network, data, voice and video.	Thailand	130,716	60

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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### INFLATION

For the last three financial years ended 31 December 2004, inflation did not have a material impact on our financial performance.

### FOREIGN EXCHANGE EXPOSURE

Our reporting currency is currently in SGD. We however, transact mainly in USD in FY2002, FY2003 and FY2004. For FY2002, FY2003 and FY2004, approximately 79.1 per cent., 81.6 per cent. and 78.7 per cent. of our revenue respectively were denominated in USD, while approximately 81.3 per cent., 85.6 per cent. and 84.8 per cent. of our costs respectively were denominated in USD. Currently, we do not have a formal hedging policy with respect to our foreign exchange exposure. Our transactional foreign exchange losses for FY2002, FY2003 and FY2004 were \$26,000, \$86,000 and \$0.5 million respectively. The \$0.5 million of the foreign exchange losses in respect of FY2004 arose from realised exchange losses of \$0.4 million due to the weakening of USD in the second half of FY2004.

In addition, given that the reporting currency of our consolidated financial statements is in SGD, for purposes of our consolidated financial statements, we translate the financial statements of our subsidiaries in Philippines and Malaysia from PS and RM to SGD respectively based on the relevant average exchange rates prevailing as at the relevant period of the respective financial statements.

In future, as we expand regionally, we may also transact in the respective local currencies in the countries we operate in. In such event, we may hedge our material foreign exchange transactions after considering the foreign currency amount, exposure period and transaction costs.

### TAXATION

Our Company and overseas subsidiaries, which operate in Singapore, Malaysia and the Philippines are taxed in accordance with the respective countries' prevailing tax rates.

In Singapore, corporate income tax was paid at the rate of 22 per cent. and 20 per cent. for FY2003 and FY2004 respectively. The current corporate income tax rate in Singapore is 20 per cent..

The corporate income tax rates for our overseas subsidiaries in Malaysia and the Philippines are 28 per cent. and 32 per cent. respectively for both FY2003 and FY2004. For these periods, we were not subject to tax in these two countries as we did not derive any taxable profit. The current value added tax in Philippines is 10 per cent..



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## DIRECTORS, MANAGEMENT AND STAFF

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### DIRECTORS AND EXECUTIVE OFFICERS

The following table provides information regarding our Directors and Executive Officers as at the date of this Prospectus.

#### Directors

<u>Name</u>	<u>Age</u>	<u>Address</u>	<u>Principal Occupation</u>	<u>Appointed on</u>	<u>Country of Principal Residence</u>
Bernard Chen Tien Lap	63	22 Mayflower Place, Singapore 568703	Company Director	4 January 2005	Singapore
Han Meng Siew	49	69 Jalan Binchang, Singapore 578554	Deputy Chairman and Executive Director	15 July 2004	Singapore
Jimmy Chang Joo Whut	46	Blk 669A, Jurong West St 64, #16-96, Singapore 641669	Managing Director	1 July 2002	Singapore
Tay Choon Chong	35	3 Rivervale Link, #07-19, Singapore 545119	Vice President, Business Development	19 March 2003	Singapore
Loudon Frank McLean Owen	48	37 St. Edmunds Drive, Toronto, Canada M4P 2N7	Venture Capitalist	4 October 2004	Canada
Lai Chun Loong	62	48 Faber Avenue, Singapore 129551	Consultant and Executive Director	14 September 2005	Singapore
Charles George St John Reed	40	30 Winterdown Road, Esher, United Kingdom, KT108LJ	Businessman	16 June 2003	United Kingdom

Our Directors' working and business experience are set out below:-

**Bernard Chen** is our Non-Executive Chairman and Independent Director. He was appointed as a Director of our Company on 4 January 2005. He is currently the chairman of the Cisco Security Pte. Ltd. and is the chairman of Singapore Health Services Pte Ltd. He was with the Ministry of Finance from 1969 to 1977 and was a Member of Parliament from 1977 to 2001. He was the Minister of State for Defence from 1977 to 1981. He then joined Fraser & Neave group from 1981 to 1991 where he served as their General Manager and Director. He was Chief Executive Officer of Intraco Ltd from 1991 to 2000. He was a director of Blue Dot Capital Pte Ltd from 2000 to 2002. Mr Bernard Chen graduated from University of Alberta, Edmonton, Canada with a Bachelor of Science (First Class Honours) in 1967. He also has a Masters of Public Administration from Harvard University, USA and a Bachelor of Arts degree in Theological Studies from Australian Catholic University which he obtained in 1973 and 2000 respectively.

**Han Meng Siew** is our Deputy Chairman and Executive Director. He was appointed as a Director of our Company on 15 July 2004. He is responsible for the strategic planning and growth for our Group. He has more than 20 years of experience in the telecommunications industry. He started work as an engineer in Singapore Telecommunications Ltd from 1981 to April 1987. He subsequently joined Teledata (Singapore) Limited ("Teledata") as their senior manager of sales in May 1987 and was promoted to General Manager in 1988. Mr Han was one of those responsible for propelling Teledata towards listing on the SGX-ST in 1994 and was subsequently appointed as its managing director in 1996. During this

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## DIRECTORS, MANAGEMENT AND STAFF

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period, he also served as a director in the various subsidiaries and joint ventures of Teledata. Mr Han had served as an elected Council Member of the Singapore Confederation of Industries and its various sub-committees from 2000 to 2002. Mr Han left Teledata in July 2002. He joined our Company as a consultant on 1 May 2003 and has been responsible for advising as to the business strategy and direction of our Group and subsequently became our Deputy Chairman. Mr Han graduated with a Bachelor's Degree in Engineering (Electrical) from the National University of Singapore in May 1981. He further obtained a graduate diploma in Business Administration from the Singapore Institute of Management in May 1990.

**Jimmy Chang Joo Whut** is our Managing Director. He was appointed as a Director of our Company on 1 July 2002. He is responsible for managing the daily business operations and steering the direction of our Group. In addition, he also oversees the business, development and engineering support of our network infrastructure team. Mr Chang has more than 20 years of working experience in the telecommunications industry. Mr Chang began his career in May 1980 as a technician in Singapore Telecommunications Ltd where he worked till 1987. In January 1988, he was employed by Wandel & Goltermann Ltd as their consultant for network test equipment products and in 1990 he was promoted to the position of regional manager to manage their Singapore representative office and was responsible for the telecommunications test equipment sales for the Southeast Asian markets. In January 1993, he joined Teledata as their sales manager and was promoted in January 1996 to be the general manager and executive director of Plexus Technology Pte Ltd, a subsidiary of Teledata where he worked till March 2002. In April 2002, he set up Ntegrator Singapore and has been our Managing Director since. Mr Chang obtained a industrial technician certificate in Electrical Engineering from Singapore Technical Institute in 1979 and diploma in Telecommunications from City & Guild, London in 1985. Mr Chang has been a member of NetDevices Technical Advisory Board since 1 January 2005. NetDevices is a US-based provider of next-generation edge networking solutions for enterprises and managed service providers.

**Tay Choon Chong** is our Non-Executive Director. He was nominated by FTFI and appointed as Director on 19 March 2003. He is currently the vice president of Business Development and head of Strategic Relations in Singapore Technologies Engineering Ltd. Prior to his present position, he was the president of Fortune Venture Management Pte Ltd, a position he held from July 2003 to June 2005. Mr Tay began his career as an engineer in Singapore Technologies Aerospace Ltd in 1995 and was promoted to the position of senior engineer in 1997. He subsequently became their project development manager in 1999. In 2000, he joined Fortune Venture Management Pte Ltd as an investment manager and became their assistant vice president in 2001. He graduated from Imperial College, University of London with a Bachelor of Engineering (First Class Honours) in Electrical Engineering in 1994 and obtained his Master of Science in Electrical Engineering from Stanford University in 1995.

On 9 September 2005, Mr Tay has provided an undertaking that save for reason of ill-health or infirmity or when required by law, he would not resign as director of our Company for a period of two years from our Company's date of admission to the Official List of the SGX-SESDAQ. This is notwithstanding any change of shareholding interest in our Company by FTFI during this period.

**Loudon Owen** is our Non-Executive Director. He was nominated by 1413782 Ontario Inc. and 1413783 Ontario Inc. and appointed to our Board on 4 October 2004. Mr Owen is currently the managing partner of McLean Watson Capital Inc., Mr Owen started work as a lawyer in Campbell Godfrey & Lewtas from 1983 to 1987. He subsequently became the managing partner of Burgess Macdonald Martin Younger, a law firm, from 1989 to 1992. In 1993, he was the chief operating officer of Softimage Inc., a Nasdaq-listed software corporation. In 1994, he co-founded McLean Watson Capital Inc. and became its managing partner. Mr Owen graduated with a Bachelor of Arts degree from University of Toronto in 1980 and obtained his Bachelor of Laws degree from Osgoode Hall Law School in 1983. Mr Owen also has a Master of Business Administration from INSEAD (France) which he obtained in 1988.

On 9 September 2005, Mr Owen has provided an undertaking that save for reason of ill-health or infirmity or when required by law, he would not resign as director of our Company for a period of two years from our Company's date of admission to the Official List of the SGX-SESDAQ. This is notwithstanding any change of shareholding interest in our Company by 1413782 Ontario Inc. and 1413783 Ontario Inc. during this period.

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## DIRECTORS, MANAGEMENT AND STAFF

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**Lai Chun Loong** is our Independent Director. He was appointed as our Independent Director on 14 September 2005. Mr Lai is currently a consultant and executive director of Prominent Consulting Pte Ltd. He is also a consultant of Temasek Holdings (Private) Limited and an advisor to Vietnam Singapore Industrial Park Pte Ltd. Mr Lai began his career with Chartered Industries of Singapore ("CIS") in 1968 as a mechanical engineer and rose to the position of managing director in 1983. From 1983 to 1989, Mr Lai concurrently held the position of managing director of Singapore Technologies Corporation Pte Ltd. He was appointed the president of CIS from 1989 to 1993. In 1993, Mr Lai joined Sembawang Industrial Pte Ltd as its president and deputy chairman. Subsequently, he was appointed the president of Sembcorp Parks Holdings Limited from 1997 to 1998. From 1996 to 2001, Mr Lai was the executive chairman of Vietnam Singapore Industrial Park Pte Ltd. Prior to his present positions, Mr Lai was an advisor on Vietnam investment to Singapore Technologies Pte Ltd from 2001 to 2003. 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 a Masters of Business Administration from the University of California, Los Angeles, USA and completed the Advanced Management Program Harvard University, Boston, USA in 1987. Mr Lai was awarded a public service medal (PBM) in 1992.

**Charles Reed** is our Independent Director. He was appointed as our Independent Director on 16 June 2003. Mr Reed is presently the chief executive officer of Capena Ltd (BVI). He began his career as a senior associate at Coopers & Lybrand Deloitte in 1988. He was subsequently employed by PT Excelcomindo Pratama in 1996 as their general manager where he was responsible for financial restructuring, corporate governance, capital projects and re-engineering process improvement projects. He subsequently joined British Telecom (Hong Kong) in 2000 as their director of programme management and was responsible for the business development and infrastructure for BT Cellnet's Global Mobile Internet offering Genie. In 2001, he joined Telecom Venture Group as their vice president. Mr Reed was the CEO of Personal Broadband Australia Pty Limited from 2003 to 2004. He is also a member of the audit committee of Mobile Telecom Network (Holdings) Limited, a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange, since March 2004. Mr Reed graduated with a Bachelor of Science degree in Engineering Mathematics from Bristol University, United Kingdom in 1988.

### **Executive Officers**

<b><u>Name</u></b>	<b><u>Age</u></b>	<b><u>Address</u></b>	<b><u>Principal Occupation</u></b>	<b><u>Country of Principal Residence</u></b>
Kenneth Sw Chan Kit	42	Blk 120 Marsiling Rise, #02-66, Singapore 730120	Financial Controller	Singapore
Johnson Teo Hwee Kheng	44	Blk 920, Hougang St 91, #03-01, Singapore 530920	General Manager, Voice Communications (Regional)	Singapore
Desmond Chan Hong Lee	44	Blk 7, Pemimpin Drive, #15-05, Singapore 576150	General Manager, Voice Communications (Singapore)	Singapore
Jason Leong Wee Siong	33	Blk 348, Bt. Batok St 34, #10-244, Singapore 650348	Assistant General Manager, Network Infrastructure (Regional)	Singapore
Vincent Vinu Edward	40	28 Dix Road, Singapore 823642	Assistant General Manager, Network Infrastructure (Singapore)	Singapore
Diana Lee Meng Wah	46	Blk 13, Upper Boon Keng Road, #14-941, Singapore 380013	Manager of Human Resource and Administration	Singapore

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## DIRECTORS, MANAGEMENT AND STAFF

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Our executive officers' working and business experience are set out below:-

**Kenneth Sw** is our Financial Controller. He joined us in June 2002 and is responsible for the overall financial and accounting activities of our Group. Mr Sw is a qualified accountant with more than 19 years experience in financial reporting and accounting. He began his career as an administrative clerk in Matsushita Electronics (S) Pte Ltd from December 1983 to January 1985. He joined Kuhne & Nagel (S) Pte Ltd as a senior accounts clerk in February 1985. He was employed by Serac Fashion as an administrative and finance officer in January 1988 where he worked till September 1990. He joined Sembawang Engineering Pte Ltd in October 1990 as an accounts executive and was appointed to the position of finance manager in January 1994 where he was seconded to its various overseas subsidiaries to establish their finance department and implement computerised account systems. He joined Teledata from 1995 to 2002 and commenced work as their financial accountant, and was subsequently promoted to the position of senior manager. Between July 2000 and April 2001, he was appointed the chief financial officer of E-Cop Pte. Ltd., a subsidiary of Teledata. He was subsequently appointed as senior manager of IntraWave Pte Ltd, a subsidiary of Teledata, in April 2001 where he was responsible for setting up the finance department of the company and assisting in the operation of the company. Mr Sw became an associate member of Association of Chartered Certified Accountants in 1998 and became its Fellowship Member in 2003. He is also a Non-Practising Member of the Institute of Certified Public Accountants of Singapore.

**Johnson Teo** is our General Manager of Voice Communications (Regional). He joined us in November 2002 and is responsible for overseeing the sales and marketing activities of our voice communications systems in the region. Mr Teo has more than 20 years of experience in the telecommunications industry. Mr Teo joined Setelco (Singapore) Pte Ltd as an engineer from 1981 to 1983. He was employed by Teledata from 1983 to October 2002. He commenced his employment with Teledata as a sales engineer with Premier Electro Communication Pte Ltd, a subsidiary of Teledata, from 1983 till 1986. He was seconded to Davotek Sdn Bhd, a subsidiary of Teledata, in 1988 and became its country manager and was responsible for the daily operations of its Malaysian subsidiary. He became the regional manager (Asia Pacific) of Teledata in 1991 and was responsible for developing its regional subsidiaries. In January 1995, he became Teledata International Pte Ltd's general manager and was responsible for the business development for its range of products for the Asia Pacific region. Mr Teo obtained an Industrial Technical Certificate in Electronic Engineering and a National Trade Certificate in Electronic Servicing from the former Singapore Technical Institution in 1979 and 1978 respectively.

**Desmond Chan** is our General Manager of Voice Communications (Singapore). He joined us in July 2002 and is responsible for overseeing the sales and marketing activities of our voice communications systems in Singapore. He started out as a test technician in Unisys International Pte Ltd in January 1987 where he worked till December 1988. He subsequently joined Teledata where he worked from 1989 to 2002, first as their technical specialist and then as engineer from January 1989. He was promoted in July 1991 to senior engineer and subsequently to sales manager in April 1995. In June 1996, he was further promoted to customer service group manager. From January 1998 to June 2002, he was seconded to become the general manager and director of Telebit (S) Pte Ltd. Mr Chan obtained both a certificate in Computer Programming and Information Processing from City & Guild, London and a diploma in computer studies from ITC Asia in 1990.

**Jason Leong** is our Assistant General Manager of Network Infrastructure (Regional). Mr Leong who joined our Group from our commencement of operations in May 2002 is responsible for the sales and marketing activities for our network infrastructure products and services in the region. Mr Leong was employed by Singapore Telecommunications Limited as an engineer in October 1995, and was subsequently promoted to the position of capacity investment manager handling European and USA carriers in 1997. He subsequently joined Plexus Technology Pte Ltd from May 2000 to April 2002 as a sales manager in charge of various government sectors as well as overseas accounts. Mr Leong graduated with a Bachelor's Degree (First Class Honours) in Electronics & Electrical Engineering from Loughborough University of Technology in 1995.

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## DIRECTORS, MANAGEMENT AND STAFF

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**Vincent Edward** is our Assistant General Manager of Network Infrastructure (Singapore) and is responsible for the sales and marketing activities of our network infrastructure products and services in Singapore. From 1991 to 1993, Mr Edward was employed by Sembawang Corporation Limited as a project engineer. Subsequently, he joined Teledata in 1994 as its project engineer. He became their senior project sales engineer in 1994 and was further promoted to project sales manager in 1997. Between 1999 to 2002, he was seconded to Plexus Technology Pte Ltd, to become its group manager. He joined us as a sales director in May 2002 and was promoted to his present position in August 2004. Mr Edward graduated from Aberdeen University with a Bachelor's degree in Engineering (Honours) in 1989.

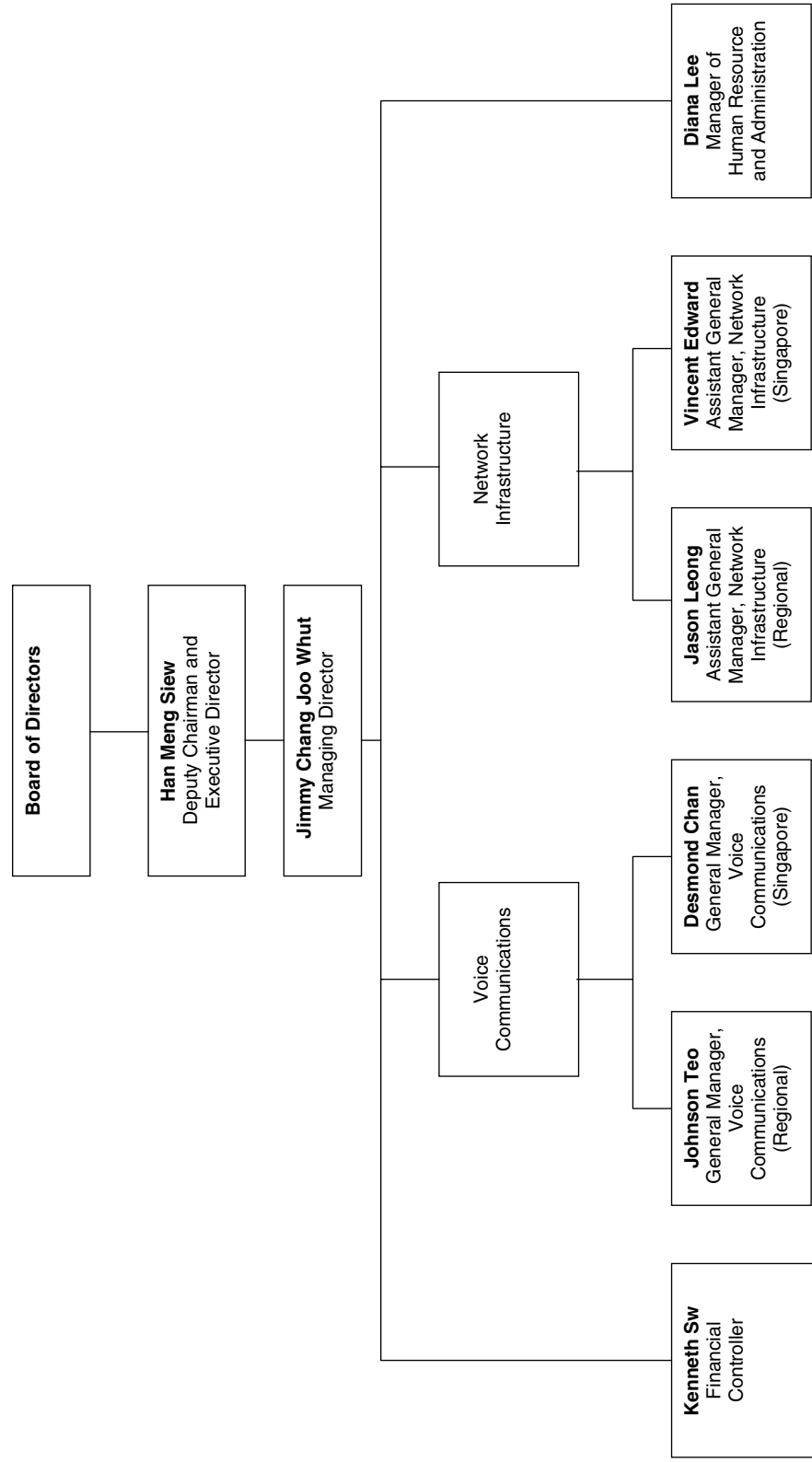
**Diana Lee** is our Manager of Human Resource and Administration. Ms Lee joined our Company from April 2002. She is responsible for human resource activities and administration matters of our Group. From June 1977 to May 1985, she worked as a personal administrative assistant for Wireforms Pte Ltd. She joined the SMRT Corporation Ltd in July 1985 where she worked till February 1989 as a clerical officer. In March 1989, Ms Lee joined Teledata as an administration manager and secretary to the managing director where she worked till April 2002.

Saved as disclosed in this Prospectus, none of our Directors and Executive Officers are related to each other or the Substantial Shareholders.

## DIRECTORS, MANAGEMENT AND STAFF

### MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure as at the Latest Practicable Date.





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## DIRECTORS, MANAGEMENT AND STAFF

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### DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The remuneration and fees paid to our Directors and Executive Officers on an aggregate basis and in remuneration bands for FY2003, FY2004 and FY2005 (estimated) are as follows:-

	FY2003	FY2004	FY2005 (estimated)
<b>Directors</b>			
Bernard Chen	—	—	Band I
Han Meng Siew <sup>(1)</sup>	Band I	Band II	Band II
Jimmy Chang Joo Whut	Band I	Band I	Band I
Tay Choon Chong	—	—	Band I
Loudon Owen	—	—	Band I
Lai Chun Loong	—	—	Band I
Charles Reed	—	—	Band I
<b>Executive Officers</b>			
Kenneth Sw	Band I	Band I	Band I
Johnson Teo	Band I	Band I	Band I
Desmond Chan	Band I	Band I	Band I
Jason Leong	Band I	Band I	Band I
Vincent Edward	Band I	Band I	Band I
Diana Lee	Band I	Band I	Band I

**Notes:-**

- (1) Mr Han Meng Siew joined our Company in May 2003.
- (2) Band I : Compensation from \$0 to \$250,000 per annum  
 Band II : Compensation from \$250,001 to \$499,999 per annum  
 Band III : Compensation from \$500,000 and above

On 1 October 2002, we implemented the Pre-IPO Scheme. The purpose of this Pre-IPO Scheme is to advance the interests of our Company by enhancing our Company's ability to attract, retain and motivate persons who make or are expected to make important contributions to our Company by providing such persons with equity ownership opportunities and performance-based incentives, thereby better aligning the interests of such persons with those of our Company's.

On 28 April 2004, pursuant to the Pre-IPO Scheme, we granted share options to our management and employees to subscribe for an aggregate of 2,877,333 Shares. A second tranche of share options was granted on 22 October 2004 for an aggregate of 3,110,000 Shares. The share options were granted at \$1.00 per participant per grant. A share option will vest and become exercisable as to 33.33 per cent. of the shares after the first anniversary of the date of grant, and the option as to remaining 66.66 per cent. of the shares will be vested monthly in equal proportions so that 100 per cent. of the shares are vested after the third anniversary of the date of grant of the share options. Each share option shall expire upon the seventh anniversary of the date of grant, or shall expire in a shorter term as set out in the offer letter of the share options.

By 8 September 2005, all the options were exercised at an exercise price of \$0.268 per Share.



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## DIRECTORS, MANAGEMENT AND STAFF

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The following Directors and Executive Officers were granted share options on 28 April 2004 in the Pre-IPO Scheme:

	<u>No. of options</u>
<b><u>Directors</u></b>	
Bernard Chen	–
Han Meng Siew	300,000
Jimmy Chang Joo Whut	300,000
Tay Choon Chong	100,000
Loudon Owen	–
Lai Chun Loong	–
Charles Reed	100,000
<b><u>Executive Officers</u></b>	
Kenneth Sw	300,000
Johnson Teo	300,000
Desmond Chan	100,000
Jason Leong	100,000
Vincent Edward	100,000
Diana Lee	300,000

The following Directors and Executive Officers were granted share options on 22 October 2004 in the Pre-IPO Scheme:

	<u>No. of options</u>
<b><u>Directors</u></b>	
Bernard Chen	100,000
Han Meng Siew	400,000
Jimmy Chang Joo Whut	400,000
Tay Choon Chong	100,000
Loudon Owen	100,000
Lai Chun Loong	–
Charles Reed	100,000
<b><u>Executive Officers</u></b>	
Kenneth Sw	400,000
Johnson Teo	200,000
Desmond Chan	100,000
Jason Leong	100,000
Vincent Edward	100,000
Diana Lee	150,000

Apart from payment which our Company makes to CPF for our employees, no amounts have been set aside or accrued by our Group to provide for pension, retirement or similar benefits for our Directors and Executive Officers.

### SERVICE AGREEMENTS

On 9 September 2005, we entered into separate service agreements with each of our Executive Directors, Messrs Han Meng Siew and Jimmy Chang Joo Whut as well as our Executive Officer, Mr Kenneth Sw (the “Executives”). The Service Agreements will continue for a term of three (3) years (“Initial Term”) and shall not be terminated save for termination for breach of the Service Agreements. The Service Agreements are automatically renewed for successive one year (“Additional Term”). The Service Agreement may only be terminated during the Additional Term by either party giving not less than three (3) months notice in writing to the other. The Service Agreements cover the terms of employment, specifically salaries and bonuses. Messrs Han Meng Siew and Jimmy Chang Joo Whut will not be entitled to any further Director’s fees.

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## DIRECTORS, MANAGEMENT AND STAFF

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Under the Service Agreements, the monthly salary payable to Messrs Han Meng Siew, Jimmy Chang Joo Whut and Kenneth Sw will be \$22,000, \$18,000 and \$12,500 respectively. They will each be entitled to annual increments of 5 per cent. or such higher amount as may be approved by our Board. They are also each entitled to an annual wage supplement equivalent to one month's salary.

Messrs Han Meng Siew, Jimmy Chang Joo Whut and Kenneth Sw will be entitled to participate in the profit sharing scheme ("Profit Sharing Scheme") commencing FY2005. The participants of the Profit Sharing Scheme will be decided by the Board in its absolute discretion from time to time. The participants of the Profit Sharing Scheme shall be entitled to share equally an amount of five per cent. of the profit before tax of our Group (being the audited net profit before taxation of our Group before any extraordinary items but after share of minority shareholders' interest) in excess of \$4 million.

During the employment, our Company will provide a monthly vehicle allowance of \$2,500 for each of the Executives. All travelling and travel-related expenses, entertainment expenses and other out-of-pocket expenses reasonably incurred by the Executives in the process of discharging their duties on behalf of our Group will be borne by our Company.

Save as disclosed above, there are no other existing or proposed service agreements between our Company or our subsidiaries and any of our Directors and Executive Officers.

Had the Service Agreements been in place in FY2004, the estimated total remuneration (comprising directors' fees, salaries, annual bonuses, incentive bonuses and CPF thereon) for the Executives would have been approximately \$805,000 instead of \$595,000 and profit before taxation would have been approximately \$3.9 million instead of \$4.1 million and profit after taxation would have been approximately \$3.1 million instead of \$3.3 million.

### CORPORATE GOVERNANCE

Presently, our business and operations are under the management and close supervision of our Executive Directors. Our Directors have established a Nominating Committee, a Remuneration Committee and an Audit Committee.

#### Nominating Committee

Our Nominating Committee comprises Messrs Bernard Chen, Charles Reed and Tay Choon Chong. The Chairman of the Nominating Committee is Mr Bernard Chen. Messrs Bernard Chen and Charles Reed are our Independent Directors and Mr Tay Choon Chong is our Non-executive Director. Our Nominating Committee will be responsible for:-

- (a) re-nomination of our Directors having regard to the Director's contribution and performance;
- (b) determining annually whether or not a Director is independent; and
- (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The Nominating Committee will decide how the board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long-term Shareholders' value. The Board will also implement a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board. Each member of the Nominating Committee shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as Director.

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## DIRECTORS, MANAGEMENT AND STAFF

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### Remuneration Committee

Our Remuneration Committee comprises Messrs Bernard Chen, Charles Reed and Han Meng Siew. The Chairman of the Remuneration Committee is Mr Bernard Chen. Messrs Bernard Chen and Charles Reed are our Independent Directors and Mr Han Meng Siew is our Deputy Chairman. Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and key executives, and determine specific remuneration packages for each Executive Director.

The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind shall be covered by our Remuneration Committee. Each member of the Remuneration Committee shall abstain from voting any resolutions in respect of his remuneration package.

### Audit Committee

Our Audit Committee comprises Messrs Lai Chun Loong, Charles Reed and Loudon Owen. The Chairman of the Audit Committee is Mr Lai Chun Loong. Messrs Lai Chun Loong and Charles Reed are our Independent Directors and Mr Loudon Owen is our Non-executive Director. Our Audit Committee will meet semi-annually to discuss and review the following:-

- (a) review with the external auditors the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and our management's response;
- (b) review the financial statements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (c) review the internal control and procedures and ensure co-ordination between the external auditors and our management, reviewing the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (d) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (e) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- (f) review transactions falling within the scope of Chapter 9 and Chapter 10 of the SGX-ST Listing Manual;
- (g) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- (h) generally to undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, and by any amendments made thereto from time to time.

### BOARD PRACTICES

Our Directors are appointed by our shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest to one third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in Appendix D of this Prospectus.

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## DIRECTORS, MANAGEMENT AND STAFF

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### EMPLOYEES

We set out below the total number of our employees and the various departments in which they serve for FY2002, FY2003 and FY2004.

Department	FY2002	FY2003	FY2004
Infrastructure Network	9	9	8
Voice Communication	9	12	15
Maintenance	12	16	18
Finance and Administration	5	9	9

Country	FY2002	FY2003	FY2004
Singapore	32	35	37
Malaysia	–	1	3
Philippines	–	7	7
Vietnam	3	3	3

Our employees are not unionised. The relationship and co-operation between our management and our employees have been good, and this is expected to continue in the future. There has not been any incidence of work stoppages or labour disputes which affect our operations.

### INTEGRATOR SHARE OPTION SCHEME

We have implemented a share option scheme that will be in place after the Invitation known as the Integrator Share Option Scheme. The following is a summary of the principal terms of the Scheme adopted by our Company at an extraordinary general meeting held on 9 September 2005 in conjunction with the listing of our Shares on the Official List of the SGX-SESDAQ. The terms and the rules of the Scheme are more particularly set out in Appendix G of this Prospectus (the “Rules”), and are in compliance with Chapter 8 of the SGX-ST Listing Manual. Capitalised terms used in this summary which are not otherwise defined in this summary bear the same meaning as ascribed to in the Rules.

#### Purpose of the Scheme

The Scheme, when adopted, will provide an opportunity for Employees (as defined in the Rules) and Directors (whether serving in an executive or non-executive capacity) who meet the eligibility criteria and who have contributed to the growth and development of our Company to participate in the equity of our Company as well as to motivate these participants (the “Participants”) to optimise their performance.

The Scheme is a share incentive scheme. The Scheme is proposed on the basis that it is important to acknowledge the contributions made by the Participants, who are essential to the growth and development of our Company, and to give recognition to such Participants. Our Company, by adopting the Scheme, will give the Participants an opportunity to have a personal stake in our Company, thereby aligning the interests of the Participants with those of our shareholders. The Scheme will also help to achieve the following objectives:-

- (a) attract and retain key Employees and Directors whose contributions are important to the long-term growth and profitability of our Company;
- (b) motivate the staff to optimise their performance, efficiency and productivity;
- (c) develop a participatory style of management that will instil loyalty among our Employees and Directors and motivate them to work towards the growth and prosperity of our Company; and
- (d) foster an ownership culture within our Company which aligns the interests of the Participants with the interests of our shareholders.

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## DIRECTORS, MANAGEMENT AND STAFF

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Certain Employees who are not Directors or who do not hold the rank of executives may also contribute to the success of our Company by contributing their experience, knowledge and expertise to the development of our Company. Allowing them to participate in the Scheme is an effective way of providing such motivation by ensuring that the interest of such persons are aligned with the interests of our Company which includes, *inter alia*, maintaining a sustainable increase in value over time.

### Eligibility

The Scheme covers:

- (1) eligible Employees (including employees holding a non-managerial position) of our Group;
- (2) Executive Directors; and
- (3) Non-Executive Directors,

who have attained the age of 21 years and above on or before the relevant date of offer of an Option and who meet the Performance Criteria.

An eligible Employee or a Director, who is a Controlling Shareholder (i.e. a shareholder who (i) holds directly or indirectly 15 per cent. or more of the nominal amount of all voting Shares of our Company or (ii) in fact exercises control over our Company) or an Associate of a Controlling Shareholder, will be eligible to participate in the Scheme.

### Rationale for Participation of Controlling Shareholders and their Associate(s)

The extension of the Scheme to Controlling Shareholders or their Associate(s) allows our Group to have a fair and equitable system to reward executive employees who have made and continue to make important contributions to the long-term growth of our Group. The participation by Controlling Shareholders and their Associate(s) in the Scheme also gives our Group an additional tool at our disposal to craft a balanced and innovative overall method to reward executives. Although the Controlling Shareholders and their Associate(s) who are employees or Directors may already have shareholding interests in our Company, the extension of the Scheme to encompass them ensures that they are equally entitled, with the other employees of our Group who are not Controlling Shareholders or their Associate(s), to take part in and benefit from this system of remuneration.

As stated above, one of the objectives of the Scheme is to motivate participants to optimise performance standards and efficiency and to maintain a high level of contribution. It is our view that such motivation should be provided to deserving and eligible Employees, whether or not they are Controlling Shareholders. To this end, it is our intention that all employees, including Controlling Shareholders and their Associate(s), should be treated equally for the purposes of the Scheme. We believe, accordingly, that the application of the Scheme should not unduly favour Controlling Shareholders and their Associate(s) over other eligible Employees. Conversely, we believe that Controlling Shareholders should not be excluded from participating in the Scheme solely for the reason that they are Controlling Shareholders. The terms and conditions of the Scheme do not differentiate between Directors and employees who are Controlling Shareholders and employees who are not Controlling Shareholders in determining the eligibility of such persons for participation in the Scheme and being granted options thereunder. As such, Controlling Shareholders would be subject to the same rules as those applicable to other eligible Employees. In this manner, the Scheme would not unduly favour Controlling Shareholders and their Associate(s) over other eligible Employees.

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## DIRECTORS, MANAGEMENT AND STAFF

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### **Rationale for Participation of Non-Executive Directors**

Directors serving in a non-executive capacity bring to our Company their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping our Company shape our business strategy by allowing us to draw on the backgrounds and diverse working experience of these individuals. It is crucial for our Company to attract, retain and incentivise our Non-Executive Directors, especially when our Company has to compete with other locally listed companies for a limited pool of talented individuals to serve as Non-Executive Directors. By aligning the interests of our Non-Executive Directors with the interests of our Shareholders in this manner, our Company aims to inculcate a sense of commitment on the part of our Non-Executive Directors towards serving the short and long-term objectives of our Company. Further, by granting our Company the ability to supplement the current cash based remuneration by way of director's fees to Non-Executive Directors for their services, our Company will be able to remain competitive in the total remuneration of our Non-Executive Directors when other listed companies offer share options to their Non-Executive Directors. Our Directors are of the view that including them in the Scheme will show our Company's appreciation for, and further motivate them in, their contribution towards the success of our Company. However, as their services and contributions cannot be measured in the same way as those of full-time employees of our Company while it is desired that participation in the Scheme be made open to Non-Executive Directors of our Company, any options that may be offered and granted to any such Director would be intended only as a token of our Company's appreciation. For the purpose of assessing the contributions of the Non-Executive Directors, the Committee may adopt a performance framework which incorporates financial and/or non-financial performance measurement criteria. As such, our Company proposes to issue not more than three per cent. of the Shares available under the Scheme to each Non-Executive Director. This token sum will also ensure that grants to Non-Executive Directors who are in our Company's Audit Committee will not compromise their independent status.

### **Administration**

The Scheme shall be administered by a Committee which comprises Directors of our Company appointed by our Board to administer the Scheme. The Committee will consist of Directors who may be Participants in the Scheme. The first Committee shall be appointed by our Board and shall consist of Messrs Bernard Chen, Charles Reed and Han Meng Siew. A member of the Committee who is also a Participant must not be involved in its deliberations in respect of options granted or to be granted to him. In addition, a member of the Committee will abstain from participating in the decision making process relating to an Associate of that member.

### **Maximum Entitlement**

The number of Scheme Shares to be offered to an Employee shall be determined at the absolute discretion of the Committee who shall take into account criterion such as the seniority of position, performance, length of service and potential for future development of the Employee, subject always to the following limitations:-

- (i) the total number of Scheme Shares to be offered to Controlling Shareholders and their Associates as a whole under the Scheme shall not exceed 25 per cent. of the total number of Scheme Shares; and
- (ii) the total number of Scheme Shares to be offered to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10 per cent. of the total number of Scheme Shares.

### **Size of the Scheme**

The total number of Scheme Shares in respect of which options may be granted on any date, when added to the number of Scheme Shares issued and issuable in respect of all options granted under this Scheme, shall not exceed 15 per cent. (the "Scheme Size") of the issued share capital of our Company on the day preceding that date. We believe this Scheme Size to be reasonable, taking into account the size of our share capital, the nature of our business, and the need to reward and retain our key Employees and Directors. Based on the post-Invitation share capital of 80,088,586 Shares, 12,013,287 Shares will be available under this Scheme.



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## DIRECTORS, MANAGEMENT AND STAFF

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Our Company believes that the Scheme should be of a sufficient size to enable us to have the flexibility to structure remuneration and incentive packages, and to offer options over a significant number of Shares to new and existing employees. Such number of Shares ought to be significant enough to serve as a meaningful incentive in the recruitment of new employees as well as a reward to existing employees for their contributions to our Company. If the number of Shares available under the Scheme is too small, the number of options available may not be sufficiently attractive to achieve the objectives of the Scheme. Taking into account the current issued share capital of our Company, the current number of employees (68 as at Latest Practicable Date) and the possible increase in headcount should the business activities of our Company increase in the future during the duration of the Scheme, our Directors estimate that 15 per cent. of the issued share capital would be required to provide sufficient Shares over which options may be granted to achieve the objectives of the Scheme.

### Offer Date

Offers may be made at such time as the Committee may determine.

### Exercise Price

Under the Rules, options will be granted at exercise prices:-

- (i) at the prevailing market price of our Shares based on the average of the last dealt price per Share as indicated in the daily official list or any other publication published by the SGX-SESDAQ for the five consecutive trading days immediately preceding the Date of Grant (the "Market Price"); or
- (ii) at a price which is set at a discount to the Market Price, provided that:-
  - (1) the maximum discount shall not exceed 20 per cent. of the Market Price;
  - (2) the Committee shall exercise any decision to offer options with an exercise price set at a discount in good faith and only when circumstances require; and
  - (3) if and only if the Committee verily believes that the discount and the quantum thereof would be in furtherance of the core objectives of the Scheme and would be in the best interests of our Company and the prevailing market conditions. In making any determination as to the actual discount applicable to any option, the Committee shall take into account such criteria as the Committee may, in its absolute discretion, deem appropriate, in particular:-
    - (a) the performance of our Company, on the basis of our Company's sales, revenues, profit and/or any other financial parameters as the Committee may, in its absolute discretion, deem appropriate;
    - (b) the individual performance of the Participant, his effectiveness and contribution to the success and development of our Company; and/or
    - (c) the potential for future development of the Participant to the success and development of our Company.

The grant of options at discounts to the Market Price is intended to achieve the following objectives:-

- (a) to give the Committee the flexibility to cushion against the volatility and uncertainty inherent in the stock market which may not always be related to the financial performance of our Company;
- (b) the perception that the exercise of options with discounted subscription prices would be more likely to result in a gain in the future is expected to provide greater motivation to the grantees who would be encouraged to continually work towards improving the performance of our Company in order to realise their options at a higher value;



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## DIRECTORS, MANAGEMENT AND STAFF

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- (c) to reward or incentivise key Participants, with a view to optimising their performance standards, dedication and efficiency, or to attract key individuals to join our Company to enhance the overall performance of our Company; and
- (d) to enable our Company to maintain competitive remuneration packages to our employees should the practice of granting options with discounted subscription prices become common among local listed companies.

Where the exercise price as determined above is less than the par value of our Shares, the exercise price shall be the par value.

### Option Period

Options granted with the exercise price set at Market Price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), after twelve (12) months of the Date of Grant of that option.

Provided Always that an option 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.

Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable by a Participant, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), any time after 24 months from the Date of Grant of that option.

Provided Always that such option 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.

We believe that these option periods will promote staff retention as the cost of leaving our Company would be compounded by the loss of unvested options. In addition, as we intend to issue further options on a regular basis throughout the duration of the Scheme, we believe that the Scheme should encourage our employees and Directors to continue working with us, thereby promoting our interests in the long term.

Special provisions deal with the lapse or earlier exercise of options in circumstances which include:-

- (i) upon the Participant ceasing to be in the employment of the Company;
- (ii) upon the bankruptcy of the Participant;
- (iii) in the event of any misconduct on the part of the Participant, as determined by the Committee in its absolute discretion;
- (iv) death of a Participant;
- (v) a take-over of our Company;
- (vi) a compromise or arrangement, proposed for the purposes of, or in connection with, a scheme for the reconstruction of our Company or our amalgamation with another company or companies;
- (vii) a members' solvent voluntary winding-up (other than for amalgamation or reconstruction) of our Company; or
- (viii) if an order or an effective resolution is passed for the winding-up of our Company on the basis of its insolvency.

### Duration of the Scheme

Our Scheme shall be in force up to a maximum period of ten years from the date on which the Scheme was implemented. The Scheme may continue beyond the said stipulated period or terminated at any time with the approval of shareholders by way of an ordinary resolution passed at a general meeting and of any relevant authorities which may then be required.

### Financial Effects of the Scheme

The Scheme will increase our issued share capital to the extent of the new Shares that will be issued and allotted pursuant to the exercise of options. Any options granted under the Scheme would have a fair value. In the event that such options are granted at prices below the fair value of the options, there will be a cost to our Company. The amounts of such costs may be more significant in the case of incentive options, where such options are granted with exercise prices set at a discount to the prevailing market price of the Shares. The cost to our Company of granting options under the Scheme would be as follows:-

- (i) the exercise of an option at the exercise price would translate into a reduction of the proceeds from the exercise of such option, as compared to the proceeds that our Company would have received from such exercise had the exercise been made at the prevailing market price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to our Company;
- (ii) as the monetary cost of granting options with a discounted exercise price is borne by our Company, the earnings of our Company would effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from exercise price with no discount versus the discounted exercise price. Such reduction would, accordingly, result in the dilution of our Company's EPS; and
- (iii) the effect of the issue of new Shares upon the exercise of options, is that the Company's NTA per Share will increase if the exercise price is above the NTA per Share and decrease, if the exercise price is below the NTA per Share.

The grant of options under the Scheme will not have an impact on our Company's reported profit under current accounting rules set out in Singapore Financial Reporting Standards ("FRS") applicable for financial years ended 31 December 2002, 2003 and 2004. However, a new accounting standard, which became effective for financial periods beginning on or after 1 January 2005, will require the recognition of an expense in respect of options granted under the Scheme. The expenses will be based on the fair value of the options at the date of grant (as determined by an option-pricing model) and will be recognised over the vesting period. However, no expense will ultimately be recognised for any options granted that do not vest (for example, through forfeiture). The requirement to recognise an expense in respect of options granted to employees is set out in FRS 102, Share-Based Payment, issued by the Council on Corporate Disclosure and Governance on 9 July 2004.

The exercise price of the options will be determined at the time the options are granted. As and when the options are exercised, the cash inflow will add to the net tangible assets of our Company and our share capital will grow. The impact of the issue and allotment of new Shares upon the exercise of options on our NTA per Share will be accretive if the Exercise Price is above the NTA per Share, but dilutive otherwise. This impact however will materialise only if and when the relevant options are actually exercised.

### **The SGX-ST Requirements**

While the Scheme is structured such that we have the discretion to make the appropriate allotments depending on the prevailing circumstances of our Company, the Scheme conforms with the requirements as set out in the SGX-ST Listing Manual for employee share option schemes.

In-principle approval has been obtained from the SGX-ST for the listing and quotation of the new Shares to be issued pursuant to the Scheme. This is not an indication of the merits of the Scheme or the new Shares to be issued pursuant to the Scheme.

Details of the number of options granted, the number of options exercised, and the subscription price will be disclosed in our annual report.

## PRINCIPAL SHAREHOLDERS

### OWNERSHIP STRUCTURE

The shareholders of our Company and their respective shareholdings immediately before and after the Invitation are set out below:-

	Before the Invitation (Direct Interest)		Before the Invitation (Indirect Interest)		After the Invitation (Direct Interest)		After the Invitation (Indirect Interest)	
	Number of ordinary shares	%	Number of ordinary shares	%	Number of ordinary shares	%	Number of ordinary shares	%
<b>Directors<sup>(1)</sup></b>								
Bernard Chen	200,000	0.33	–	–	200,000	0.25	–	–
Han Meng Siew <sup>(2)</sup>	1,400,000	2.33	6,000,000	10.00	1,400,000	1.75	6,000,000	7.49
Jimmy Chang Joo Whut	3,400,000	5.67	–	–	3,400,000	4.25	–	–
Tay Choon Chong <sup>(3)</sup>	400,000	0.67	–	–	400,000	0.50	–	–
Loudon Owen <sup>(4)</sup>	200,000	0.33	–	–	200,000	0.25	–	–
Lai Chun Loong	–	–	–	–	–	–	–	–
Charles Reed	400,000	0.67	–	–	400,000	0.50	–	–
<b>Substantial Shareholders</b>								
Goh Siok Kuan <sup>(2)</sup>	6,000,000	10.00	1,400,000	2.33	6,000,000	7.49	1,400,000	1.75
FTFI <sup>(3)</sup>	11,940,280	19.90	–	–	11,940,280	14.91	–	–
1413782 Ontario Inc <sup>(4)</sup>	1,014,140	1.69	–	–	1,014,140	1.27	–	–
1413783 Ontario Inc <sup>(4)</sup>	11,206,000	18.68	–	–	11,206,000	13.99	–	–
<b>Other shareholders with less than 5% who are related to the Directors or Substantial Shareholders</b>								
	–	–	–	–	–	–	–	–
<b>Others</b>								
Employees <sup>(1)(5)</sup>	13,430,000	22.39	–	–	13,430,000	16.77	–	–
Other Shareholders <sup>(6)</sup>	10,398,166	17.33	–	–	10,398,166	12.98	–	–
<b>Public (including Reserved Shares)</b>								
	–	–	–	–	20,100,000	25.10	–	–
<b>Total</b>	<b>59,988,586</b>	<b>100<sup>(6)</sup></b>			<b>80,088,586</b>	<b>100</b>		

**Notes:-**

- (1) The shareholdings after the Invitation set out in this section does not include any Reserved Shares that may be acquired by the Directors. The Directors will be offered Reserved Shares at the Issue Price. They are not subject to moratorium undertakings in relation to any Reserved Shares that they may take up. The shareholdings after the Invitation set out in this section does not include any Reserved Shares that may be acquired by them.
- (2) Ms Goh Siok Kuan is the wife of our Deputy Chairman, Mr Han Meng Siew. Mr Han Meng Siew is deemed to be interested in the shares held by his wife. Ms Goh Siok Kuan is similarly deemed interested in the Shares held by her husband, Mr Han Meng Siew.
- (3) FTFI is a company established in Singapore. The major shareholder of FTFI is TIF Asia Pte Ltd, a wholly owned subsidiary of EDB Investments Pte Ltd. The remaining shareholders of FTFI are Fortune Venture Management Pte Ltd and 10 other corporations and persons unrelated to our Group. FTFI is managed by Fortune Venture Management Pte Ltd. Mr Tay Choon Chong is nominated to our Board by FTFI.
- (4) Mr Loudon Owen is the Managing Partner of McLean Watson Capital Inc. which is the parent company that manages the two nominee corporations, 1413782 Ontario Inc. and 1413783 Ontario Inc. that hold an aggregate of 20.37 per cent. of our company's pre-Invitation share capital. The two nominee corporations hold the Shares as bare trustees for McLean Watson Ventures, a discretionary fund owned by 15 limited partners of which none are controlling partners. Mr Owen is nominated to our Board by 1413782 Ontario Inc. and 1413783 Ontario Inc.. McLean Watson Capital Inc. will be offered Placement Shares at the Issue Price. It is not subject to moratorium undertakings in relation to any Placement Shares that it may take up. The shareholdings after the Invitation set out in this section does not include any Placement Shares that may be acquired by McLean Watson Capital Inc..
- (5) These comprise our six Executive Officers and 27 employees of our Group.
- (6) These comprise 20 shareholders who are unrelated to our Directors, Executive Officers and/or Substantial Shareholders.

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## PRINCIPAL SHAREHOLDERS

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Please note that the above shareholding structure have taken into consideration the Bonus Issue and the share options that were exercised before the lodgement of this Prospectus. Please refer to the section entitled “Share Capital” for more details.

Saved as disclosed above, there are no other family relationships between the Directors, Executive Officers and Substantial Shareholders.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the New Shares.

### MORATORIUM

#### 1) Moratorium in respect of Shares held by our Substantial Shareholders

To demonstrate their commitment to our Company, our Substantial Shareholders, 1413782 Ontario Inc., 1413783 Ontario Inc., FTFI and Ms Goh Siok Kuan, who hold in aggregate 30,160,420 Shares, representing approximately 37.66 per cent. of our Company’s issued and paid-up capital after the Invitation, has each undertaken:-

- (a) not to sell, transfer, assign or otherwise dispose of any part of each of their interests in our Company immediately after the Invitation for a period of six (6) months from our Company’s date of admission to the Official List of the SGX-SESDAQ (the “Initial Period”); and
- (b) for a period of six (6) months after the Initial Period (the “Subsequent Period”), not to sell, transfer, assign or otherwise dispose of more than 50 per cent. of each of their interests held in our Company immediately after the Invitation.

#### 2) Moratorium in respect of Shares held by our Directors and Executive Officers

Similarly, to demonstrate their commitment to our Company, our Directors and Executive Officers who hold in aggregate 15,700,000 Shares, representing approximately 19.60 per cent. of our Company’s issued and paid-up capital after the Invitation, has each undertaken:-

- (a) not to sell, transfer, assign or otherwise dispose of any part of each of their interests in our Company immediately after the Invitation during the Initial Period; and
- (b) not to sell, transfer, assign or otherwise dispose of more than 50 per cent. of each of their respective interests held in our Company immediately after the Invitation during the Subsequent Period.

#### 3) Moratorium in respect of Shares held by certain shareholders

In addition, to demonstrate their commitment to our Company, the following shareholders who are not employees of our Group and who hold in aggregate 9,700,000 Shares, representing approximately 12.11 per cent. of our Company’s issued and paid-up capital after the Invitation, has each undertaken not to sell, transfer, assign or otherwise dispose of any part of each of their interests in our Company immediately after the Invitation during the Initial Period:-

##### Name

- 1. Thng Joo Moi
- 2. Soon Maggie
- 3. Wui Swee Lian
- 4. Chan Nghee Eng
- 5. Song Suh Shin
- 6. Loong Swee Peng
- 7. Lim Gek Hia
- 8. Lee Keen Whye
- 9. Ong Siok Bin
- 10. Lim Cher Kwang

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## PRINCIPAL SHAREHOLDERS

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### Name

11. Pang Joo Ling
12. Nam Jee Wah
13. Wong Toon Kok
14. Lim Hwee Peng
15. Liao Fengzhen Esther
16. Lui Yuet Li

#### **4) Moratorium by McLean Watson Capital Inc. and McLean Watson Ventures**

1413782 Ontario Inc. and 1413783 Ontario Inc., which hold an aggregate of 15.26 per cent. of our Company's issued and paid-up capital after the Invitation, hold the Shares as bare trustees for McLean Watson Ventures. McLean Watson Capital Inc. is the General Partner and Manager of McLean Watson Ventures, as well as the sole shareholder of both 1413782 Ontario Inc. and 1413783 Ontario Inc..

McLean Watson Capital Inc. has undertaken, in respect of the Shares legally held by 1413782 Ontario Inc. and 1413783 Ontario Inc. and beneficially owned by McLean Watson Ventures, that there would not be any direct or indirect sale, transfer, assignment or disposition of legal or beneficial ownership of any part of the Shares during the Initial Period and the Subsequent Period. For greater certainty, and without limiting the generality of the foregoing, McLean Watson Capital Inc. has undertaken:-

- (a) to procure that the 1413782 Ontario Inc. and 1413783 Ontario Inc. shall not sell, transfer, assign or otherwise dispose of any part of their Shares in our Company of which they respectively have legal ownership for the Initial Period and not to sell, transfer, assign or otherwise dispose of more than 50 per cent. of their Shares held in our Company immediately after the invitation for the Subsequent Period;
- (b) to procure that McLean Watson Ventures shall not sell, transfer, assign or otherwise dispose of its Shares in our Company of which it beneficially owns except as set out in (a) above; and
- (c) not to sell, transfer, assign or otherwise dispose of any part of its shares in 1413782 Ontario Inc. or 1413783 Ontario Inc. for the Initial Period and the Subsequent Period.

In addition, McLean Watson Ventures has undertaken, in respect of the Shares it beneficially owns which are legally held by 1413782 Ontario Inc. and 1413783 Ontario Inc.:-

- (a) not to sell, transfer, assign or otherwise dispose of any part of each of its beneficial interests in our Company immediately after the Invitation during the Initial Period; and
- (b) not to sell, transfer, assign or otherwise dispose of more than 50 per cent. of its beneficial shareholdings held in our Company immediately after the Invitation during the Subsequent Period.

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## INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

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### INTERESTED PERSON TRANSACTIONS

Save as disclosed below, none of our Directors or Controlling Shareholders or their Associates (as defined in the SGX-ST Listing Manual) was or is interested in any material transactions undertaken by us within the last three financial years ended 31 December 2004 and up to the Latest Practicable Date.

#### Guarantees by Directors

Our Directors, Messrs Han Meng Siew and Jimmy Chang Joo Whut have provided personal guarantees to secure credit facilities for our Group from various financial institutions which include letters of credit and revolving loan facilities. The amount of guarantees for each of the period covered below are as follows:-

<b>FY2002</b> <b>(\$'000)</b>	<b>FY2003</b> <b>(\$'000)</b>	<b>FY2004</b> <b>(\$'000)</b>	<b>1 January 2005 to the</b> <b>Latest Practicable Date</b> <b>(\$'000)</b>
5,539	11,183	26,570	29,957

The fees/interest rates for the above facilities range from 0.5 per cent. to 4.0 per cent. above Prime Lending Rates or Banks' Singapore inter-bank offered rate. As at the Latest Practicable Date, the total amount outstanding under the banking facilities secured by such guarantees is approximately \$7.9 million. The largest aggregate outstanding amount guaranteed by these Directors during the last three financial years and from 1 January 2005 to the Latest Practicable Date was approximately \$8.4 million. Subsequent to the Invitation, Messrs Han Meng Siew and Jimmy Chang Joo Whut intend to procure the discharge of the said guarantees. Our Directors are of the view that revisions to the terms and conditions of our banking facilities, if any, are unlikely to adversely and materially affect our operations and financial condition. In the event that they are unable to procure the discharge of the said guarantees, Messrs Han Meng Siew and Jimmy Chang Joo Whut will continue to be bound by such guarantees.

### REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that the transactions with interested persons as defined by the Listing Manual ("Interested Person Transactions") are undertaken on normal commercial terms and are consistent with our Group's usual business practices and policies, which are generally no more favourable to the interested person than those extended to unrelated third parties, the following procedures will be implemented by our Group:-

- (i) All Interested Persons Transactions above \$100,000 are to be approved by a Director who shall not be an interested person in respect of the particular transaction. Any contracts to be made with an interested person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated parties and the terms are no more favourable to the interested person than those extended to or received from unrelated parties.

For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between us and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested person are no more favourable than those extended to unrelated parties.

- (ii) In addition, we shall monitor all Interested Person Transactions entered into by us categorising the transactions as follows:-
  - (a) a category one Interested Person Transaction is one where the value thereof is in excess of 5 per cent. of the NTA of our Group; and
  - (b) a category two Interested Person Transaction is one where the value thereof is below or equal to 5 per cent. of the NTA of our Group.



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## INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

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Category one Interested Person Transaction must be approved by the Audit Committee prior to entry. Category two Interested Person Transaction need not be approved by the Audit Committee prior to entry but shall be reviewed on a half-yearly basis by the Audit Committee.

We will prepare relevant information to assist our Audit Committee in its review.

Before any agreement or arrangement that is not in the ordinary course of business of our Group is transacted, prior approval must be obtained from our Audit Committee. In the event that a member of our Audit Committee is interested in any of the Interested Person Transactions, he will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by our Audit Committee.

We will also comply with the provisions in Chapter 9 of the SGX-ST Listing Manual in respect of all future Interested Person Transactions, and if required under the SGX-ST Listing Manual, the Companies Act or the SFA, we will seek our shareholders' approval for such transaction.

### POTENTIAL CONFLICTS OF INTEREST

Save as disclosed in the section on "Interested Person Transactions" of this Prospectus:-

- (a) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has had any interest, direct or indirect, in any transactions to which our Company was or is to be a party.
- (b) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group; and
- (c) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services.

### Interests of Underwriters or Financial Advisers

In the reasonable opinion of our Directors, the Underwriter, UOB Asia, does not have a material relationship with our Company save as below:-

- (a) the Invitation is underwritten by UOB Asia;
- (b) UOB Asia is the Manager and the Placement Agent of the Invitation;
- (c) UOB and UOB Kay Hian, an associated company of UOB, are the Primary Sub-Underwriters and Primary Sub-Placement Agents;
- (d) UOB Asia is a wholly owned subsidiary of UOB which has provided performance guarantees, overdraft facilities and trade financing facilities to our Group; and
- (e) UOB is the Receiving Banker of the Invitation.

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## CLEARANCE AND SETTLEMENT

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Upon listing and quotation on the SGX-SESDAQ, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through the SGX-SESDAQ will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by the CDP, rather than CDP itself, will be treated, under our Articles of Association and the Companies Act, as members of the Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding the Shares in securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the SGX-SESDAQ, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles of Association. A fee of \$10.00 for each withdrawal of 1,000 Shares or less and a fee of \$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of \$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of \$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or \$0.20 per \$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-SESDAQ must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of \$20.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-SESDAQ is payable at the rate of 0.05 per cent. of the transaction value, subject to a maximum of \$200.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore goods and services tax at the prevailing rate of five per cent..

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-SESDAQ generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP agent. The CDP agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

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## GENERAL AND STATUTORY INFORMATION

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### INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. The name, age, address, principal occupation and business and working experience of each of our Directors and Executive Officers are set out in the section entitled “Directors, Management and Staff” of this Prospectus.
2. The present and past directorships other than directorships held in our Company (held in the five years preceding the Latest Practicable Date) of each of our Directors, in other companies are as follows:-

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Bernard Chen	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> Basidon Holdings Pte Ltd Biotech Research Ventures Cisco International Pte Ltd Cisco Recall Total Information Management Pte Ltd Cisco Security Pte. Ltd. CNA Group Ltd E-Cop Pte. Ltd. King's Safetywear Limited MOH Holdings Pte Ltd Parksville Development Pte Ltd Pasir Ris Resort Pte Ltd Prime Africa Investment (Pte) Ltd Secureco Holdings Ltd Singapore General Hospital Pte Ltd Singapore Health Services Pte Ltd Singapore Labour Foundation Singapore Pools (Private) Limited SLF Leisure Enterprises (Pte) Ltd Vectra Corporation Ltd	<u>Other Companies</u> Agrosin Private Limited Andoman Trading & Shipping Co. Pte Ltd Aviva Ltd Blue Dot Capital Pte Ltd CWT Distribution Limited DBS Bank Ltd DBS Group Holdings Ltd Hi-Den Pte Ltd <sup>(3)</sup> Inter-Co Investments Pte Ltd Interlorg Pte Ltd Intra-Motors (S) Pte Ltd <sup>(2)</sup> Intracable Pte Ltd <sup>(5)</sup> Intracel Pte Ltd Intraco Limited Intraco Technology Pte Ltd Intraco Trading Pte Ltd Intrawave Pte Ltd Natsteel Trade International Pte Ltd Prime Motors (S) Pte Ltd <sup>(2)</sup> Quantanova (Singapore) Pte Ltd Semicon Components Pte Ltd Sintra-Ning Pte Ltd <sup>(5)</sup> Teledata (Singapore) Limited Yellow River Network Pte Ltd

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## GENERAL AND STATUTORY INFORMATION

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<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Han Meng Siew	<u>Group Companies</u> NTEGRATOR Malaysia NTEGRATOR Singapore NTEGRATOR Thailand  <u>Other Companies</u> Nil	<u>Group Companies</u> Nil  <u>Other Companies</u> Cybertel Limited Davotek Sdn Bhd Davoteknologi Sdn Bhd E-Cop Pte. Ltd. Hutchison Intrapage Pte Ltd Internoc Singapore Pte Ltd <sup>(1)</sup> Intrapage Pte Ltd <sup>(2)</sup> Intrawave Pte Ltd Mavix Ltd, Israel Premier Electro Communication Ltd PT Teledata Indonesia TD-Services (S) Pte Ltd Telebit (S) Pte Ltd Teledata (Singapore) Limited Teledata (Hong Kong) Ltd Teledata International Pte Ltd Teledata (Thailand) Co., Ltd Teledatacom (India) Pvt Ltd Teledatacom Phils., Inc.
Jimmy Chang Joo Whit	<u>Group Companies</u> NTEGRATOR Malaysia NTEGRATOR Singapore NTEGRATOR Thailand  <u>Other Companies</u> Nil	<u>Group Companies</u> Nil  <u>Other Companies</u> Plexus Technology Pte Ltd
Tay Choon Chong	<u>Group Companies</u> NTEGRATOR Singapore  <u>Other Companies</u>	<u>Group Companies</u> Nil  <u>Other Companies</u> Ecquaria Pte Ltd Zoomnet Pte Ltd <sup>(4)</sup> FTFI Fortune Venture Management Pte Ltd Freesystem Pte Ltd ModeleIT Tapwave Incorporation
Loudon Owen	<u>Group Companies</u> NTEGRATOR Singapore  <u>Other Companies</u> I4i Inc IVL Technologies Limited McLean Watson Capital Inc Quantec Geosciences Inc Vismand Exploration Inc	<u>Group Companies</u> Nil  <u>Other Companies</u> BPI Mutual Funds Signiant Inc WheresFrankie Inc

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## GENERAL AND STATUTORY INFORMATION

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<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Lai Chun Loong	<u>Group Companies</u> Nil	<u>Group Companies</u> Nil
	<u>Other Companies</u> DJ Consulting Pte Ltd Prominent Consulting Pte Ltd Miss Saigon Pte Ltd Sourceplus Developments Limited Universal Marketing & Consulting Pte Ltd	<u>Other Companies</u> Indo-Sembawang-Nippon Glass Pte Ltd Karimun Industrial Management Pte Ltd Karimun Investments Holdings Pte Ltd Market and Consultancy Services International Pte Ltd Pulau Holdings Pte Ltd RDC Realty Pte Ltd Sembawang Development and Management Pte Ltd Sembawang Industrial Pte Ltd Sembawang Repromac Pte Ltd Sembcorp Park Holdings Pte Ltd Sembcorp Systems Pte Ltd Sembwin Pte Ltd SLRC Investments Pte Ltd SMM Pte Ltd Singapore Suzhou Industrial Holdings Pte Ltd Singapore Suzhou Township Development Pte Ltd Vietnam Singapore Industrial Park Pte Ltd Vietnam Singapore International Marketing Pte Ltd
Charles Reed	<u>Group Companies</u> Ntegrator Singapore	<u>Group Companies</u> Nil
	<u>Other Companies</u> Capena Ltd (BVI) Mobile Telecom Network (Holdings) Limited	<u>Other Companies</u> Personal Broadband Australia Pty Limited CNK Telecommunications (BVI) Limited CNK Telecommunicaitons Services Limited CNK Infrastructure Investment (BVI) Limited CNK Digital Telecom (BVI) Limited Inter-touch Holdings Pty Limited Inter-touch (BVI) Limited Request Broadband Pty Limited TVG Netport Holdings Limited Townsend Limited TVG Saehan Holdings Limited

### Notes:-

- (1) In liquidation – creditors' voluntary winding up
- (2) In liquidation – compulsory winding up (insolvency)
- (3) In liquidation – members' voluntary winding up
- (4) Struck off
- (5) Dissolved – members' voluntary winding up

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## GENERAL AND STATUTORY INFORMATION

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3. The present and past directorships (held in the five years preceding the Latest Practicable Date) of each of our Executive Officers are as follows:-

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Kenneth Sw	<u>Group Companies</u> NTEGRATOR Philippines NTEGRATOR Thailand  <u>Other Companies</u> Nil	<u>Group Companies</u> Nil  <u>Other Companies</u> Teledata (Hong Kong) Ltd Cybertel Limited Teledatacom Phils., Inc.
Johnson Teo	<u>Group Companies</u> NTEGRATOR Malaysia NTEGRATOR Philippines  <u>Other Companies</u> Nil	<u>Group Companies</u> Nil  <u>Other Companies</u> Davotek Sdn Bhd PT Teledata Indonesia Teledata (Hong Kong) Ltd Teledata International Pte Ltd Teledata (Thailand) Co., Ltd Teledatacom India Pvt Ltd Teledatacom Phils., Inc.
Desmond Chan	<u>Group Companies</u> Nil  <u>Other Companies</u> Nil	<u>Group Companies</u> Nil  <u>Other Companies</u> Telebit (S) Pte Ltd
Jason Leong	<u>Group Companies</u> Nil  <u>Other Companies</u> Nil	<u>Group Companies</u> Nil  <u>Other Companies</u> Virtual Frontiers (Pte) Ltd
Vincent Edward	<u>Group Companies</u> Nil  <u>Other Companies</u> Nil	<u>Group Companies</u> Nil  <u>Other Companies</u> Nil
Diana Lee	<u>Group Companies</u> Nil  <u>Other Companies</u> Nil	<u>Group Companies</u> NTEGRATOR Singapore  <u>Other Companies</u> Nil

4. Saved as disclosed below, none of our Directors or Executive Officers is or was involved in any of the following events:-
- (i) during the last ten years, a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner;
  - (ii) during the last ten years, a petition under any law of any jurisdiction filed against a corporation of which he was a director or key executive for the winding-up of that corporation on the ground of insolvency;
  - (iii) any unsatisfied judgments against him;

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## GENERAL AND STATUTORY INFORMATION

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- (iv) a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment for three months or more, or any criminal proceedings (including any pending criminal proceedings which he is aware of) for such purpose;
- (v) a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or any criminal proceedings (including pending criminal proceedings which he is aware of) for such breach;
- (vi) during the last ten years, judgement entered against him in any civil proceeding in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings which he is aware of) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (vii) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any corporation;
- (viii) disqualification from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (ix) the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity; and
- (x) to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of
  - (a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or
  - (b) any corporation or partnership which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the corporation or partnership.

On or about December 1993, our Deputy Chairman, Mr Han Meng Siew was interviewed by the Corrupt Practices Investigation Bureau ("CPIB") pursuant to a letter of complaint sent to the CPIB regarding two contracts awarded by the then Telecommunication Authority of Singapore ("TAS") to a company in which Mr Han's mother was a shareholder, during his employment with TAS. No charges were brought against Mr Han pursuant to the interviews.

In 1998, a consortium comprising NatSteel Ltd (40%), Teledata (30%) and GTE Corp ("GTE") (30%) tendered for a public cellular mobile telephone services licence (the "Licence") to be granted by the then, TAS. This consortium was offered the Licence in April 1998. However, as GTE had decided not to continue to participate in the consortium, the consortium could not accept the Licence. An investigation subsequently carried out on the consortium by TAS on whether it had misrepresented information in its tender documents. After investigations, TAS found Teledata responsible for negligent misrepresentation and the Finance Ministry's Standing Committee on Debarment ("SCOD") had barred Teledata from all government contracts for two years from 6 October 1998. In addition, all firms formed by, or linked to, any of the directors of Teledata, including our Directors, Messrs Bernard Chen and Han Meng Siew were subject to the disbarment. The disbarment was lifted on 5 October 2000.



## GENERAL AND STATUTORY INFORMATION

5. The aggregate remuneration paid to our Directors for services rendered in all capacities to our Company and our subsidiaries for FY2004 was approximately \$475,000. For FY2005, the aggregate remuneration payable to Directors by our Group is estimated to be approximately \$1,003,000 (excluding the Profit Sharing Scheme under the Service Agreements).
6. Save as disclosed in the section entitled "Service Agreements" of this Prospectus, there are no existing or proposed service contracts between our Executive Directors or Executive Officers and our Company or any of our subsidiaries.
7. There is no shareholding qualification for Directors under the Articles of Association of our Company.
8. Save for the options granted under the Pre-IPO Scheme, no option to subscribe for shares in, or debentures of, our Company or any of our subsidiaries has been granted to, or was exercised by, any of our Directors or Executive Officers within the last financial year.
9. Except pursuant to the Pre-IPO Scheme and Ntegrator Share Option Scheme, no person has been, or is entitled to be, given an option to subscribe for any shares in or debentures of our Company or any of our subsidiaries.
10. None of our Directors is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two years preceding the date of this Prospectus, been acquired or disposed of by or leased to, our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries.
11. None of our Directors or Executive Officers or Substantial Shareholders of our Company has any substantial interest, direct or indirect, in any company carrying on a similar trade as our Company or our subsidiaries.
12. The interests of our Directors and Substantial Shareholders in our Shares as at the Latest Practicable Date are as follows:-

	Direct Interests		Deemed Interests	
	Number of Shares	%	Number of Shares	%
<b>Directors</b>				
Bernard Chen	200,000	0.33	—	—
Han Meng Siew <sup>(1)</sup>	1,400,000	2.33	6,000,000	10.00
Jimmy Chang Joo Whut	3,400,000	5.67	—	—
Tay Choon Chong <sup>(2)</sup>	400,000	0.67	—	—
Loudon Owen <sup>(3)</sup>	200,000	0.33	—	—
Lai Chun Loong	—	—	—	—
Charles Reed	400,000	0.67	—	—
<b>Substantial Shareholders</b>				
Goh Siok Kuan <sup>(1)</sup>	6,000,000	10.00	1,400,000	2.33
FTFI <sup>(2)</sup>	11,940,280	19.90	—	—
1413782 Ontario Inc. <sup>(3)</sup>	11,206,000	18.68	—	—
1413783 Ontario Inc. <sup>(3)</sup>	1,014,140	1.69	—	—

**Notes:-**

- (1) Ms Goh Siok Kuan is the wife of our Deputy Chairman, Mr Han Meng Siew. Mr Han Meng Siew is deemed to be interested in the shares held by his wife. Ms Goh Siok Kuan is similarly deemed interested in the Shares held by her husband, Mr Han Meng Siew.

## GENERAL AND STATUTORY INFORMATION

- (2) FTFI is a company established in Singapore. The major shareholder of FTFI is TIF Asia Pte Ltd, a wholly owned subsidiary of EDB Investments Pte Ltd. The remaining shareholders of FTFI are Fortune Venture Management Pte Ltd and 10 other corporations and persons unrelated to our Group. FTFI is managed by Fortune Venture Management Pte Ltd. Mr Tay Choon Chong is nominated to our Board by FTFI.
- (3) Mr Loudon Owen is the Managing Partner of McLean Watson Capital Inc. which is the parent company that manages the two nominee corporations, 1413782 Ontario Inc. and 1413783 Ontario Inc. that hold an aggregate of 20.37 per cent. of our company's pre-Invitation share capital. The two nominee corporations hold the Shares as bare trustees for McLean Watson Ventures, a discretionary fund owned by 15 limited partners of which none are controlling partners. Mr Owen is nominated to our Board by 1413782 Ontario Inc. and 1413783 Ontario Inc..
13. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.
14. Save as disclosed in the section entitled "Interested Person Transactions" of this Prospectus, none of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

### SHARE CAPITAL

15. As at the Latest Practicable Date, there is only one class of shares in the capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in the Articles of Association of our Company.
16. The changes in the issued and paid-up share capital of our Company and our subsidiaries within the three years preceding the date of this Prospectus are set out below:-

#### Our Company

Date of Issue	Number of Shares issued	Par value <sup>(1)</sup>	Issue Price per Share	Consideration/Purpose of Investment	Resultant issued and paid-up share capital
9 April 2002	579,998	\$1.00	\$1.00	Cash subscription/ Working capital	\$580,000
8 May 2002	380,000	\$1.00	\$1.00	Cash subscription/ Working capital	\$960,000
9 September 2002	240,000	\$1.00	\$1.00	Cash subscription/ Working capital	\$1,200,000
9 January 2003	816,230	\$1.00	\$2.68	Cash subscription/ Working capital	\$2,016,230
2 July 2003	391,791	\$1.00	\$2.68	Cash subscription/ Working capital	\$2,408,021
9 September 2005	5,914,083	\$0.10	\$0.268	Cash subscription/ Exercise of options pursuant to the Pre-IPO Scheme	\$2,999,429.30
9 September 2005	29,994,293	\$0.10	\$0.10	Capitalisation of share premium account / Bonus Issue	\$5,998,858.60

#### Note:-

- (1) At an extraordinary general meeting held on 12 May 2004, our shareholders approved the sub-division of each ordinary share of \$1.00 each in our authorised and issued share capital into 10 ordinary shares of \$0.10 each.

## GENERAL AND STATUTORY INFORMATION

### Ntegrator Singapore

Date of Issue	Number of shares issued	Par value	Issue Price per share	Consideration/Purpose of Investment	Resultant issued and paid-up share capital
9 April 2002	549,998	\$1.00	\$1.00	Cash subscription/ Working capital	\$550,000
8 May 2002	350,000	\$1.00	\$1.00	Cash subscription/ Working capital	\$900,000
14 January 2003	2,450,000	\$1.00	\$1.00	Cash subscription/ Working capital	\$3,350,000
31 July 2003	1,000,000	\$1.00	\$1.00	Cash subscription/ Working capital	\$4,350,000

### Ntegrator Philippines

Date of Issue	Number of shares issued	Par value	Issue Price per share	Consideration/Purpose of Investment	Resultant issued and paid-up share capital
4 July 2003	212,000	PS50.00	PS50.00	Incorporation / Cash Subscription	PS10,600,000

### Ntegrator Malaysia

Date of Issue	Number of shares issued	Par value	Issue Price per share	Consideration/Purpose of Investment	Resultant issued and paid-up share capital
8 September 2003	250,000	RM1.00	RM1.00	Incorporation / Cash Subscription	RM250,000

### Ntegrator Thailand

Date of Issue	Number of shares issued	Par value	Issue Price per share	Consideration/Purpose of Investment	Resultant issued and paid-up share capital
18 November 2004	2,000,000	Baht 10	Baht 10 (paid up Baht 2.5)	Incorporation / Cash Subscription	Baht 5,000,000

17. Save as disclosed in paragraph 16 above, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partly paid for cash or for a consideration other than cash, during the last two years.

## MEMORANDUM AND ARTICLES OF ASSOCIATION

18. (a) The nature of our Company's business has been stated earlier in this Prospectus. Our objects can be found in Clause 3 of our Memorandum of Association which is available for inspection at our registered office in accordance with the paragraph under the heading "Documents Available for Inspection" of this Prospectus.
- (b) An extract of our Articles of Association providing for, *inter alia*, transferability of shares, Directors' voting rights, borrowing powers of Directors and dividend rights are set out in Appendix D of this Prospectus. The Articles of Association of our Company is available for inspection at our registered office in accordance with the paragraph under the heading "Documents Available for Inspection" of this Prospectus.

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## GENERAL AND STATUTORY INFORMATION

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### BANK BORROWINGS AND WORKING CAPITAL

19. Save as disclosed in the section entitled “Capitalisation and Indebtedness” of this Prospectus and in the Auditors’ Report, our Group had no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other contingent liabilities as at 31 August 2005.
20. In the opinion of our Directors, no minimum amount must be raised by the issue of the New Shares in order to provide the sums required to be provided in respect of each of the following:-
- (a) estimated expenses (including underwriting commission and brokerage) for the Invitation payable by our Company;
  - (b) the repayment of any money borrowed by our Company in respect of any of the foregoing matters; and
  - (c) working capital.

Although no minimum amount must be raised by our Company from the Invitation in order to provide for the items set out above, the estimated amount to be provided for the item set out in sub-paragraph (b) above is approximately \$1,237,500. Such amount is proposed to be provided out of the proceeds of the Invitation or, in the event the Invitation is cancelled, out of our existing banking facilities and/or funds generated from operations. No amounts are to be provided for the items set out in sub-paragraphs (a), (c) and (d) above out of other sources of funding.

### MATERIAL CONTRACTS

21. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Company and our subsidiaries within the two years preceding the lodgement of this Prospectus and are or may be material:-
- (a) Investment Agreement dated 13 January 2003 between (a) 1413782 Ontario Inc.; (b) 1413783 Ontario Inc.; (c) FTFI; (c) the existing shareholders of our Company as at 13 January 2003; and (d) our Company to regulate the relationship as shareholders of our Company and in the conduct of the business and affairs of our Group;
  - (b) Joint Venture Agreement dated 8 August 2003 between Mr Abdur Rahman Bin K M M Ebrahim and Mr Habibur Rahman Bin Ibrahim and Ntegrator Singapore for the formation of Ntegrator Malaysia and to regulate the relationship as shareholders of Ntegrator Malaysia and in the conduct of the business and affairs of Ntegrator Malaysia;
  - (c) Joint Venture Agreement dated 12 June 2003 between Antonio C. Fernando and Mr Vicente G. Solon, and Ntegrator Singapore for the formation of Ntegrator Philippines and to regulate the relationship as shareholders of Ntegrator Philippines and in the conduct of the business and affairs of Ntegrator Philippines;
  - (d) Joint Venture Agreement dated 15 June 2004 between Ntegrator Singapore and World Plus Company Limited for the formation of Ntegrator Thailand and to regulate the relationship as shareholders of Ntegrator Thailand and in the conduct of the business and affairs of Ntegrator Thailand; and
  - (e) Appointment Agreement dated 13 January 2003 between Ntegrator Singapore and Mr Thu Ta for the appointment of the latter as the business representative of Ntegrator Singapore in Myanmar.

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## GENERAL AND STATUTORY INFORMATION

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### LITIGATION

22. Neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated which may have or have had in the last 12 months before the date of lodgement of this Prospectus, a material effect on the financial position or the profitability of our Company or any of our subsidiaries.

### MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

23. Pursuant to the Management and Underwriting Agreement dated 17 October 2005 (the "Management and Underwriting Agreement") made between our Company and UOB Asia as the Manager and the Underwriter, our Company appointed UOB Asia to manage the Invitation. UOB Asia will receive a management fee from our Company for its services rendered in connection with the Invitation.

Pursuant to the Management and Underwriting Agreement, UOB Asia has agreed to underwrite the Offer Shares for a commission of 2.5 per cent. of the Issue Price for each Offer Share payable by our Company. UOB Asia may, at its absolute discretion, appoint one or more sub-underwriters to underwrite the Offer Shares.

24. Pursuant to the Placement Agreement dated 17 October 2005 (the "Placement Agreement") entered into between our Company and UOB Asia as Placement Agent, UOB Asia has agreed to subscribe for and/or procure subscribers for the Placement Shares for a placement commission of 1.75 per cent. of the Issue Price for each Placement Share, to be paid by our Company. UOB Asia may, at its absolute discretion, appoint one or more sub-placement agents for the Placement Shares.

Brokerage will be paid by our Company at the rate of 0.25 per cent. of the Issue Price for each Offer Share and 1.0 per cent. of the Issue Price for each Placement Share. In respect of the Offer Shares, the brokerage will be paid to members of the SGX-ST, merchant banks and members of the Association of Banks in Singapore in respect of successful applications made on Application Forms bearing their respective stamps, or to Participating Banks in respect of successful applications made through Electronic Applications at their respective ATMs or their IB websites. In respect of the Placement Shares, the brokerage will be paid to the Placement Agents in accordance to the Placement Agreement. Subscribers of the Placement Shares (excluding Reserved Shares) may be required to pay brokerage of up to 1.0 per cent. of the Issue Price (and Goods and Service Tax, if applicable).

25. The Management and Underwriting Agreement may be terminated by UOB Asia at any time on or before the close of the Application List, if:-
- (a) there shall come to the knowledge of the Manager or the Underwriter any breach of the warranties or undertakings in the Management and Underwriting Agreement or that any of the warranties in the Management and Underwriting Agreement is untrue or incorrect;
  - (b) any event or circumstances occurring on or after the date of the Management and Underwriting Agreement and prior to 12.00 noon on the date of the close of the Application List which, if it had occurred before the date of the Management and Underwriting Agreement, would have rendered any of the warranties or representations in the Management and Underwriting Agreement untrue or incorrect in any material respect; or
  - (c) if there shall have been, since the date of the Management and Underwriting Agreement:-
    - i. any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise), performance or general affairs of our Company or of our Group as a whole; or

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## GENERAL AND STATUTORY INFORMATION

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- ii. any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive or request issued by the Authority, Securities Industry Council of Singapore or the SGX-ST) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority; or
- iii. any change, or any development involving a prospective change, in local, national, regional or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including, without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the SGX-ST due to exceptional financial circumstances or otherwise); or
- iv. any imminent threat or occurrence of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict (whether or not involving financial markets); or
- v. any other occurrence of any nature whatsoever;

which event or events shall in the reasonable opinion of UOB Asia (1) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market in Singapore or overseas; or (2) be likely to materially prejudice the success of the subscription or offer of the New Shares (whether in the primary market or in respect of dealings in the secondary market); or (3) make it impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated in the Management and Underwriting Agreement; or (4) be likely to have a material adverse effect on the business, trading position, operations or prospects of the Company or of the Group as a whole; or (5) be such that no reasonable underwriter would have entered into the Management and Underwriting Agreement; or (6) result or be likely to result in the issue of a stop order by the Authority pursuant to the SFA; or (7) make it uncommercial or otherwise contrary to or outside the usual commercial practices of underwriters in Singapore for UOB Asia to observe or perform or be obliged to observe or perform the terms of the Management and Underwriting Agreement; or

- (d) without limiting the generality of the foregoing, if it comes to the notice of UOB Asia (1) any statement contained in this Prospectus or the Application Forms relating hereto which in the sole and absolute opinion of UOB Asia has become untrue, incorrect or misleading in any material respect or (2) circumstances or matters have arisen or have been discovered, which would, if this Prospectus was to be issued at that time, constitute in the sole and absolute opinion of UOB Asia, a material omission of such information, and the Company fails to lodge a supplementary or replacement prospectus or document within a reasonable time after being notified of such a material misrepresentation or omission or fails to promptly take such steps as UOB Asia may reasonably require to inform investors of the lodgement of such supplementary prospectus or document. In such an event, UOB Asia reserves the right, at its absolute discretion to cancel the Invitation and any application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicants for the New Shares by ordinary post or telegraphic transfer at the applicant's own risk within 14 days of the termination of the Invitation.
26. The Placement Agreement is conditional upon the Management and Underwriting Agreement not having been terminated or rescinded pursuant to the provisions of the Management and Underwriting Agreement. In the event that the Management and Underwriting Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Invitation.

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## GENERAL AND STATUTORY INFORMATION

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27. Pursuant to the Receiving Bank Agreement dated 17 October 2005 entered into between our Company and UOB, UOB was appointed as the receiving bank in relation to the Invitation.
28. Save as disclosed in this Prospectus, we do not have any material relationship with any of the Manager, Primary Sub-Underwriters or Primary Sub-Placement Agents.

### MISCELLANEOUS

29. The nature of the business of our Company has been stated earlier in this Prospectus. The corporations which by virtue of Section 6 of the Companies Act are deemed to be related to our Company are set out in the section entitled "Group Structure" of this Prospectus.
30. There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two years preceding the date of this Prospectus.
31. The estimated expenses in connection with the Invitation and the application for listing, including underwriting commission, placement commission, brokerage, management fees, auditors' fee, solicitors' fee, and all other incidental expenses in relation to the Invitation can be broken down as follows:-

	\$
Listing Fee	10,500
Professional Fees and Charges	800,000
Underwriting and Placement Commission and Brokerage	127,000
Miscellaneous Expenses	300,000
Total Estimated Expenses	<u>1,237,500</u>

The above expenses will be borne by our Company.

32. There have been no public takeover offers by third parties in respect of our Shares or by us in respect of other companies' shares which have occurred during the last and current financial year and up to the Latest Practicable Date.
33. No amount of cash or securities or benefit has been paid or given to any promoter within the two years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.
34. Save as disclosed on in the section entitled "Management, Underwriting and Placement Agreements" of this Prospectus, no commission, discount or brokerage has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or any of our subsidiaries.
35. No expert is employed on a contingent basis by our Company or any of our Subsidiaries or has a material interest, whether direct or indirect, in the shares of our Company or our Subsidiaries or has a material economic interest, whether direct or indirect in our Company, including an interest in the success of the Invitation.



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## GENERAL AND STATUTORY INFORMATION

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36. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with UOB (the "Receiving Bank"). In the ordinary course of business, the Receiving Bank will deploy these monies in the interbank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
37. Save as disclosed in this Prospectus, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.
38. Save as disclosed in this Prospectus, the financial condition and operations of our Group are not likely to be affected by any of the following:-
- (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
  - (b) material commitments for capital expenditure;
  - (c) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from operations; and
  - (d) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.
39. We currently have no intention of changing our auditors after the listing of our Company on the SGX-SESDAQ.

Details including the names, addresses and professional qualifications (including membership in a professional body) of the auditors of our Company for FY2002, FY2003 and FY2004 are as follows:-

<b>Financial Year</b>	<b>Name and Address</b>	<b>Partner in-charge, Professional Qualification (Including Membership of A Professional Body)</b>
FY2002 , FY2003 and FY2004	<b>Ernst &amp; Young</b> 10 Collyer Quay #21-01 Ocean Building Singapore 049315	Yen Heng Fook Certified Public Accountant (a member of the Institute of Certified Public Accountants of Singapore)

40. Save as disclosed under the section entitled "Use of Proceeds" of this Prospectus, no property has been purchased or acquired or proposed to be purchased or acquired by our Company or our subsidiaries which is to be paid for wholly or partly out of the proceeds of the Invitation or the purchase or acquisition of which has not been completed at the date of the issue of this Prospectus other than property in respect of which the contract for the purchase or acquisition whereof was entered into in our ordinary course of business or in the ordinary course of business of our subsidiaries, such contract not being made in contemplation of the Invitation nor the Invitation in consequence of the contract.
41. The Directors are not aware of any event which has occurred since 31 December 2004 which may have a material effect on the financial information provided in the Audited Consolidated Financial Statements for FY2002, FY2003 and FY2004.

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## GENERAL AND STATUTORY INFORMATION

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### CONSENTS

42. The Auditors and Reporting Auditors have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion herein of the Auditors' Report on the Consolidated Financial Statements for FY2002, FY2003 and FY2004 in the form and context in which they are respectively included and references to their name in the form and context in which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
43. The Manager, Underwriter and Placement Agent, the Share Registrar, the Primary Sub-Underwriters and Primary Sub-Placement Agents, the Solicitors to the Invitation and to our Company on Singapore Law, the Solicitors to the Manager, Underwriter and Placement Agent, the Legal Advisers to our Company on Malaysian Law, the Legal Advisers to our Company on Philippine Law, the Legal Advisers to our Company on Thai Law, the Legal Advisers to our Company on Vietnamese Law, the Legal Advisers to our Company on Burmese Law, the Principal Bankers and the Receiving Banker do not make or purport to make any statement in this Prospectus and are not aware of any statement in this Prospectus which purports to be based on a statement made by it and each of them makes no representation regarding any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaim and take no responsibility for any statement in or omission from this Prospectus.

### RESPONSIBILITY STATEMENT BY OUR DIRECTORS

44. This Prospectus has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed herein are fair and accurate in all material respects as of the date hereof and there are no material facts the omission of which would make any statements in this Prospectus misleading and that this Prospectus constitutes full and true disclosure of all material facts about the Invitation and our Group.

### DOCUMENTS AVAILABLE FOR INSPECTION

45. The following documents or copies thereof may be inspected at our registered office at 4 Leng Kee Road, #06-04 SIS Building, Singapore 159088 during normal business hours for a period of six months from the date of registration by the Authority of this Prospectus:-
- (a) The Memorandum and Articles of Association of our Company;
  - (b) the Consolidated Financial Statements of our Company for FY2002 and the related auditors' report set out in Appendix A of this Prospectus;
  - (c) the Consolidated Financial Statements of our Company for FY2003 and the related auditors' report set out in Appendix B of this Prospectus;
  - (d) the Consolidated Financial Statements of our Company for FY2004 and the related auditors' report set out in Appendix C of this Prospectus;
  - (e) the material contracts referred to in paragraph 21 in the section entitled "General and Statutory Information" of this Prospectus;
  - (f) the letter of consent referred to in paragraph 42 in the section entitled "General and Statutory Information" of this Prospectus; and
  - (g) the Service Agreements referred to in the section entitled "Service Agreements" of this Prospectus.

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**APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2002 AND THE RELATED AUDITORS' REPORT**

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Directors' Report, Report of the Auditor and Audited Financial Statements

**KENBIENCE INTERNATIONAL PTE LTD  
AND SUBSIDIARY COMPANY**

31 December 2002

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## **APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT**

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### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

#### **GENERAL INFORMATION**

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##### **Directors**

Chang Joo Whut	(Appointed on 1.7.2002)
Sw Chan Kit	(Appointed on 1.7.2002)
Low Pong Seng	(Resigned on 8.4.2002)
Huang Ying	(Resigned on 1.4.2002)
Loh Pa Kion	(Appointed on 1.4.2002, Resigned on 1.7.2002)
Low Jit Kuen	(Appointed on 1.4.2002, Resigned on 1.7.2002)

##### **Company secretaries**

Low Yong Sen	
Sw Chan Kit	(Appointed on 1.7.2002)

##### **Registered office**

4 Leng Kee Road  
#06-04 SIS Building  
Singapore 159088

##### **Auditor**

Ernst & Young

<b>Index</b>	<b>Page</b>
Directors' report	A-3 to A-5
Statement by the directors	A-6
Report of the auditor	A-7
Balance sheets	A-8
Profit and loss accounts	A-9
Statement of changes in equity	A-10
Consolidated statement of cash flows	A-11
Notes to the financial statements	A-12 to A-23

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## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### DIRECTORS' REPORT

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The directors present their report together with the audited financial statements of the company and of the group for the financial year ended 31 December 2002.

#### 1. PRINCIPAL ACTIVITIES

The principal activity of the company is that of investment holding. The principal activities of the subsidiary company are those of engaging in system integration of voice, video & data communication networks and services and the provision of information communication services.

There have been no significant changes in the nature of these activities during the financial year.

#### 2. RESULTS FOR THE FINANCIAL YEAR

	Group \$	Company \$
Net profit/(loss) for the financial year	286,554	(26,148)
Accumulated losses brought forward	(4)	(2)
	<hr/>	<hr/>
Retained profits/(accumulated losses) carried forward	286,550	(26,150)

In the opinion of the directors, the results of the operations of the company and of the group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### 3. MATERIAL MOVEMENTS IN RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except for normal amounts recognised as an expense for items such as depreciation of fixed assets and provision for income tax as shown in the financial statements.

#### 4. DIVIDEND

No final dividend is recommended in respect of the year under review and no dividend has been proposed or paid during the year in respect of the previous financial year.

#### 5. ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

The following subsidiary company was acquired during the financial year:-

Name of subsidiary	Interest acquired %	Consideration S\$	Attributable net tangible assets at acquisition S\$
Ntegrator Pte Ltd	100%	2	—

No subsidiary companies were disposed of during the financial year.

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## **APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT**

---

### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

#### **DIRECTORS' REPORT**

---

##### **6. ISSUE OF SHARES AND DEBENTURES**

During the financial year, 1,199,998 ordinary shares of S\$1 each were issued at par for cash to provide additional working capital. During the financial year, 899,998 ordinary shares of S\$1 each were issued at par for cash by the subsidiary company to provide additional working capital.

The company and its subsidiary company did not issue any debentures during the financial year.

There is presently no option scheme on unissued shares.

##### **7. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

The names of the directors of the company in office at the date of this report are: -

Chang Joo Whut  
Sw Chan Kit

According to the register of directors' shareholdings kept by the company for the purpose of Section 164 of the Companies Act, Cap. 50, the directors who held office at the end of the financial year had no interest in any shares or debentures of the company or related corporations either at the beginning or end of the financial year.

##### **8. 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 is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures of the company or any other body corporate.

##### **9. DIRECTORS' CONTRACTUAL BENEFITS**

Since the end of the previous financial year, no director of the company 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 the director is a member, or with a company in which the director has a substantial financial interest.

##### **10. BAD AND DOUBTFUL DEBTS**

Before the profit and loss account and the balance sheet of the company were made out, the directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts, if any have been written off and that where necessary, adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amount written off or provided for bad and doubtful debts in the group companies inadequate to any substantial extent.

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## **APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT**

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### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

#### **DIRECTORS' REPORT**

---

##### **11. CURRENT ASSETS**

Before the profit and loss account and balance sheet of the company were made out, the directors took reasonable steps to ascertain that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or adequate provision had been made for the diminution in the value of such current assets.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the consolidated financial statements misleading.

##### **12. CHARGES ON ASSETS AND CONTINGENT LIABILITIES**

Since the end of the financial year and up to the date of this report, no charge on the assets of the company or its subsidiary has arisen which secures the liabilities of any other person and that no contingent liability has arisen.

##### **13. ABILITY TO MEET OBLIGATIONS**

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company and of the group to meet their obligations as and when they fall due.

##### **14. OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

##### **15. UNUSUAL ITEMS AFTER THE FINANCIAL YEAR**

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the company and of the group for the financial year in which this report is made.

##### **16. AUDITOR**

Ernst & Young have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board:

Chang Joo Whut  
Director

Sw Chan Kit  
Director

19 March 2003  
Singapore



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## **APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT**

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### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

#### **STATEMENT BY THE DIRECTORS**

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We, Chang Joo Whut and Sw Chan Kit, being the two directors of Kenbience International Pte Ltd, do hereby state that, in the opinion of the directors: -

- (i) the accompanying balance sheets, profit and loss accounts, and statements of changes in equity and consolidated cash flow statement together with the notes thereto 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 2002, and the results and changes in equity of the company and cash flows of the group for the year then ended, and
- (ii) 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 authorised these financial statements for issue on 19 March 2003.

On behalf of the Board:

Chang Joo Whut  
Director

Sw Chan Kit  
Director

19 March 2003  
Singapore

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## **APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT**

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### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

#### **REPORT OF THE AUDITOR TO THE MEMBERS OF KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

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We have audited the financial statements of Kenbience International Pte Ltd set out on pages A-8 to A-23, comprising the balance sheets of the company and of the group as at 31 December 2002, the profit and loss accounts of the company and of the group, the statement of changes in equity of the company and of the group and cash flows of the group for the year ended 31 December 2002 and notes thereto. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements for the year ended 31 December 2001 were audited by other auditor, whose report dated 22 April 2002 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act (the "Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
  - (i) the state of affairs of the company and of the group as at 31 December 2002, and the results and changes in equity of the company and of the group and cash flows of the group for the year ended on that date; and
  - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the company and by the subsidiary company incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary company that has been consolidated with the financial statements of the company is in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditor's report on the financial statements of the subsidiary company, incorporated in Singapore was not subject to any qualification and did not include any comments made under Section 207(3) of the Act.

Ernst & Young  
Certified Public Accountants

19 March 2003  
Singapore

# APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

## KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

### BALANCE SHEETS AS AT 31 DECEMBER 2002

	Note	Group 2002 \$	Company 2002 \$	2001 \$
<b>ASSETS LESS LIABILITIES</b>				
<b>Non- Current Assets</b>				
Fixed assets	4	353,916	–	–
Subsidiary company	5	–	900,000	–
<b>Current assets</b>				
Stocks and work in progress	6	132,931	–	–
Trade receivables	7	4,787,327	–	–
Other receivables	8	103,202	274,000	–
Fixed deposits	9	524,906	–	–
Cash and bank balances		94,387	850	–
		5,642,753	274,850	–
<b>Current liabilities</b>				
Trade payables	10	4,078,935	–	–
Other payables	11	248,689	1,000	–
Hire purchase creditors	12	29,921	–	–
Provision for income tax		57,197	–	–
		4,414,742	1,000	–
<b>Net current assets</b>		1,228,011	273,850	–
<b>Non-current liabilities</b>				
Hire purchase creditors	12	64,377	–	–
Deferred income tax	13	31,000	–	–
		(95,377)	–	–
<b>Net assets</b>		1,486,550	1,173,850	–
<b>EQUITY</b>				
Share capital	14	1,200,000	1,200,000	2
Retained profits/(accumulated losses)		286,550	(26,150)	(2)
<b>Total equity</b>		1,486,550	1,173,850	–

The accounting policies and explanatory notes on pages A-12 to A-23 form an integral part of the financial statements.

## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### PROFIT AND LOSS ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	Note	Group 2002 \$	2002 \$	Company 2001 \$
<b>Revenues</b>				
Sales		7,181,395	–	–
Maintenance fees income		176,758	–	–
Interest income		300	–	–
		<u>7,358,453</u>	<u>–</u>	<u>–</u>
<b>Less: Costs and expenses</b>				
Cost of goods sold		5,268,907	–	–
Maintenance cost		69,505	–	–
Auditors' remuneration		14,500	1,000	300
Loss on translation of foreign currencies transactions				
- realised		5,786	–	–
- unrealised		20,097	–	–
Directors' remuneration		262,574	–	–
Depreciation of fixed assets	4	59,296	–	–
Salaries		613,195	–	–
Bonuses		85,125	–	–
CPF contribution		109,959	–	–
Transport		71,753	–	–
Other operating expenses		397,831	25,148	–
		<u>6,978,528</u>	<u>26,148</u>	<u>300</u>
<b>Net profit/(loss) from operating activities</b>		<u>379,925</u>	<u>(26,148)</u>	<u>(300)</u>
Finance costs		<u>(5,174)</u>	<u>–</u>	<u>–</u>
<b>Net profit/(loss) from operating activities before income tax</b>		<u>374,751</u>	<u>(26,148)</u>	<u>(300)</u>
Income tax	3	<u>(88,197)</u>	<u>–</u>	<u>–</u>
<b>Net profit/(loss) for the financial year</b>		<u><u>286,554</u></u>	<u><u>(26,148)</u></u>	<u><u>(300)</u></u>

The accounting policies and explanatory notes on pages A-12 to A-23 form an integral part of the financial statements.

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**APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2002 AND THE RELATED AUDITORS' REPORT**

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**KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

**STATEMENT OF CHANGES IN EQUITY FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2002**

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	<b>Group 2002 \$</b>	<b>Company 2002 \$</b>	<b>2001 \$</b>
<b>Issued share capital – ordinary shares of S\$1 each</b>			
Balance at beginning of financial year	2	2	2
Issued during the financial year:-			
1,199,998 (2001: Nil) ordinary shares of S\$1 each issued at par for cash to raise working capital	1,199,998	1,199,998	–
Balance at end of financial year	<u>1,200,000</u>	<u>1,200,000</u>	<u>2</u>
<b>Retained profits/(Accumulated losses)</b>			
Balance at beginning of financial year	(4)	(2)	–
Net profit/(loss) for the financial year	286,554	(26,148)	(300)
Net gain not recognised in profit and loss account	–	–	298
Balance at end of the financial year	<u>286,550</u>	<u>(26,150)</u>	<u>(2)</u>

The accounting policies and explanatory notes on pages A-12 to A-23 form an integral part of the financial statements.

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## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

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	2002 \$
<b>Cash flow from operating activities:</b>	
Net profit for the financial year	374,751
Adjustments for:	
Depreciation of fixed assets	59,296
Interest expense	5,174
Interest income	(300)
<b>Operating profit before reinvestment in working capital</b>	438,921
Increase in trade and other receivables	(4,890,529)
Increase in trade and other payables	4,421,922
Increase in stocks and work in progress	(132,931)
<b>Cash used in operations</b>	(162,617)
Interest received	300
Interest paid	(5,174)
<b>Net cash used in operating activities</b>	(167,491)
<b>Cash flow from investing activities:</b>	
Acquisition of shares from shareholders of subsidiary company	(2)
Purchase of fixed assets	(413,212)
Increase in share capital	1,199,998
<b>Net cash used in investing activities</b>	786,784
Net increase in cash and cash equivalents	619,293
Cash and cash equivalents at beginning of financial year (Note 15)	–
<b>Cash and cash equivalents at end of financial year (Note 15)</b>	619,293

The accounting policies and explanatory notes on pages A-12 to A-23 form an integral part of the financial statements.

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## **APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT**

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### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

#### **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002**

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##### **1. CORPORATE INFORMATION**

The financial statements of Kenbience International Pte Ltd for the financial year ended 31 December 2002 were authorised for issue in accordance with a resolution of the Directors on 19 March 2003.

The company is a limited company which is incorporated in Singapore.

The registered office of the company is located 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 subsidiary company are those of engaging in system integration of voice, video & data communication networks and services and the provision of information communication services.

There have been no significant changes in the nature of these activities during the financial year.

The group operates in Singapore and employed 32 (2001: Nil) employees as at 31 December 2002.

##### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

###### **(a) Basis of preparation**

The financial statements of the company and the group, which are expressed in Singapore dollars, are prepared under the historical cost convention and in accordance with Singapore Statements of Accounting Standard and the applicable provisions of the Companies Act. Cap. 50.

###### **(b) Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary company made up to the end of the financial year.

The results of the subsidiary company acquired or disposed of during the financial year is included in or excluded from the consolidated profit and loss account from the effective dates of acquisition or disposal as applicable. Inter-company balances and transactions are eliminated on consolidation.

###### **(c) Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.



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## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

---

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Depreciation of fixed assets

Depreciation is calculated on the straight-line method to write off the cost of fixed assets over their estimated useful lives of: -

Office equipment	-	5 years
Computer	-	3 years
Telephones	-	5 years
Software	-	3 years
Motor vehicle	-	10 years
Demo equipment	-	2 years
Furnitures	-	5 years
Fittings	-	2 years

Fully depreciated assets are retained in the financial statements until they no longer in use and no further charge for depreciation is made in respect of these assets.

### (e) Subsidiary company

Investment in subsidiary company is stated at cost. Provision is made when, in the opinion of the directors, there has been a decline, other than temporary, in the value of the investments.

### (f) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### (g) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

### (h) Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30-90 days terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

### (i) Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the company.

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## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

---

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

---

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (j) Foreign currency transactions

Foreign currencies transactions are recorded by applying to the foreign currency amount the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the rate on that date and non-monetary items are carried and reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the financial year are recognised as income or expenses in the financial year in which they arise.

### (k) Stocks

Stocks are stated at the lower of cost (determined on a weighted average basis) and net realisable value. Net realisable value represents the estimated selling price less anticipated cost of disposal and after making allowance for damaged, obsolete and slow-moving items.

### (l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue for sale of goods are recognised upon passage of title to the customers which generally coincide with their delivery and acceptance.

Maintenance income is recognised upon completion and delivery of the service to the customer. Maintenance income that is billed in advance of the services being rendered is deferred and reflected as deferred income.

### (m) Employee benefits

#### *Defined contribution plan*

As required by law, the company in Singapore makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

### (n) Lease assets

Finance lease, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charges directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

---

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (o) Income taxes

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

### (p) Cash and cash equivalents

Cash on hand and in banks are carried at cost.

For the purpose of the cash flows statement, cash and cash equivalents consist of cash on hand and deposits in banks.

### (q) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account.

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## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

---

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

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### 3. INCOME TAX

	Group 2002 \$	2002 \$	Company 2001 \$
Provision for income tax in respect of profit for the financial year: -			
Current income tax	57,197	–	–
Deferred income tax (Note 13)	31,000	–	–
	<u>88,197</u>	<u>–</u>	<u>–</u>

The income tax expense on the results of the group differs from the amount of income tax determined by applying the Singapore statutory rate of income tax to the profit before income tax due to the following factors :-

	Group 2002 \$
Income tax at statutory rate of 22%	88,198
Adjustments:-	
- Expenses not deductible for income tax purposes	21,397
- Utilisation of capital allowances	(48,535)
- Statutory stepped income exemption	(11,550)
- Others	7,687
- Deferred income tax	31,000
	<u>88,197</u>

**APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2002 AND THE RELATED AUDITORS' REPORT**

**KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002**

**4. FIXED ASSETS - GROUP**

	Office Equipment \$	Computers \$	Telephones \$	Softwares \$	Motor vehicle \$	Demo Equipment \$	Furnitures \$	Fittings \$	Total \$
Cost									
Additions	45,699	105,819	1,970	30,360	56,000	7,576	63,795	101,993	413,212
At 31.12.2002	45,699	105,819	1,970	30,360	56,000	7,576	63,795	101,993	413,212
Accumulated depreciation Charge for the year *	4,698	16,907	237	4,959	3,733	305	5,629	22,828	59,296
At 31.12.2002	4,698	16,907	237	4,959	3,733	305	5,629	22,828	59,296
Net book value At 31 December 2002	41,001	88,912	1,733	25,401	52,267	7,271	58,166	79,165	353,916

Motor vehicle, computers and software with a net book value of S\$119,521 (2001: \$Nil) were acquired under hire purchase agreements.

## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

##### 5. SUBSIDIARY COMPANY

	Company	
	2002	2001
	\$	\$
Unquoted shares, at cost	900,000	–

The subsidiary company as at 31 December 2002 is:

Name of company (Country of incorporation)	Principal activities (Place of Business)	Cost of investment		Percentage of equity held by the group	
		2002	2001	2002	2001
		\$	\$	%	%
Ntegrator Pte Ltd (Singapore)	Engaging in system integration of voice, video & data communication networks and services and provision of information communication services (Singapore)	900,000	–	100	–

##### 6. STOCKS AND WORK IN PROGRESS

	Group	
	2002	2001
	\$	\$
Stocks, at cost	23,936	–
Work in progress, at cost	108,995	–
	132,931	–

Work in progress represents costs of equipment purchased for short-term projects which were not completed at the balance sheet date.

##### 7. TRADE RECEIVABLES

	Group	Company	
	2002	2002	2001
	\$	\$	\$
External parties	2,198,998	–	–
Bills receivables	2,429,060	–	–
Retention monies	159,269	–	–
	4,787,327	–	–

## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

#### 8. OTHER RECEIVABLES

	Group 2002 \$	Company 2002 \$	2001 \$
Subsidiary company - loan	–	271,000	–
- current account	–	3,000	–
Deposits	30,488	–	–
Prepayments	12,918	–	–
Sundry debtor	59,796	–	–
	103,202	274,000	–
	103,202	274,000	–

Amount due from a subsidiary company is unsecured, interest free and has no fixed terms of repayment. The loan has been subsequently converted to additional issued share capital of the subsidiary company in January 2003.

Included in other debtors is an amount of \$59,402 (2001: \$Nil) for deposits paid to suppliers for equipment on trial to customers. This amount will be refunded if customers do not exercise option to purchase.

#### 9. FIXED DEPOSITS

Interests on fixed deposits are earned at rates between 0.625% and 1.375% per annum.

#### 10. TRADE PAYABLES

	Group 2002 \$	Company 2002 \$	2001 \$
External parties	1,679,405	–	–
Bills payables	1,147,607	–	–
Maintenance billing in progress	65,415	–	–
Accruals for project costs	1,186,508	–	–
	4,078,935	–	–
	4,078,935	–	–

#### 11. OTHER PAYABLES

	Group 2002 \$	Company 2002 \$	2001 \$
Sundry creditors	5,777	–	–
Accruals	232,904	1,000	–
GST payables	10,008	–	–
	248,689	1,000	–
	248,689	1,000	–



## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

#### 12. HIRE PURCHASE CREDITORS

The Company purchases certain motor vehicle, computers and software under hire purchase agreements. Future minimum lease payments under these arrangements together with the present value of the net minimum lease payments are as follows: -

	Group			
	Minimum payments 2002 \$	Present value of payments 2002 \$	Minimum payments 2001 \$	Present value of payments 2001 \$
Within one year	36,754	29,921	—	—
After one year but not more than five years	71,490	64,377	—	—
Total minimum lease payments	108,244	94,298	—	—
Less : Amount representing finance charges	(13,946)	—	—	—
Present value of minimum lease payments	<u>94,298</u>	<u>94,298</u>	<u>—</u>	<u>—</u>

#### 13. DEFERRED INCOME TAX

	Group	
	2002 \$	2001 \$
Balance as at financial year	—	—
Provided during the financial year (Note 3)	31,000	—
Balance at end of financial year	<u>31,000</u>	<u>—</u>
Deferred income tax represents the following:		
Excess of net book value over tax written value of fixed assets	35,490	—
Unrealised exchange losses	(4,490)	—
	<u>31,000</u>	<u>—</u>

## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

#### 14. SHARE CAPITAL

	Group and Company 2002 \$	2001 \$
Authorised: -		
2,500,000 (2001: 2) ordinary shares of \$1 each	2,500,000	2
Issued and fully paid: -		
Balance at beginning of financial year	2	2
Issued during the year :		
1,199,998 (2001: Nil) ordinary shares of \$1 each at par for cash to raise working capital	1,199,998	–
Balance at end of financial year	1,200,000	2

#### 15. CASH AND CASH EQUIVALENT

Cash and cash equivalent consist of current account and fixed deposits balances. Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts: -

	Group 2002 \$	2001 \$
Cash and bank balances	94,387	–
Fixed deposits	524,906	–
	619,293	–

#### 16. OPERATING LEASE COMMITMENTS

The group leases an office premise under lease agreement that is non-cancellable within a year. Rental expense was \$59,843 (2001: \$Nil) for the financial year ended 31 December 2002. Future minimum lease payments with initial or remaining terms of one year or more are as follows: -

	Group 2002 \$	2001 \$
Payable within one year	154,020	–
Payable after one year but not more than five years	64,175	–
	218,195	–

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## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

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##### 17. BANKING FACILITIES

The group has banking facilities for trust receipts and bankers' guarantees granted by the bankers. These facilities are secured on the group's fixed deposits to the extent of \$400,000 (2001: \$Nil) and joint and several guarantees given by the directors of \$3,850,000 (2001: \$Nil).

##### 18. CONTINGENT LIABILITIES

The company has issued a guarantee for indebtedness due to a third party in respect of distribution agreement entered into by the subsidiary company. No loss is expected to arise from this guarantee.

##### 19. SUBSEQUENT EVENTS

On 9 January 2003, 816,230 ordinary shares of \$1 each were issued at a premium of \$1.68 per share for cash to provide additional working capital.

On 14 January 2003, 2,450,000 ordinary shares of \$1 each were issued at par for cash by the subsidiary company to provide additional working capital.

##### 20. FINANCIAL INSTRUMENTS

###### *Financial risk management objectives and policies*

The main risks arising from the group's financial instruments are interest rate risk, credit risk and foreign currency risk. The group does not use derivatives and other instruments in its risk management activities. The group does not hold or issue derivative financial instruments for trading purposes. The management reviews and agrees policies for managing each of these risks and they are summarised below:

###### *Interest rate risk*

The group obtains additional financing through bank borrowings and the company's policy is to obtain the most favourable interest rates available. Surplus funds are placed with reputable banks.

###### *Credit risk*

Credit risk is limited to the risk arising from the inability of a debtor to make payments when due. It is the group's policy to provide credit terms to credit worthy customers. These debts are continually monitored and, therefore, the company does not expect to incur material credit losses.

The carrying amount of trade and other receivables, cash and bank balances represents the company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. The company has no significant concentration of credit risk and places its surplus funds with banks in Singapore.

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## APPENDIX A – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2002 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARY COMPANY

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2002

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#### 20. FINANCIAL INSTRUMENTS (continued)

##### *Foreign currency risk*

Transactions denominated in foreign currencies during the year have been converted into Singapore dollars at exchange rates approximating those ruling at transaction date. Transaction risk is calculated in each foreign currency and includes foreign currency denominated assets and liabilities.

The company does not engage in trading of or speculation in foreign currencies as the company's exposure to foreign currency exchange risk is minimal.

##### *Fair values*

The carrying amounts of cash and bank balances, trade receivables and payables, other receivables and payables approximate their fair values due to their short term nature.

#### 21. COMPARATIVE FIGURES

The comparative figures of the company were audited by another firm of Certified Public Accountants.

There were no comparative figures for the group as this is the first set of consolidated financial statements prepared since its acquisition of the subsidiary in April 2002.

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**APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2003 AND THE RELATED AUDITORS' REPORT**

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Directors' Report and Audited Financial Statements

**KENBIENCE INTERNATIONAL PTE LTD  
AND SUBSIDIARIES**

31 December 2003

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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### GENERAL INFORMATION

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##### Directors

Chang Joo Whut  
Sw Chan Kit  
Tay Choon Chong (appointed on 19 March 2003)  
Stanley Chan Pui Ling (appointed on 19 March 2003)  
Charles Reed (appointed on 16 June 2003)

##### Company Secretaries

Low Yong Sen  
Sw Chan Kit

##### Registered Office

4 Leng Kee Road,  
#06-04 SIS Building,  
Singapore 159088

##### Bankers

Malayan Banking Berhad

##### Auditors

Ernst & Young

Index	Page
Directors' report	B-3
Statement by the directors	B-4
Auditors' report	B-5
Consolidated profit and loss account	B-6
Balance sheets	B-7
Consolidated statement of changes in equity	B-8
Consolidated cash flows statement	B-9
Notes to the financial statements	B-10 to B-24

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## **APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT**

---

### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES**

#### **DIRECTORS' REPORT**

---

The directors are pleased to present their report to the member together with the audited financial statements of Kenbience International Pte Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2003 and balance sheet of the Company as at 31 December 2003.

#### **Directors**

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

Chang Joo Whut  
Sw Chan Kit  
Tay Choon Chong (appointed on 19 March 2003)  
Stanley Chan Pui Ling (appointed on 19 March 2003)  
Charles Reed (appointed on 16 June 2003)

In accordance with Article 74 of the Company's Articles of Association, Chang Joo Whut and Sw Chan Kit retire 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 is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

#### **Directors' interests in shares and debentures**

No director who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, an interest in shares or debentures of the Company or related corporations.

#### **Directors' contractual benefits**

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company 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 the director is a member, or with a company in which the director has a substantial financial interest.

#### **Auditors**

Ernst & Young have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors,

Chang Joo Whut  
Director

Sw Chan Kit  
Director

Singapore  
27 April 2004

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## **APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT**

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### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES**

#### **STATEMENT BY THE DIRECTORS**

---

We, Chang Joo Whut and Sw Chan Kit, being two of the directors of Kenbience International Pte Ltd, do hereby state that, in the opinion of the directors :-

- (i) the accompanying balance sheets, consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flows statement together with the notes thereto, set out on pages B-6 to B-24, 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 2003, and of the results of the business, changes in equity and cash flows of the Group for the year then ended, and
- (ii) 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.

On behalf of the board of directors,

Chang Joo Whut  
Director

Sw Chan Kit  
Director

Singapore  
27 April 2004



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## **APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT**

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### **KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES**

#### **AUDITORS' REPORT TO THE MEMBERS OF KENBIENCE INTERNATIONAL PTE LTD**

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We have audited the accompanying financial statements of Kenbience International Pte Ltd (the "Company") and its subsidiaries (the "Group") set out on pages B-6 to B-24 for the year ended 31 December 2003. These financial statements are the responsibility of the Company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) 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 Singapore Companies Act (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 2003 and the results, changes in equity and cash flows of the group for the financial year ended on that date; and
- (b) the accounting and other records (excluding registers) required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG  
Certified Public Accountants

Singapore  
27 April 2004

## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

	Note	2003 S\$	2002 S\$
<b>Revenues</b>			
Sales of services	3	13,349,014	6,073,102
Sales of goods		8,371,062	1,285,051
Interest income from banks		10,233	300
Total revenues		21,730,309	7,358,453
<b>Cost and operating expenses</b>			
Changes in stocks and work-in-progress		1,652,743	192,333
Raw materials and consumables used		(17,099,607)	(5,139,772)
Freight costs		(333,937)	(35,172)
Commission and consultancy expenses		(789,995)	(273,416)
Travelling expenses		(377,246)	(14,921)
Staff costs		(3,048,738)	(1,265,211)
Depreciation of plant and equipment		(178,728)	(59,296)
Foreign exchange loss, net		(86,337)	(25,883)
Other operating expenses		(973,447)	(357,190)
Total costs and operating expenses		(21,235,292)	(6,978,528)
<b>Operating profit</b>	4	495,017	379,925
Finance costs	5	(8,123)	(5,174)
<b>Profit before income tax</b>		486,894	374,751
Income tax	6	(116,326)	(88,197)
<b>Profit after income tax and before minority interest</b>		370,568	286,554
Minority interest, net of income tax		7,609	–
<b>Net profit for the financial year</b>		378,177	286,554

*The accounting policies and explanatory notes on pages B-10 to B-24 form an integral part of the financial statements.*

# APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

## KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

### BALANCE SHEETS AS AT 31 DECEMBER 2003

	Note	Group		Company	
		2003 S\$	2002 S\$	2003 S\$	2002 S\$
<b>ASSETS LESS LIABILITIES</b>					
<b>Non-current asset</b>					
Plant and equipment	7	471,677	353,916	–	–
Investments in subsidiaries	8	–	–	4,350,000	900,000
Cash and cash equivalents	9	844,500	400,000	–	–
<b>Current assets</b>					
Stocks		476,653	83,338	–	–
Contract work-in-progress	10	1,386,770	108,995	–	–
Trade receivables	11	9,386,980	4,787,327	–	–
Other receivables	12	181,073	43,800	–	3,000
Loan to a subsidiary		–	–	37,000	271,000
Cash and cash equivalents	9	1,960,751	219,293	8	850
		13,392,227	5,242,753	37,008	274,850
<b>Current liabilities</b>					
Contract work in progress	10	18,347	–	–	–
Trade payables	13	8,262,552	4,256,432	2,000	1,000
Other payables		5,840	5,777	–	–
Deferred revenue	14	228,126	65,415	–	–
Finance lease liabilities	15	27,158	29,921	–	–
Loans	16	729,533	–	–	–
Income tax payable		126,000	57,197	–	–
		9,397,556	4,414,742	2,000	1,000
<b>Net current assets</b>		3,994,671	828,011	35,008	273,850
<b>Non-current liabilities</b>					
Finance lease liabilities	15	37,561	64,377	–	–
Deferred tax liabilities	17	12,745	31,000	–	–
		(50,306)	(95,377)	–	–
<b>Net assets</b>		5,260,542	1,486,550	4,385,008	1,173,850
<b>EQUITY</b>					
Issued share capital	18	2,408,021	1,200,000	2,408,021	1,200,000
Share premium	19	2,029,477	–	2,029,477	–
Foreign currency translation reserve		(12,979)	–	–	–
Retained profits/ (accumulated losses)	19	664,727	286,550	(52,490)	(26,150)
		5,089,246	1,486,550	4,385,008	1,173,850
<b>Minority interest</b>		171,296	–	–	–
<b>Total equity</b>		5,260,542	1,486,550	4,385,008	1,173,850

The accounting policies and explanatory notes on pages B-10 to B-24 form an integral part of the financial statements.

## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

	Note	2003 S\$	2002 S\$
<b>Issued share capital</b>	18		
Balance at beginning of financial year		1,200,000	2
Issued during the financial year :-			
1,208,021 (2002: 1,199,998) ordinary shares of S\$1 each at S\$2.68 per share for cash to provide for additional working capital		1,208,021	1,199,998
Balance at end of financial year		2,408,021	1,200,000
<b>Share premium</b>			
Balance at beginning of financial year		–	–
Premium on shares issued during the financial year		2,029,477	–
Balance at end of financial year		2,029,477	–
<b>Foreign currency translation reserve</b>			
Balance at beginning of financial year		–	–
Foreign currency translation adjustment for the year		(12,979)	–
Balance at end of financial year		(12,979)	–
<b>Retained profits/(accumulated losses)</b>			
Balance at beginning of financial year		286,550	(4)
Net profit for the financial year		378,177	286,554
Balance at end of financial year		664,727	286,550
<b>Total equity</b>		5,089,246	1,486,550

*The accounting policies and explanatory notes on pages B-10 to B-24 form an integral part of the financial statements.*

## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### CONSOLIDATED CASH FLOWS STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

	Note	2003 S\$	2002 S\$
<b>Cash flows from operating activities:</b>			
Profit before income tax		486,894	374,751
Adjustments for:			
Depreciation of plant and equipment		178,728	59,296
Interest expense		8,123	5,174
Interest income		(10,233)	(300)
Foreign currency translation difference		(21,632)	–
<b>Operating cash flows before working capital changes</b>		641,880	438,921
Increase in stocks and contract work-in-progress		(1,652,743)	(192,333)
Increase in trade and other receivables		(4,736,926)	(4,831,127)
Increase in trade and other payables		4,168,894	4,327,624
<b>Cash used in operations</b>		(1,578,895)	(256,915)
Interest received		10,233	300
Interest paid		(8,123)	(5,174)
Income tax paid		(65,778)	–
<b>Net cash used in operating activities</b>		(1,642,563)	(261,789)
<b>Cash flows from investing activities:</b>			
Acquisition of shares from shareholders of subsidiary		–	(2)
Purchase of plant and equipment		(296,489)	(302,463)
<b>Net cash flows used in investing activities</b>		(296,489)	(302,465)
<b>Cash flows from financing activities:</b>			
Proceeds from loan from a financial institution		729,533	–
Repayment of finance leases		(29,579)	(16,451)
Proceeds from issuance of share capital		3,237,498	1,199,998
Increase in fixed deposits pledged with financial institutions		(444,500)	(400,000)
Proceeds from issuance of share capital by subsidiary		187,558	–
<b>Net cash flows from financing activities</b>		3,680,510	783,547
Net increase in cash and cash equivalents		1,741,458	219,293
Cash and cash equivalents at beginning of financial year	9	219,293	–
<b>Cash and cash equivalents at end of financial year</b>	9	1,960,751	219,293

*The accounting policies and explanatory notes on pages B-10 to B-24 form an integral part of the financial statements.*

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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

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##### 1. CORPORATE INFORMATION

Kenbience International Pte Ltd (the "Company") is a limited company incorporated in Singapore. The registered office and principal place of business of the Company 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 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Group operates in three (2002 : one) countries. The Group and Company had 47 and Nil (2002: 32 and nil) employees as at 31 December 2003 respectively.

##### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

###### (a) *Basis of preparation*

The financial statements have been prepared on a historical cost basis and in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act. In previous years, the financial statements were prepared in accordance with Singapore Statements of Accounting Standard ("SAS"). The transition from SAS to FRS did not result in any significant change in accounting policies.

The accounting policies applied by the Company are consistent with those used in the previous financial year.

The financial statements are presented in Singapore Dollars ("S\$").

###### (b) *Foreign currency translation*

Transactions in foreign currencies are measured in S\$ and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at balance sheet date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates or, in the case of items carried at fair value, the exchange rates that existed when the values were determined. All resultant exchange differences are recognised in the profit and loss account.

Assets and liabilities for foreign entities are translated into S\$ equivalents at exchange rates ruling at balance sheet date. Revenue and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the date of transactions. All resultant exchange differences are taken directly to equity.

###### (c) *Principles of consolidation*

The consolidated financial statements comprise the financial statements of the company and its subsidiaries, after the elimination of all material intragroup transactions and balances, and resulting unrealised profits. Unrealised losses resulting from intragroup transactions are also eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which the group cease to have control of the subsidiaries. Acquisitions of subsidiaries are accounted for using the purchase method of accounting.

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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(c) *Principles of consolidation (continued)***

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

**(d) *Subsidiaries***

A subsidiary is a company in which the Group, directly or indirectly holds more than 50% of issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Investment in subsidiaries are accounted for at cost less any impairment losses.

**(e) *Revenue recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :

*Rendering of systems integration services*

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, when the outcome of a construction contract can be estimated reliably. An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

*Sales of goods*

Revenue are recognised upon the transfer of risk and rewards of ownership of the goods to the customers which generally coincide with their delivery and acceptance.

*Maintenance revenue*

Maintenance revenue is recognised upon completion and delivery 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.

**(f) *Employee benefits***

*Pensions*

The Group makes contributions to state pension scheme. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

*Employee leave entitlement*

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

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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. All items of plant and equipment are initially recorded at cost.

The initial cost of plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price. Expenditure incurred after the plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the profit and loss account in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of plant and equipment.

Depreciation is calculated on the straight-line basis over the estimated useful life of the asset as follows :

Furnitures	-	5	years
Fittings	-	2	years
Office equipment	-	5	years
Computers	-	3	years
Telephones	-	5	years
Software	-	3	years
Motor vehicle	-	10	years
Demo equipment	-	2	years

The useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of plant and equipment.

### (h) *Stocks*

Stocks are valued at the lower of cost (determined on a weighted average basis) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales. Provision is made for damaged, obsolete and slow-moving items.



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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) *Contract work-in-progress*

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct equipment and material costs, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed integration overheads.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

### (j) *Trade and other receivables*

Trade receivables, which generally have been granted on between 30 - 90 days credit terms, are recognised and carried at original invoice amount less impairment loss on any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

### (k) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

### (l) *Trade and other payables*

Liabilities for trade and other amounts payable, which are normally settled on 30 to 90 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

### (m) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### (n) *Impairment of assets*

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset in prior years.

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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (o) *Leases*

#### *Finance lease*

Finance leases, which effectively transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at amounts equal, at the inception of the lease, to the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. Finance charges are charged directly to the profit and loss account.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

#### *Operating lease*

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Lease payable under operating leases are recognised as an expense in the profit and loss account as incurred.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

### (p) *Income taxes*

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unabsorbed capital allowances, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the balance sheet date.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

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**APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2003 AND THE RELATED AUDITORS' REPORT**

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**KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003**

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**3. SALES OF SERVICES**

	<b>Group</b>	
	<b>2003</b>	<b>2002</b>
	S\$	S\$
System integration services	12,547,093	5,896,344
System maintenance services	801,921	176,758
	13,349,014	6,073,102

**4. TOTAL COSTS AND OPERATING EXPENSES**

Total costs and operating expenses include :

Auditors' remuneration	21,239	14,500
Defined contribution pension plans	223,699	100,359
Directors' remuneration	396,345	262,574
Executive officers' remuneration	480,200	107,900
Expensed assets	2,090	–
Operating lease – office	149,554	59,843
	1,073,127	543,176

**5. FINANCE COSTS**

Interest expense on bank overdraft	1,966	187
Finance charges on lease liabilities	6,157	4,987
	8,123	5,174

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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

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#### 6. INCOME TAX

Major components of income tax expense for the years ended 31 December were :

	<b>Group</b>	
	<b>2003</b>	<b>2002</b>
	S\$	S\$
Current	126,000	57,197
Deferred	(10,238)	31,000
	<hr/>	<hr/>
Current year tax expense	115,762	88,197
Under/(over) provision in respect of previous year		
- current	8,564	–
- deferred	(8,000)	–
	<hr/>	<hr/>
	<u>116,326</u>	<u>88,197</u>

A reconciliation between the income tax expense and profit before income multiplied by the applicable tax rate for the years ended 31 December was as follows :

Profit before income tax	<u>486,894</u>	<u>374,751</u>
Tax at 22% (2002 : 22%)	107,117	82,445
<i>Adjustments for tax effect of :</i>		
Expenses not deductible for tax purposes	8,395	4,747
Statutory stepped income exemption	(11,550)	(11,550)
Double tax deduction	(1,780)	–
Difference on tax rate of other countries	(556)	–
Tax losses of overseas subsidiaries not available for set-off	7,492	–
Others	6,644	12,555
	<hr/>	<hr/>
Current year tax expense	<u>115,762</u>	<u>88,197</u>

**APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2003 AND THE RELATED AUDITORS' REPORT**

**KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003**

**7. PLANT AND EQUIPMENT - GROUP**

Cost	Office equipment S\$	Computers S\$	Telephones S\$	Softwares S\$	Motor vehicle S\$	Demo equipment S\$	Furniture S\$	Fittings S\$	Construction- in-progress S\$	Total S\$
Balance at beginning of year	45,699	105,819	1,970	30,360	56,000	7,576	63,795	101,993	–	413,212
Additions	5,039	29,877	3,760	3,250	–	162,959	6,970	15,019	69,615	296,489
Balance at end of year	50,738	135,696	5,730	33,610	56,000	170,535	70,765	117,012	69,615	709,701
Accumulated depreciation										
Balance at beginning of year	4,698	16,907	237	4,959	3,733	305	5,629	22,828	–	59,296
Charge for the year	8,727	40,235	910	11,077	5,600	42,522	13,161	56,496	–	178,728
Balance at end of year	13,425	57,142	1,147	16,036	9,333	42,827	18,790	79,324	–	238,024
Charge for 2002	4,698	16,907	237	4,959	3,733	305	5,629	22,828	–	59,296
Net book value At 31 December 2003	37,313	78,554	4,583	17,574	46,667	127,708	51,975	37,688	69,615	471,677
At 31 December 2002	41,001	88,912	1,733	25,401	52,267	7,271	58,166	79,165	–	353,916

As at 31 December 2003, the net book value of plant and equipment held under finance leases was S\$85,448 (2002 : S\$119,521).

## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

#### 8. INVESTMENTS IN SUBSIDIARIES

			Company			
			2003	2002	2003	2002
			S\$	S\$	S\$	S\$
Unlisted shares, at cost			4,350,000	900,000		
Name	Principal activities	Country of incorporation	Cost		Equity interest	
			2003	2002	2003	2002
			S\$	S\$	%	%
<i>Held by the Company</i>						
Ntegrator Pte Ltd	Engaging in system integration of voice, video and data communication networks and services and provision of information communication services.	Singapore	4,350,000	900,000	100	100
<i>Held by Ntegrator Pte Ltd</i>						
Ntegrator Philippines Inc*	To import and export, provide consultation services, system integration of voice, video and data communication networks and provide information communication services.	Philippines	211,920	—	60	—
Ntegrator Sdn Bhd **	Engaging in system integration of voice, video and data communication networks and services and provision of information communication services.	Malaysia	69,417	—	60	—

\* Audited by Punongbayan & Araullo, Certified Public Accountants, Philippines

\*\* Not required to be audited under the law in country of incorporation

## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

#### 9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2003 S\$	2002 S\$	2003 S\$	2002 S\$
Cash on hand	18	353	–	–
Cash at banks	1,780,517	94,034	8	850
Fixed deposits	1,024,716	524,906	–	–
Less : Restricted cash classified as non-current assets	(844,500)	(400,000)	–	–
	180,216	124,906	–	–
	<u>1,960,751</u>	<u>219,293</u>	<u>8</u>	<u>850</u>

Restricted cash represents the amount of fixed deposits pledged with financial institutions as securities for credit facilities granted to the Company.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between four and twelve months depending on the immediate cash requirements of the Group, and earn interest at rates between 0.25% and 1.375% (2002 : 0.625% and 1.375%) per annum.

#### 10. CONTRACT WORK-IN-PROGRESS

	Group	
	2003 S\$	2002 S\$
Cost incurred to date plus recognised profit	1,387,044	108,995
Less : Progress billings	(18,621)	–
	<u>1,368,423</u>	<u>108,995</u>
Comprising :		
Gross amount due from customers for contract work	1,386,770	108,995
Gross amount due to customers for contract work	(18,347)	–
	<u>1,368,423</u>	<u>108,995</u>

## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

#### 11. TRADE RECEIVABLES

	Group	
	2003 S\$	2002 S\$
Trade receivables	6,031,073	2,198,998
Bills receivable	3,111,636	2,429,060
Retention monies	244,271	159,269
	9,386,980	4,787,327

Bills receivable relate to irrevocable letters of credit issued in favour of the Group by financial institutions on behalf of the customers for goods and services supplied by the Group.

#### 12. OTHER RECEIVABLES

	Group		Company	
	2003 S\$	2002 S\$	2003 S\$	2002 S\$
Due from a subsidiary company	–	–	–	3,000
Deposits	57,698	30,488	–	–
Prepayments	65,710	12,918	–	–
Staff advances	33,500	–	–	–
Others	24,165	394	–	–
	181,073	43,800	–	3,000

The staff advances are made for the purpose of travelling overseas on the business of the Group.

#### 13. TRADE PAYABLES

Trade payables	4,316,738	1,689,413	–	–
Bills payables	1,596,831	1,147,607	–	–
Accrued project costs	2,005,516	1,186,508	–	–
Accrued operating expenses	343,467	232,904	2,000	1,000
	8,262,552	4,256,432	2,000	1,000

#### 14. DEFERRED REVENUE

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



## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

#### 15. FINANCE LEASE LIABILITIES

The Group purchased certain motor vehicles, computers and software under finance lease agreements which expire over the next six years. The discount rate implicit in the leases ranges from 3.3% to 6.0% (2002 : 3.3% to 6.0%) per annum. Future minimum lease payments under these agreements together with the present value of the net minimum lease payments are as follows : -

	Minimum payments 2003 S\$	Present value of payments 2003 S\$	Minimum payments 2002 S\$	Present value of payments 2002 S\$
Not later than one year	30,647	27,158	36,754	29,921
Later than one year but not later than five years	41,861	37,561	71,490	64,377
Total minimum lease payments	72,508	64,719	108,244	94,298
Less: Amount representing finance charges	(7,789)	–	(13,946)	–
Present value of minimum lease payments	64,719	64,719	94,298	94,298

#### 16. LOAN

The loan is extended by a financial institution. It is unsecured, bears average interest of 5.25% per annum and repayable within the next 12 months.

#### 17. DEFERRED TAX LIABILITIES

	Group 2003 S\$	2002 S\$
Balance at beginning of financial year	31,000	–
(Write-back)/provision during the financial year	(18,255)	31,000
Balance at end of financial year	12,745	31,000
<b>Deferred income tax assets and liabilities :</b>		
<i>Deferred tax liabilities</i>		
Excess of net book value over tax written value of plant and equipment	27,998	35,490
Others	5,200	–
	33,198	35,490
<i>Deferred tax assets</i>		
Others	(20,453)	(4,490)
Net deferred tax liabilities	12,745	31,000

## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

#### 18. SHARE CAPITAL

	<b>Group and Company</b>	
	<b>2003</b>	<b>2002</b>
	S\$	S\$
Authorised :		
Balance at beginning of financial year		
- 2,500,000 (2002 : 2) ordinary shares of S\$1 each	2,500,000	2
Increase during the financial year :		
- 7,500,000 (2002 : 2,499,998) ordinary shares of S\$1 each	7,500,000	2,499,998
	<u>                    </u>	<u>                    </u>
Balance at end of financial year		
- 10,000,000 (2002 : 2,500,000) ordinary shares of S\$1 each	10,000,000	2,500,000
	<u>                    </u>	<u>                    </u>
Issued and fully-paid :		
Balance at beginning of financial year	1,200,000	2
Issued during the financial year:		
1,208,021 (2002 : 1,199,998) ordinary shares of		
S\$1 each at S\$2.68 per share for cash to		
provide for additional working capital	1,208,021	1,199,998
	<u>                    </u>	<u>                    </u>
Balance at end of financial year	2,408,021	1,200,000
	<u>                    </u>	<u>                    </u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

#### 19. RESERVES

	<b>Company</b>	
	<b>2003</b>	<b>2002</b>
	S\$	S\$
<i>Share premium</i>		
Balance at beginning of financial year	–	–
Premium on shares issued during the financial year		
(Note 18)	2,029,477	–
	<u>                    </u>	<u>                    </u>
Balance at end of financial year	2,029,477	–
	<u>                    </u>	<u>                    </u>
<i>Accumulated losses</i>		
Balance at beginning of financial year	(26,150)	(2)
Loss for the financial year	(26,340)	(26,148)
	<u>                    </u>	<u>                    </u>
Balance at end of financial year	(52,490)	(26,150)
	<u>                    </u>	<u>                    </u>

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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

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### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

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#### 20. COMMITMENTS

##### *Commitments*

On 15 November 2003, Ntegrator Philippines Inc, a subsidiary, entered into an “nPower Partner Reseller” Agreement (the “Agreement”) with Nortel Networks Singapore Pte Ltd. Under the Agreement, Ntegrator Philippines Inc is granted by Nortel Network a personal, non-transferable and non-exclusive right to purchase software and hardware equipment from Nortel Networks for resale to end users in the Philippines and the right to use the “solutions by Nortel Networks” logo trademark in support of the sale of the equipment. In addition, the Company is required to have a minimum purchase of the authorised products amounting to S\$38,000 from Nortel Networks in 2004.

##### *Operating lease commitments*

The Group has entered into a commercial property lease for its office. The lease has remaining non-cancellable terms of 4 (2002 : 16) months.

Future minimum lease payments under the non-cancellable leases are as follows as of 31 December :

	<b>Group</b>	
	<b>2003</b>	<b>2002</b>
	<b>S\$</b>	<b>S\$</b>
Not later than one year	69,426	154,020
Later than one year but not later than five years	18,086	51,340
	<u>87,512</u>	<u>205,360</u>

#### 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group, in its normal course of business, is exposed to market risk, including primarily credit risk, and changes in interest rates and currency exchange rates arising from changing business and market conditions. The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risk. The Group does not hold or issue derivative financial instruments for trading purposes. The policies are as follows:

##### *Credit risk*

Credit risk arises from the failure of a customer or counter party to settle their financial and contractual obligations to the Group as and when they fall due resulting in a loss. The management monitors exposure to credit risk on an ongoing basis and performs credit evaluations on customers requiring credit. The Group usually does not require collateral from its customers. Cash term, advance payments and letters of credits are required from customers considered to be of high credit risks.

The Group's maximum exposure to credit risk in the event the counter parties fail to perform their obligations as at 31 December 2003 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet.

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## APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2003 AND THE RELATED AUDITORS' REPORT

---

### KENBIENCE INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

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#### 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified along industry, product and geographic lines, and transactions are entered into with diverse creditworthy counter parties, thereby mitigating any significant concentration of credit risk.

##### *Interest rate risk*

The Group's exposure to market risk for changes in interest rates relates mainly to its surplus funds placed with banks and debt obligations.

Surplus funds are placed in fixed deposits with reputable banks which yield better returns than cash at bank. The deposits generally have short-term maturities so as to provide the Group with the flexibility to meet working capital and capital investment needs.

The Group's borrowings, which are exposed to interest rates risk arising from changing market conditions are kept at a minimum level. It is the Group's policy to obtain the most favourable interest rate borrowings available without increasing its foreign currency exposure.

##### *Liquidity risk*

Liquidity risk arises in the general funding of the Group's trading activities. It includes the risks of not being able to fund trading activities at settlement dates and liquidate positions in a timely manner at a reasonable price.

The management manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's business operations and development activities. The Group obtains additional funding through bank borrowings and finance lease arrangements.

##### *Foreign currency risk*

The Group provides its services and sells goods in several countries and, as a result, is exposed to movements in foreign currency exchange rates. The management manages the foreign currency risks by monitoring the timing of the inception and settlement of foreign currency transactions and ensuring the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

##### *Fair values*

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, and short-term loans approximate their fair values due to their short-term nature.

#### 22. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2003 were authorised for issue in accordance with a resolution of the directors on 27 April 2004.

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**APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2004 AND THE RELATED AUDITORS' REPORT**

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**Company Registration No. 199904281D**

Directors' Report and Audited Financial Statements

**NTEGRATOR INTERNATIONAL PTE LTD  
AND SUBSIDIARIES**

31 December 2004

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### GENERAL INFORMATION

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##### Directors

Bernard Chen Tien Lap	(appointed on 4 January 2005)
Han Meng Siew	(appointed on 15 July 2004)
Chang Joo Whut	
Tay Choon Chong	
Loudon Frank Mclean Owen	(appointed on 4 October 2004)
Charles George St John Reed	
Sw Chan Kit	(resigned on 15 July 2004)
Stanley Chan Pui Ling	(resigned on 4 October 2004)

##### Company Secretaries

Sw Chan Kit	
Jim Lim Kheng Huat	(appointed on 17 February 2004)
Wendy Lee Su Lin	(appointed on 17 February 2004)
Low Yong Sen	(resigned on 17 February 2004)

##### Registered Office

4 Leng Kee Road,  
#06-04 SIS Building,  
Singapore 159088

##### Bankers

Malayan Banking Berhad  
The Development Bank of Singapore Ltd  
United Overseas Bank Limited  
Hong Leong Finance Ltd

##### Auditors

Ernst & Young

##### Index

##### Page

Directors' report	C-3 to C-5
Statement by the directors	C-6
Auditors' report	C-7
Consolidated profit and loss account	C-8
Balance sheets	C-9
Consolidated statement of changes in equity	C-10
Consolidated cash flows statement	C-11
Notes to the financial statements	C-12 to C-35

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited financial statements of Ntegrator International Pte Ltd (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2004 and balance sheet of the Company as at 31 December 2004.

#### Change of company's name

The Company was incorporated in 24 July 1999 as Kenbience International Pte Ltd. On 28 December 2004, the Company changed its name to Ntegrator International Pte Ltd.

#### Directors

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

Bernard Chen Tien Lap	Non-Executive Chairman
Han Meng Siew	Deputy Chairman
Chang Joo Whut	Managing Director
Tay Choon Chong	
Loudon Frank Mclean Owen	
Charles George St John Reed	

#### 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 is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

#### Directors' interests in shares and debentures

The following director who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares of the Company or related corporations as stated below :

Name of Director	Direct interest		Deemed interest	
	At beginning of financial year/date of appointment	At end of financial year	At beginning of financial year/date of appointment	At end of financial year
<b>The Company</b>				
<i>Ordinary shares of S\$0.10 each</i>				
Han Meng Siew	—	—	—	3,000,000
Chang Joo Whut	—	1,000,000	—	—
<i>Options to subscribe for ordinary shares of S\$0.10 each at exercise price of S\$0.268 per share</i>				
Han Meng Siew	—	700,000	—	—
Chang Joo Whut	—	700,000	—	—
Tay Choon Chong	—	200,000	—	—
Loudon Frank Mclean Owen	—	100,000	—	—
Charles George St John Reed	—	200,000	—	—

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### DIRECTORS' REPORT

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##### Directors' interests in shares and debentures (continued)

Except as disclosed in this report, no Directors who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

##### Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company 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 the director is a member, or with a company in which the director has a substantial financial interest.

The Company has a Share Option Scheme for granting of options to its full-time employees, directors and consultants of the Company and each subsidiary of the Company. The total number of ordinary shares over which the Company may grant under the Share Option Scheme shall not exceed 20% of the issued share capital of 24,080,210 ordinary shares of S\$0.10 each.

The options shall be granted for a term of three years to purchase the ordinary shares of the Company at a price determined solely at the discretion of the Compensation Committee of the Company, which is set up to administer the Share Option Scheme. The options will vest and become exercisable beginning on the first anniversary of the date of grant. In the event of an initial public offering of the ordinary shares, takeover or trade sale of the Company, the options granted will become exercisable in full prior to these events. Any options which are not exercised shall lapse automatically and become null and void.

Details of the options to subscribe for ordinary shares of S\$0.10 each of the Company granted to directors, executive officers and employees of the Group pursuant to the Scheme are as follows:

Date of grant	Balance at 1.1.2004	Granted during the year	Exercised during the year	Cancelled during the year	Balance at 31.12.2004	Exercise price	Exercisable period
26.4.2004 *	–	2,877,333	–	–	2,877,333	S\$0.268	14.1.2004 to 13.1.2010
22.10.2004	–	3,110,000	–	–	3,110,000	S\$0.268	22.10.2005 to 21.10.2011
	–	5,987,333	–	–	5,987,333		

\* The Compensation Committee has determined that the date of grant for these options is fixed on 14 January 2003.



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## **APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT**

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### **INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES**

#### **DIRECTORS' REPORT**

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##### **Auditors**

Ernst & Young have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors,

Han Meng Siew  
Director

Chang Joo Whut  
Director

Singapore  
8 March 2005

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## **APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT**

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### **NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES**

#### **STATEMENT BY THE DIRECTORS**

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We, Han Meng Siew and Chang Joo Whut, being two of the directors of Ntegrator International Pte Ltd, do hereby state that, in the opinion of the directors :-

- (i) the accompanying balance sheets, consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flows statement together with the notes thereto 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 2004, and of the results of the business, changes in equity and cash flows of the Group for the year then ended, and
- (ii) 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.

On behalf of the board of directors,

Han Meng Siew  
Director

Chang Joo Whut  
Director

Singapore  
8 March 2005

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## **APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT**

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### **NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES**

#### **AUDITORS' REPORT TO THE MEMBERS OF NTEGRATOR INTERNATIONAL PTE LTD**

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We have audited the financial statements of Ntegrator International Pte Ltd (the "Company") and its subsidiaries (the "Group") set out on pages C-8 to C-35 for the financial year ended 31 December 2004. These financial statements are the responsibility of the Company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) 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 Singapore Companies Act, Cap. 50 (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 2004, and the results, changes in equity and cash flows of the group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG  
Certified Public Accountants

Singapore  
8 March 2005

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Notes	2004 S\$	2003 S\$
<b>Revenues</b>			
Revenue from contract work-in-progress system integration services		21,414,510	12,547,093
Revenue from maintenance services		1,649,022	801,921
Sales of goods		8,503,947	8,371,062
Interest income from banks		20,141	10,233
Other revenue		63,553	–
Total revenues		31,651,173	21,730,309
<b>Cost and operating expenses</b>			
Changes in stocks and contract work-in-progress		(1,737,790)	1,652,743
Equipment and consumables used		(18,299,823)	(17,099,607)
Freight costs		(698,785)	(333,937)
Commission and consultancy expenses		(1,688,023)	(789,995)
Travelling expenses		(341,372)	(377,246)
Staff costs		(3,167,265)	(3,048,738)
Depreciation of plant and equipment		(233,106)	(178,728)
Foreign exchange translation loss, net		(514,079)	(86,337)
Other operating expenses		(804,119)	(973,447)
Total costs and operating expenses	3	(27,484,362)	(21,235,292)
<b>Operating profit</b>		4,166,811	495,017
Finance costs	4	(52,586)	(8,123)
<b>Profit before income tax</b>		4,114,225	486,894
Income tax	5	(839,430)	(116,326)
<b>Profit after income tax and before minority interest</b>		3,274,795	370,568
Minority interests, net of income tax		59,201	7,609
<b>Net profit for the financial year</b>		3,333,996	378,177
<b>Earning per share (cents)</b>			
- Basic	6	13.8	2.1

*The accounting policies and explanatory notes on pages C-12 to C-35 form an integral part of the financial statements.*

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### BALANCE SHEETS AS AT 31 DECEMBER 2004

	Notes	Group		Company	
		2004 S\$	2003 S\$	2004 S\$	2003 S\$
<b>Non-current assets</b>					
Plant and equipment	7	337,274	471,677	–	–
Deferred expenditure	8	375,062	–	375,062	–
Investments in subsidiaries	9	–	–	4,350,000	4,350,000
Cash and cash equivalents	10	964,008	844,500	–	–
Trade receivables	13	5,235,650	–	–	–
		6,911,994	1,316,177	4,725,062	4,350,000
<b>Current assets</b>					
Stocks	11	459,727	476,653	–	–
Contract work-in-progress	12	174,858	1,386,770	–	–
Trade receivables	13	8,772,894	9,386,980	–	–
Other receivables	14	345,552	181,073	5,000	–
Loan to a subsidiary	15	–	–	3,800	37,000
Cash and cash equivalents	10	5,147,202	1,960,751	34,254	8
		14,900,233	13,392,227	43,054	37,008
<b>Current liabilities</b>					
Contract work in progress	12	913	18,347	–	–
Trade payables	16	10,425,915	8,262,552	–	2,000
Other payables	17	706,502	5,840	410,172	–
Deferred revenue	18	128,623	228,126	–	–
Finance lease liabilities	19	13,052	27,158	–	–
Interest bearing loans and borrowings	20	1,134,068	729,533	–	–
Income tax payable		831,036	126,000	–	–
		13,240,109	9,397,556	410,172	2,000
<b>Net current assets/ (liabilities)</b>		1,660,124	3,994,671	(367,118)	35,008
<b>Non-current liabilities</b>					
Finance lease liabilities	19	(24,512)	(37,561)	–	–
Deferred tax liabilities	21	(32,510)	(12,745)	–	–
		(57,022)	(50,306)	–	–
<b>Net assets</b>		<u>8,515,096</u>	<u>5,260,542</u>	<u>4,357,944</u>	<u>4,385,008</u>
<b>Equity</b>					
Issued share capital	22	2,408,021	2,408,021	2,408,021	2,408,021
Share premium	23	2,029,477	2,029,477	2,029,477	2,029,477
Foreign currency translation reserve		(25,124)	(12,979)	–	–
Retained profits/ (accumulated losses)	23	3,998,723	664,727	(79,554)	(52,490)
		8,411,097	5,089,246	4,357,944	4,385,008
<b>Minority interests</b>		103,999	171,296	–	–
<b>Total equity and minority interest</b>		<u>8,515,096</u>	<u>5,260,542</u>	<u>4,357,944</u>	<u>4,385,008</u>

The accounting policies and explanatory notes on pages C-12 to C-35 form an integral part of the financial statements.

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Notes	2004 S\$	2003 S\$
<b>Issued share capital</b>	22		
Balance at beginning of financial year		2,408,021	1,200,000
Issued during the financial year :-			
Nil (2003: 1,208,021) ordinary shares of S\$1 each at S\$2.68 per share for cash to provide for additional working capital		—	1,208,021
Sub-division of one ordinary share of S\$1 each into 10 ordinary shares of S\$0.10 each		—	—
Balance at end of financial year		2,408,021	2,408,021
<b>Share premium</b>			
Balance at beginning of financial year		2,029,477	—
Premium of Nil (2003 : S\$1.682) per share on Nil (2003 : 1,208,021) shares of S\$1 each issued during the financial period		—	2,029,477
Balance at end of financial year		2,029,477	2,029,477
<b>Foreign currency translation reserve</b>			
Balance at beginning of financial year		(12,979)	—
Translation adjustment for the financial year		(12,145)	(12,979)
Balance at end of financial year		(25,124)	(12,979)
<b>Retained profits</b>			
Balance at beginning of financial year		664,727	286,550
Net profit for the financial year		3,333,996	378,177
Balance at end of financial year		3,998,723	664,727
<b>Total equity</b>		<u>8,411,097</u>	<u>5,089,246</u>

*The accounting policies and explanatory notes on pages C-12 to C-35 form an integral part of the financial statements.*

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### CONSOLIDATED CASH FLOWS STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Notes	2004 S\$	2003 S\$
<b>Cash flows from operating activities:</b>			
Profit before income tax		4,114,225	486,894
Adjustments for:			
Depreciation of plant and equipment		233,106	178,728
Loss on disposals of plant and equipment		1,515	–
Interest expense		52,586	8,123
Interest income		(20,141)	(10,233)
Foreign currency translation difference		(16,294)	(21,632)
		4,364,997	641,880
Decrease/(increase) in stocks and contract work-in-progress		1,211,404	(1,652,743)
Increase in trade and other receivables		(4,786,043)	(4,736,926)
Increase in trade and other payables		2,764,522	4,168,894
<b>Cash generated from/(used in) operations</b>		3,554,880	(1,578,895)
Interest received		20,141	10,233
Interest paid		(52,586)	(8,123)
Income tax paid		(114,629)	(65,778)
<b>Net cash from/(used in) operating activities</b>		3,407,806	(1,642,563)
<b>Cash flows from investing activities:</b>			
Purchase of plant and equipment		(112,906)	(296,489)
Proceeds from disposals of plant and equipment		8,741	–
<b>Net cash flows used in investing activities</b>		(104,165)	(296,489)
<b>Cash flows from financing activities:</b>			
(Repayment)/proceeds from loan from financial institution		(595,128)	729,533
Repayment of finance leases		(27,155)	(29,579)
Proceeds from issuance of share capital by the Company		–	3,237,498
Proceeds from issuance of share capital by subsidiaries to minority shareholders		–	187,558
Payments for deferred expenditure		(375,062)	–
Increase in fixed deposits pledged with financial institutions		(119,508)	(444,500)
<b>Net cash flows (used in)/from financing activities</b>		(1,116,853)	3,680,510
Net increase in cash and cash equivalents		2,186,788	1,741,458
Cash and cash equivalents at beginning of financial year	10	1,960,751	219,293
<b>Cash and cash equivalents at end of financial year</b>	10	4,147,539	1,960,751

*The accounting policies and explanatory notes on pages C-12 to C-35 form an integral part of the financial statements.*

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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#### 1. CORPORATE INFORMATION

Ntegrator International Pte Ltd (the "Company") is a limited liability company incorporated in Singapore. The registered office and principal place of business of the Company is at 4 Leng Kee Road, #06-04 SIS Building, Singapore 159088.

The Company was incorporated in 24 July 1999 as Kenbience International Pte Ltd. On 28 December 2004, the Company changed its name to Ntegrator International Pte Ltd.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Group operates in 4 (2003 : 3) countries. The Group and Company had 50 and Nil (2003: 47 and Nil) employees as at 31 December 2004 and 31 December 2003 respectively.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) *Basis of preparation*

The financial statements have been prepared on a historical cost basis and in accordance with Singapore Financial Reporting Standards as required by the Singapore Companies Act, Cap. 50.

The accounting policies applied by the Company are consistent with those used in the previous financial year.

The financial statements are presented in Singapore Dollars ("S\$").

##### (b) *Foreign currency translation*

Transactions in foreign currencies are measured in S\$ and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are measured using the exchange rates ruling at that date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates or, in the case of items carried at fair value, the exchange rates that existed when the values were determined. All resultant exchange differences are recognised in the profit and loss account.

Assets and liabilities for foreign entities are translated into S\$ equivalents at exchange rates ruling at balance sheet date. Revenue and expenses are translated at average exchange rates for the year, which approximate the exchange rates at the date of transactions. All resultant exchange differences are taken directly to foreign currency translation reserve, a separate component of equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the profit and loss account as a component of the gain or loss on disposal.



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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (c) *Principles of consolidation*

The consolidated financial statements comprise the financial statements of the company and its subsidiaries, after the elimination of all material intragroup transactions and balances, and resulting unrealised profits. Unrealised losses resulting from intragroup transactions are also eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which the group ceases to have control of the subsidiaries. Acquisitions of subsidiaries are accounted for using the purchase method of accounting.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

### (d) *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :

#### *Rendering of systems integration services*

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.

In the previous financial year, it was disclosed that revenue is recognised by reference to the stage of completion of the project activity at the balance sheet date, when the outcome of the project can be estimated reliably. The directors have reviewed the description of this policy and are of the opinion that the preceding paragraph reflects more appropriately the policy of the Group.

#### *Sales of goods*

Revenue are recognised upon the transfer of risk and rewards of ownership of the goods to the customers which generally coincide with their delivery and acceptance.

#### *Maintenance revenue*

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.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

---

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (e) *Employee benefits*

#### *Pensions*

The Group makes contributions to state pension scheme. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

#### *Employee leave entitlement*

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

### (f) *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. All items of plant and equipment are initially recorded at cost.

The initial cost of plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price. Expenditure incurred after the plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the profit and loss account in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of plant and equipment.

Depreciation is calculated on the straight-line basis over the estimated useful life of the asset as follows :

Furnitures	-	5 years
Fittings	-	2 years
Office equipment	-	5 years
Computers	-	3 years
Telephones	-	5 years
Software	-	3 years
Motor vehicle	-	10 years
Demo equipment	-	2 years

The useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of plant and equipment.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

---

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) *Subsidiaries*

A subsidiary is a company in which the Group, directly or indirectly holds more than 50% of issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less any impairment losses.

### (h) *Stocks*

Stocks consist of voice, video and data communication equipment.

Stocks are valued at the lower of cost (determined on a weighted average basis) and net realisable value. The costs of stocks comprise the purchase price, import and other taxes, handling and other costs directly attributable to the acquisitions of the goods.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales. Provision is made for damaged, obsolete and slow-moving items.

### (i) *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.

Contract-in-progress is stated at costs less progress billings received or receivable. Costs include cost of equipment and software purchased for the projects, subcontracting costs and other direct expenses attributable to the project activity. When it is probable that expected total project costs will exceed the expected total project revenue, a provision for expected loss on the project is recognised as an expense immediately.

Where project costs incurred to date less any expected losses exceed progress billings, the surplus is presented as "Excess of costs incurred over progress billings" (as a current asset). Where progress billings exceed project costs incurred to date less any expected losses, the surplus is classified as "Excess of progress billings over work-in-progress" (as a current liability).

### (j) *Trade and other receivables*

Trade receivables, which generally have been granted on between 30 - 90 days credit terms, are recognised and carried at original invoice amount less allowance for any uncollectible amounts. Trade receivables are classified as non-current assets when they are due after 12 months from the balance sheet date. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as identified.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

---

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

For the purposes of consolidated cashflow statement, cash and cash equivalents are shown net of outstanding bank overdrafts, which are repayable on demand and which form an integral part of the cash management of the Group, and restricted cash.

### (l) *Trade and other payables*

Liabilities for trade and other amounts payable, which are normally settled on 30 to 90 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Trade payables are classified as non-current liabilities when they are due after 12 months from the balance sheet date.

### (m) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### (n) *Leases*

#### *Finance lease*

Finance leases, which effectively transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at amounts equal, at the inception of the lease, to the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. Finance charges are charged directly to the profit and loss account.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

#### *Operating lease*

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Lease payable under operating leases are recognised as an expense in the profit and loss account as incurred.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

---

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (o) *Income taxes*

Deferred income tax is provided, using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries except where timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unabsorbed capital allowances, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the balance sheet date.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

### (p) *Borrowing costs*

Borrowing costs are expensed in the profit and loss account in the period in which they are incurred.

### (q) *Impairment of assets*

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset in prior years.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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### 3. TOTAL COSTS AND OPERATING EXPENSES

	Group	
	2004 S\$	2003 S\$
Total costs and operating expenses include :		
Auditors' remuneration	30,282	21,239
Defined contribution pension plans	161,169	223,699
Directors' remuneration	474,841	396,345
Executive officers' remuneration	700,850	480,200
Loss on disposals of plant and equipment	1,515	–
Expensed assets	1,065	2,090
Operating leases – offices	171,170	149,554
	<u>171,170</u>	<u>149,554</u>

### 4. FINANCE COSTS

	Group	
	2004 S\$	2003 S\$
Interest expense on bank loans and bank overdraft	49,094	1,966
Finance charges on finance lease liabilities	3,492	6,157
	<u>52,586</u>	<u>8,123</u>

### 5. INCOME TAX

Major components of income tax expense for the years ended 31 December were :

Current	875,000	126,000
Deferred (Note 21)	(2,000)	(10,238)
	<u>873,000</u>	<u>115,762</u>
Current year tax expense	873,000	115,762
Under/(over) provision in respect of previous year		
- current	(56,000)	8,564
- deferred (Note 21)	22,430	(8,000)
	<u>839,430</u>	<u>116,326</u>

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

##### 5. INCOME TAX (continued)

A reconciliation between the income tax expense and profit before income multiplied by the applicable tax rates for the years ended 31 December was as follows :

Profit before income tax	4,114,226	486,894
Tax at 20% (2003 : 22%)	822,845	107,117
<i>Adjustments for tax effect of :</i>		
Expenses not deductible for tax purposes	9,759	8,395
Statutory stepped income exemption	(10,500)	(11,550)
Change in tax rate on deferred tax liabilities	(6,119)	–
Double tax deduction	–	(1,780)
Difference of tax rates of other countries	(18,230)	(556)
Tax losses of overseas subsidiaries not available for set-off	48,832	7,492
Deferred tax assets not recognised	5,413	–
Others	21,000	6,644
Current year tax expense	873,000	115,762

##### 6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Fully diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of dilutive options.

The following reflects the income and share data used in the basic and fully diluted earnings per share computations for the years ended 31 December :

	<b>Group</b>	
	<b>2004</b>	<b>2003</b>
	S\$	S\$
Net profit attributable to ordinary shareholders for basic and fully diluted earnings per share	3,333,996	378,177
Weighted average number of ordinary shares on issue applicable to basic earnings per share	24,080,210	17,626,399
Effect of dilutive share options	–	–
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	24,080,210	17,626,399

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

**APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2004 AND THE RELATED AUDITORS' REPORT**

**NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004**

**7. PLANT AND EQUIPMENT - GROUP**

Cost	Office equipment S\$	Computers S\$	Telephones S\$	Softwares S\$	Motor vehicle S\$	Demo equipment S\$	Furniture S\$	Fittings S\$	Capital work- in-progress S\$	Total S\$
Balance at 1.1.04	50,738	135,696	5,730	33,610	56,000	170,535	70,765	117,012	69,615	709,701
Addition	21,797	24,314	659	1,668	–	50,075	5,922	2,771	5,700	112,906
Reclassification	–	–	–	67,415	–	–	–	–	(67,415)	–
Disposals	(600)	(3,947)	–	–	–	(1,008)	–	–	(7,900)	(13,455)
Foreign currency translation	(1,057)	(799)	(24)	(60)	–	(1,479)	(414)	(1,006)	–	(4,839)
Balance at 31.12.04	70,878	155,264	6,365	102,633	56,000	218,123	76,273	118,777	–	804,313
Accumulated depreciation										
Balance at 1.1.04	13,425	57,142	1,147	16,036	9,333	42,827	18,790	79,324	–	238,024
Charge for the year	17,364	51,130	1,295	22,513	5,600	89,699	15,586	29,919	–	233,106
Disposals	(290)	(2,741)	–	–	–	(168)	–	–	–	(3,199)
Foreign currency translation	(252)	(211)	(5)	(2)	–	(86)	(76)	(260)	–	(892)
Balance at 31.12.04	30,247	105,320	2,437	38,547	14,933	132,272	34,300	108,983	–	467,039
Charge for 2003	8,727	40,235	910	11,077	5,600	42,522	13,161	56,496	–	178,728
Net book value As at 31.12.04	40,631	49,944	3,928	64,086	41,067	85,851	41,973	9,794	–	337,274
As at 31.12.03	37,313	78,554	4,583	17,574	46,667	127,708	51,975	37,688	69,615	471,677

As at 31 December 2004, the net book value of plant and equipment held under finance leases was S\$49,532 (2003 : S\$85,448).



## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

#### 8. DEFERRED EXPENDITURE

This represents a portion of the total expenses to be incurred in connection with the initial public offering of the ordinary shares of the Company.

#### 9. INVESTMENTS IN SUBSIDIARIES

	Company 2004 S\$	2003 S\$
Unlisted shares, at cost	4,350,000	4,350,000

Name	Principal activities	Country of incorporation	Cost		Equity interest	
			2004 S\$	2003 S\$	2004 %	2003 %
<i>Held by the Company</i> * Ntegrator Pte Ltd	Engaging in system integration of voice, video and data communication networks	Singapore	<u>4,350,000</u>	<u>4,350,000</u>	100	100
<i>Held by Ntegrator Pte Ltd</i> **Ntegrator Philippines Inc	To provide system integration services and sale of voice, video and data communication equipment networks, the provision of maintenance and support services, and project management services for network infrastructure.	Philippines			60	60
# Ntegrator Sdn Bhd	To provide system integration services and sale of voice, video and data communication equipment and networks, the provision of maintenance and support services, and project management services for network infrastructure.	Malaysia			60	60

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

#### 9. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Principal activities	Country of incorporation	Cost		Equity interest	
			2004 S\$	2003 S\$	2004 %	2003 %
@Ntegrator (Thailand) Limited	To provide system integration services and sale of voice, video and data communication equipment and networks, the provision of maintenance and support services, and project management services for network infrastructure.	Thailand			60	–

\* Audited by Ernst & Young, Singapore

\*\* Audited by Punongbayan & Araullo, Certified Public Accountants, Philippines

# Audited by Mohd Noor & Associates, Chartered Accountants, Malaysia

@ The subsidiary was incorporated on 18 November 2004 and had remained dormant. There is no statutory audit requirement for the period from 18 November 2004 to 31 December 2004.

#### 10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2004 S\$	2003 S\$	2004 S\$	2003 S\$
Cash on hand	557	18	–	–
Cash at banks	5,146,645	1,780,517	34,254	8
	5,147,202	1,780,535	34,254	8
Fixed deposits	964,008	1,024,716	–	–
Less : Restricted cash classified as non-current assets	(964,008)	(844,500)	–	–
	–	180,216	–	–
	5,147,202	1,960,751	34,254	8
Bank overdrafts (Note 20)	(999,663)	–	–	–
	4,147,539	1,960,751	34,254	8

Restricted cash represents the amount of fixed deposits pledged with financial institutions as securities for credit facilities granted to the Group.

Fixed deposits are placed for varying periods of between four and twelve months depending on the immediate cash requirements of the Group, and earn interest at rates between 0.25% and 1.25% (2003 : 0.25% and 1.375%) per annum.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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#### 11. STOCKS

Included in stocks are items amounting to S\$170,343 (2003 : S\$Nil) which the Group has purchased after orders have been received from its customers.

#### 12. CONTRACT WORK-IN-PROGRESS

	<b>Group</b>	
	<b>2004</b>	<b>2003</b>
	S\$	S\$
Cost incurred to date	175,541	1,387,044
Less : Progress billings	(1,596)	(18,621)
	<u>173,945</u>	<u>1,368,423</u>
Comprising :		
Excess of costs incurred over progress billings	174,858	1,386,770
Excess of progress billings over costs incurred	(913)	(18,347)
	<u>173,945</u>	<u>1,368,423</u>

#### 13. TRADE RECEIVABLES

Trade receivables	6,176,392	6,031,073
Retention sums	41,863	244,271
Bill receivables	7,790,289	3,111,636
Less : Amount classified as non-current assets	(5,235,650)	–
	<u>2,554,639</u>	<u>3,111,636</u>
	<u>8,772,894</u>	<u>9,386,980</u>

Bills receivable relate to irrevocable letters of credit issued in favour of the Group by financial institutions on behalf of the customers for goods and services supplied by the Group.

The bill receivables as at 31 December 2004 arose from two projects completed during the financial year for an overseas customer who had arranged for a financial institution in its country to issue irrevocable letters of credit in favour of the Group for the settlement of the projects. The total amount is to be settled over a three-year period with effect from October 2005.

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

#### 14 OTHER RECEIVABLES

	Group		Company	
	2004	2003	2004	2003
	S\$	S\$	S\$	S\$
Advance payments for project costs	151,295	–	–	–
Deposits	49,172	57,698	–	–
Prepayments	73,197	65,710	–	–
Staff advances	39,568	33,500	–	–
Others	32,320	24,165	–	–
	<u>345,552</u>	<u>181,073</u>	<u>–</u>	<u>–</u>

The staff advances are made for the purpose of overseas business travel.

#### 15. LOAN TO A SUBSIDIARY

The loan to a subsidiary is unsecured, interest-free and has no fixed term of repayment, and expected to be repaid within the next 12 months.

#### 16. TRADE PAYABLES

Trade payables	1,821,085	4,316,738	–	–
Bills payables	4,998,160	1,596,831	–	–
Accrued project costs	3,147,430	2,005,516	–	–
Accrued operating expenses	459,240	343,467	–	2,000
	<u>10,425,915</u>	<u>8,262,552</u>	<u>–</u>	<u>2,000</u>

#### 17. OTHER PAYABLES

A subsidiary	–	–	277,257	–
Accrued initial public offering expenses	132,915	–	132,915	–
Advance payments from customers	554,648	–	–	–
Others	18,939	5,840	–	–
	<u>706,502</u>	<u>5,840</u>	<u>410,172</u>	<u>–</u>

The amount due to a subsidiary is unsecured, interest-free and has no fixed term of repayment and expected to be repaid within the next 12 months.

#### 18. DEFERRED REVENUE

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

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

#### 19. FINANCE LEASE LIABILITIES

The Group purchased certain motor vehicles, computers and software under finance lease agreements which expire over the next five years. The discount rate implicit in the leases ranges from 3.3% to 6.0% (2003 : 3.3% to 6.0%) per annum. Future minimum lease payments under these agreements together with the present value of the net minimum lease payments are as follows : -

	Minimum payments 2004 S\$	Present value of payments 2004 S\$	Minimum payments 2003 S\$	Present value of payments 2003 S\$
Not later than one year	14,845	13,052	30,647	27,158
Later than one year but not later than five years	27,016	24,512	41,861	37,561
Total minimum lease payments	41,861	37,564	72,508	64,719
Less: Amount representing finance charges	(4,297)	–	(7,789)	–
Present value of minimum lease payments	37,564	37,564	64,719	64,719

The finance lease liabilities are secured by a pledge of the assets (Note 6) and guaranteed by a director of the Company.

#### 20. INTEREST BEARING LOANS AND BORROWINGS

	Group 2004 S\$	2003 S\$
Loans from a financial institution	134,405	729,533
Bank overdrafts (Note 10)	999,663	–
Balance at end of financial year	1,134,068	729,533

The loan from a financial institution is secured by a cash deposit amounting to S\$250,000 (2003 : S\$250,000) and is guaranteed by the Company, two directors of the Company and two executive officers of a subsidiary. The loan bears average interest of 5.25% (2003 : 5.25%) per annum and is repayable within the next 12 months.

The bank overdrafts are unsecured but guaranteed by the Company, two directors of the Company and three executive officers of a subsidiary. They bear average interest of 7% per annum (2003 : Nil) and are repayable upon demand.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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#### 21. DEFERRED TAX LIABILITIES

	Group	
	2004 S\$	2003 S\$
Balance at beginning of financial year	12,745	31,000
Foreign currency translation adjustment	(665)	(17)
Under/(over) provision in the previous year	22,430	(8,000)
Write-back for the financial year	(2,000)	(10,238)
	<hr/>	<hr/>
Balance at end of financial year	32,510	12,745
	<hr/>	<hr/>
<b><i>Deferred income tax assets and liabilities :</i></b>		
<i>Deferred tax liabilities</i>		
Excess of net book value over tax written value of plant and equipment	39,990	27,998
Others	19,010	5,200
	<hr/>	<hr/>
	59,000	33,198
<i>Deferred tax assets</i>		
Others	(26,490)	(20,453)
	<hr/>	<hr/>
<i>Net deferred tax liabilities</i>	32,510	12,745
	<hr/>	<hr/>

As at the balance sheet date, the Group has unutilised tax losses and unabsorbed capital allowances of S\$ 86,000 (2003 : Nil) and S\$ 11,000 (2003 : Nil) respectively that are available for offset against future taxable profits of a subsidiary in which the losses and capital allowance arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of the country in which the subsidiary operates.

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

#### 22. SHARE CAPITAL

	Group and Company 2004 S\$	2003 S\$
Authorised :		
Balance at beginning of financial year		
- 10,000,000 (2003 : 2,500,000) ordinary shares of S\$1 each	10,000,000	2,500,000
Increase during the financial year :		
- Nil (2003 : 7,500,000) ordinary shares of S\$1 each	—	7,500,000
	<u>10,000,000</u>	<u>10,000,000</u>
Sub-division of one ordinary share of S\$1 each into 10 ordinary shares of S\$0.10 each	—	—
	<u>—</u>	<u>—</u>
Balance at end of financial year		
100,000,000 ordinary shares of S\$0.10 each (2003 : 10,000,000 ordinary shares of S\$1 each)	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully-paid :		
Balance at beginning of financial year		
- 2,408,021 (2003 : 1,200,000) ordinary shares of S\$1 each	2,408,021	1,200,000
Movement during the financial year		
- Issued during the financial year		
Nil (2003; 1,208,021) ordinary shares of S\$1 each at S\$2.68 per share for cash to provide for additional working capital	—	1,208,021
Sub-division of one ordinary share of S\$1 each into 10 ordinary shares of S\$0.10 each	—	—
	<u>—</u>	<u>—</u>
Balance at end of financial year		
- 24,080,210 shares of S\$0.10 each (2003: 2,408,021 ordinary shares of S\$1 each)	<u>2,408,021</u>	<u>2,408,021</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The Company has a Share Option Scheme for granting of options to its full-time employees, directors and consultants of the Company and each subsidiary of the Company. The total number of ordinary shares over which the Company may grant under the Share Option Scheme shall not exceed 20% of the issued share capital of 24,080,210 ordinary shares of S\$0.10 each.

The options shall be granted for a term of three years to purchase the ordinary shares of the Company at a price determined solely at the discretion of the Compensation Committee, which is set up to administer the Share Option Scheme. The options will vest and become exercisable beginning on the first anniversary of the date of grant. In the event of an initial public offering of the ordinary shares, takeover or trade sale of the Company, the options granted will become exercisable in full prior to these events. Any options which are not exercised shall lapse automatically and become null and void.

## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

#### 22. SHARE CAPITAL (continued)

On 26 April 2004, a total of 900,000, 1,200,000 and 777,333 options were granted to directors, executive officers and employees of the Company and subsidiaries at an exercisable price of S\$0.268 per share. The Compensation Committee of the Company has determined that the date of grant for these options is fixed on 14 January 2003.

On 22 October 2004, a total of 1,200,000, 1,050,000 and 860,000 options were granted to directors, executive officers and employees of the Company and subsidiaries at an exercisable price of S\$0.268 per share.

No options were exercised as at the date of these financial statements.

#### 23. RESERVES

	Company	
	2004 S\$	2003 S\$
<i>Share premium</i>		
Balance at beginning of financial year	2,029,477	–
Premium of Nil (2003 : S\$1.68) per share on Nil (2003 : 1,208,021) ordinary shares of S\$1 each issued during the financial period (Note 22)	–	2,029,477
	2,029,477	2,029,477
Balance at end of financial year	2,029,477	2,029,477
<i>Accumulated losses</i>		
Balance at beginning of financial year	(52,489)	(26,150)
Loss for the financial year	(27,065)	(26,340)
	(79,554)	(52,490)
Balance at end of financial year	(79,554)	(52,490)

The application of the share premium account is governed by Section 69 to 69F of the Singapore Companies Act, Cap 50.

Details of the reserves of the Group are shown in the consolidated statement of changes in equity.



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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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#### 24. COMMITMENTS

##### *Operating lease commitments*

The Group has entered into a commercial property lease for its office. The lease has remaining non-cancellable terms of 17 (2003 : 4) months.

Future minimum lease payments under the non-cancellable leases are as follows as at 31 December :

	Group	
	2004 S\$	2003 S\$
Not later than one year	158,509	69,426
Later than one year but not later than five years	55,713	18,086
	214,222	87,512

##### *Other commitments*

On 15 November 2003, Ntegrator Philippines Inc, a subsidiary, entered into an “nPower Partner Reseller” Agreement (the “Agreement”) with Nortel Networks Singapore Pte Ltd. Under the Agreement, Ntegrator Philippines Inc is granted by Nortel Network a personal, non-transferable and non-exclusive right to purchase software and hardware equipment from Nortel Networks for resale to end users in the Philippines and the right to use the “solutions by Nortel Networks” logo trademark in support of the sale of the equipment. The agreement is renewable upon mutual consent of both parties.

#### 25. RELATED PARTY DISCLOSURE

Certain directors of the Company and a subsidiary have provided personal guarantees to various financial institutions to secure banking facilities for the Group which include letters of credits and revolving loan and bank overdraft facilities. As at 31 December 2004, the amount of guarantees totalled S\$26,570,000 (2003 : S\$11,183,000).

#### 26. SEGMENT INFORMATION

The primary reporting format of the Group is business segment and its secondary format is geographical segment. 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 mainly comprise corporate assets and expenses. No disclosures of capital expenditure and depreciation of plant and equipment by business segments are made as the directors do not consider the information would be meaningful.

In determining the geographical segment of the Group, revenues are attributed to the segments based on the location of the customers, and the assets and capital expenditure are attributed to segments based on the location of the assets.

Segment accounting policies are the same as the policies of the Group as described in Note 2.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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#### 26. SEGMENT INFORMATION (continued)

The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that serves different markets. Summary details of the business segments are as follows:

- (a) the network infrastructure 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. The type of information transmitted can be voice, data and/or video.
- (b) the voice communication systems segments provides the customers with seamless integration of a wide variety of voice and data signals used in large institutional telecom applications.
- (c) the project management and maintenance service segment provide installation and implementation services of the network infrastructure or voice communication systems that have been purchased by the customers from our principals, and maintenance and support services mainly for the network infrastructure and voice communication systems.

**APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2004 AND THE RELATED AUDITORS' REPORT**

**NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004**

**26. SEGMENT INFORMATION (continued)**

**Business segment**

	<b>Network Infrastructure Projects</b>		<b>Voice Communication Systems</b>		<b>Project Management &amp; Maintenance Services</b>		<b>Consolidated</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Segment revenue								
Sales to external customers	21,414,510	10,438,514	8,503,946	9,859,967	1,649,023	1,421,595	31,567,479	21,720,076
Unallocated revenue							83,694	10,233
Total revenue							31,651,173	21,730,309
Segment result	6,834,118	3,046,801	1,104,760	832,116	862,800	893,117	8,801,678	4,772,034
Unallocated expenses							(4,634,867)	(4,277,017)
Operating profit							4,166,811	495,017
Finance costs							(52,586)	(8,123)
Profit before income tax							4,114,225	486,894
Income tax							(839,430)	(116,326)
Profit after income tax							3,274,795	370,568
and before minority interest								
Minority interests, net of income tax							59,201	7,609
Net profit for the financial year							3,333,996	378,177

**APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2004 AND THE RELATED AUDITORS' REPORT**

**NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004**

**26. SEGMENT INFORMATION (CONT'D)**

**Business segment (cont'd)**

	<b>Network Infrastructure Projects</b>		<b>Voice Communication Systems</b>		<b>Project Management &amp; Maintenance Services</b>		<b>Consolidated</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Segment assets	13,070,672	5,855,592	1,238,594	4,472,320	212,984	922,491	14,522,250	11,250,403
Unallocated assets	–	–	–	–	–	–	7,289,977	3,458,001
<b>Total assets</b>	<b>13,070,672</b>	<b>5,855,592</b>	<b>1,238,594</b>	<b>4,472,320</b>	<b>212,984</b>	<b>922,491</b>	<b>21,812,227</b>	<b>14,708,404</b>
Segment liabilities	7,995,594	4,767,537	2,199,851	3,160,287	561,532	395,406	10,756,977	8,323,230
Unallocated liabilities	–	–	–	–	–	–	2,540,154	1,124,632
<b>Total liabilities</b>	<b>7,995,594</b>	<b>4,767,537</b>	<b>2,199,851</b>	<b>3,160,287</b>	<b>561,532</b>	<b>395,406</b>	<b>13,297,131</b>	<b>9,447,862</b>

**APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY  
FOR FY2004 AND THE RELATED AUDITORS' REPORT**

**NTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004**

**26. SEGMENT INFORMATION (CONT'D)**

**Geographic segments**

	<b>Singapore</b>		<b>Myanmar</b>		<b>Vietnam</b>		<b>Others</b>		<b>Consolidated</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Segment revenue										
Sales to external customers	11,027,335	11,997,167	8,488,068	5,266,126	10,223,192	3,693,780	1,828,884	763,003	31,567,479	21,720,076
Other geographical information :										
	<b>Singapore</b>		<b>Myanmar</b>		<b>Vietnam</b>		<b>Others</b>		<b>Consolidated</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Segment assets	21,394,761	14,241,254	-	-	-	-	417,467	467,150	21,812,228	14,708,404
Capital expenditure	33,591	264,930	-	-	-	-	79,315	31,559	112,906	296,489

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

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### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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#### 27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group, in its normal course of business, is exposed to market risk, including primarily credit risk, changes in interest rates and currency exchange rates arising from changing business and market conditions. The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risk. The Group does not hold or issue derivative financial instruments for trading purposes. The policies are as follows:

##### *Credit risk*

Credit risk arises from the failure of a customer or counter party to settle their financial and contractual obligations to the Group as and when they fall due resulting in a loss. The management monitors exposure to credit risk on an ongoing basis and performs credit evaluations on customers requiring credit. The Group usually does not require collateral from its customers. Cash term, advance payments and letters of credits are required from customers considered to be of high credit risks.

The Group's maximum exposure to credit risk in the event the counter parties fail to perform their obligations as at 31 December 2004 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet.

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group has a concentration of credit risk in a financial institution in a foreign country which has issued irrevocable letters of credit in favour of the Group. As at 31 December 2004, such letters of credit, which are classified as bills receivables, amounted to S\$ 7,790,289 (2003: Nil) and it represented 56% of the total trade receivables of the Group. Except for the foregoing, the Group's portfolio of financial instruments is broadly diversified along industry, product and geographic lines, and transactions are entered into with diverse creditworthy counter parties, thereby mitigating any significant concentration of credit risk.

##### *Interest rate risk*

The Group's exposure to market risk for changes in interest rates relates mainly to its surplus funds placed with banks and debt obligations.

Surplus funds are placed in fixed deposits with reputable banks which yield better returns than cash at bank. The deposits generally have short-term maturities so as to provide the Group with the flexibility to meet working capital and capital investment needs.

The Group's borrowings, which are exposed to interest rates risk arising from changing market conditions are kept at a minimum level. It is the Group's policy to obtain the most favourable interest rate borrowings available.

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## APPENDIX C – CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR FY2004 AND THE RELATED AUDITORS' REPORT

---

### INTEGRATOR INTERNATIONAL PTE LTD AND SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2004

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#### 27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

##### *Liquidity risk*

Liquidity risk arises in the general funding of the Group's trading activities. It includes the risks of not being able to fund trading activities at settlement dates and liquidate positions in a timely manner at a reasonable price.

The management manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's business operations and development activities. The Group obtains additional funding through bank borrowings and finance lease arrangements.

##### *Foreign currency risk*

The Group provides its services and sells goods in several countries and, as a result, is exposed to movements in foreign currency exchange rates. The management manages the foreign currency risks by monitoring the timing of the inception and settlement of foreign currency transactions and ensuring the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances.

##### *Fair values*

Except for non-current trade receivables and payables, the carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, and short-term loans approximate their fair values due to their short-term nature.

It is not practicable to determine, with sufficient reliability, the fair value of non-current trade receivables of the Group as at 31 December 2004 as there is no appropriate market discount factor or other methods that could reasonably estimate the fair values readily available.

#### 28. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2004 were authorised for issue in accordance with a resolution of the directors on 8 March 2005.

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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The discussion below provides information about certain provisions of our Memorandum and Articles of Association and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Articles.

The instruments that constitute and define our Company are the Memorandum and Articles of Association of the Company

### Memorandum of Association

The registration number with which our Company was incorporated is (Registration No. 199904281D). Our Memorandum of Association states that the liability of our Shareholders is limited to the amount, if any, for the time being unpaid on the shares respectively held by them. Our Memorandum of Association also sets out the objects for which our Company was formed, including acting as a holding and investment company, and the powers of our Company, including the powers set out in the First Schedule to the Companies Act.

### Articles of Association

The provisions in the Articles of Association of our Company relating to:-

- (a) *a Director's power to vote on a proposal, arrangement or contract in which the Director is interested*

#### *Article 81*

A Director may be party to or be in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefore and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

#### *Article 100*

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (b) *the Director's power to vote on remuneration (including pension or other benefits) for himself or for any other director, and whether the quorum at a meeting of the board of Directors to vote on Directors' remuneration may include the director whose remuneration is the subject of the vote*

#### *Article 77*

The ordinary remuneration of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover and the ordinary remuneration of a non-executive Director shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.



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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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### *Article 78*

Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine, other than by a commission on or percentage of commission or turnover, Provided that such extra remuneration (in case of an executive Director) shall not by way of commission on or a percentage of turnover and (in the case of a non-executive Director) shall be by a fixed sum, and not by a commission on or a percentage of profits or turnover.

### *Article 79*

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

### *Article 80*

The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

- (c) *borrowing powers exercisable by the Directors and how such borrowing powers can be varied*

### *Article 108*

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

- (d) *retirement or non-retirement of Directors under an age limit requirement*

### *Article 89*

At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, Provided that no Director holding office as Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. For the avoidance of doubt, each Director (other than a Director holding office as Managing Director) shall retire at least once every three years.

### *Article 90*

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by ballot. A retiring Director shall be eligible for re-election.

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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### *Article 91*

The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases:-

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
- (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where the default is due to the moving of a resolution in contravention of the next following Article; or
- (d) where such Director has attained any retiring age applicable to him as Director.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

- (e) *the number of shares, if any, required for Director's qualification*

### *Article 76*

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at General Meetings.

- (f) *rights, preferences and restrictions attaching to each class of shares*

### *Article 4*

- (A) Subject to these Articles, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot (with or without conferring a right of renunciation) or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that no shares shall be issued at a discount or options granted over unissued shares except in accordance with the Act.
- (B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
- (C) Except so far as otherwise provided by the conditions of issue or by these Articles, all new shares shall be issued subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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### *Article 8*

- (A) The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum and Articles and the rights attaching to shares of a class other than ordinary shares shall be expressed. In the event of preference shares being issued, the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.
- (B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

### *Article 9*

- (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two or more persons holding at least one-third in nominal value of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.
- (B) The provisions in Article 9(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

### *Article 15*

Every person whose name is entered as a member in the Register of Members shall be entitled, within ten market days (or such period as may be approved by the Designated Stock Exchange) after the closing date of any application of shares or (as the case may be) the date of lodgement of a registrable transfer, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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### *Article 18*

The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.

### *Article 19*

Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

### *Article 20*

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.

### *Article 21*

Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

### *Article 22*

The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

### *Article 23*

The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.

### *Article 33*

All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. An instrument of transfer shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that CDP shall not be required to sign, as transferee, any instrument of transfer relating to any transfer of shares to it during such period as the Directors may think fit. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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### *Article 34*

The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure, as may be required, to the Designated Stock Exchange, stating the period and purpose or purposes for which such closure is made.

### *Article 35*

- (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.
- (B) The Directors may decline to register any instrument of transfer unless:-
- (a) such fee not exceeding \$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
  - (b) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
  - (c) the instrument of transfer is in respect of only one class of shares.

### *Article 42*

A reference to a member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:-

- (a) a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP forty-eight (48) hours before the General Meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the Company, and where a Depositor has apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between two proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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- (b) the payment by the Company to CDP of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;
- (c) the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and
- (d) the provisions in these Articles relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).

### *Article 43*

Except as required by the Statutes or law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these Articles contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

### *Article 64*

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.

### *Article 65*

Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to meetings of the Company.

### *Article 66*

No member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum payable by him to the Company in respect of such shares remains unpaid.

### *Article 67*

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.



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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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(g) *any change in capital*

*Article 10*

The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

*Article 11*

The Company may by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled;
- (c) subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association; so however that the proportion of the amount paid to the amount unpaid (if any) on each sub-divided share is the same as on the original share from which it was derived; and the resolution whereby any share is sub-divided being otherwise permitted to determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred, qualified or other special rights, or be subject to any such restrictions, as the Company has then the authority to attach to unissued or new shares; and/or
- (d) subject to the provisions of the Statutes, convert or exchange any class of shares into or for any other class of shares.

*Article 12*

- (A) The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law.
- (B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes and any other relevant rule, law, regulation or guidelines enacted, promulgated or issued by any relevant competent authority (including the Designated Stock Exchange (if applicable) from time to time (hereafter, the “Relevant Laws”), on such terms and subject to such conditions as the Company may in general meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall be dealt with in accordance with the Relevant Laws.

(h) *any change in the respective rights of the various classes of shares including the action necessary to change the rights*

*Article 9*

- (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third in nominal value of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

- (B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

(i) *dividends and distribution*

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company. Any dividend unclaimed after a period of six (6) years after having been declared may be forfeited and shall revert to the Company but the Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

*Article 123*

The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

*Article 124*

If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

*Article 125*

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.



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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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### *Article 126*

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes or, pursuant to Section 69 of the Companies Act and in the form of stock dividends, out of the share premium account. Any dividend unclaimed after six (6) years from the date of declaration shall be made forfeit and revert to the Company.

### *Article 127*

No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

### *Article 128*

- (A) The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

### *Article 129*

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

### *Article 130*

The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

### *Article 131*

Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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### *Article 132*

If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

### *Article 133*

Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.

- (j) *any limitation on the right to own Shares, including limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights on their Shares*

### *Article 5*

- (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).
- (B) The Company may, notwithstanding Article 5(A) above, authorize the Directors not to offer new shares to members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such members on such terms and conditions as the Company may direct.

### *Article 35*

- (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

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## APPENDIX D – EXTRACTS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

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- (B) The Directors may decline to register any instrument of transfer unless:-
- (a) such fee not exceeding \$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
  - (b) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
  - (c) the instrument of transfer is in respect of only one class of shares.

### *Article 43*

Except as required by the Statutes or law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these Articles contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

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## **APPENDIX E – DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES**

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*The following statements are brief summaries of the rights and privileges of shareholders conferred by the laws of Singapore and the Articles of Association (the “Articles”) of our Company. These statements summarise the material provisions of the Articles but are qualified in entirety by reference to the Articles.*

### **ORDINARY SHARES**

All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

### **NEW SHARES**

New Shares may only be issued with the prior approval in a general meeting of the shareholders of our Company. The aggregate number of Shares to be issued pursuant to such approval may not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being, of which the aggregate number of Shares to be issued other than on a pro-rata basis to our shareholders may not exceed 20% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being. The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued and all new Shares are under the control of the board of Directors who may allot and issue the same with such rights and restrictions as it may think fit.

### **SHAREHOLDERS**

Only persons who are registered in the register of shareholders of our Company and, in cases in which the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the Shares, are recognised as shareholders of our Company. Our Company will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share. We may close the register of shareholders for any time or times if we provide the SGX-ST at least ten clear market days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We typically close the register to determine shareholders' entitlement to receive dividends and other distributions.

### **TRANSFER OF SHARES**

There is no restriction on the transfer of fully paid Shares except where required by law or the listing rules or the rules or by-laws of any stock exchange on which our Company is listed. The board of Directors may decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Shares may be transferred by a duly signed instrument of transfer in a form approved by any stock exchange on which our Company is listed. The board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the Share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if we are properly notified and if the applicant pays a fee which will not exceed \$2.00 and furnishes any evidence and indemnity that the board of Directors may require.

### **GENERAL MEETING OF SHAREHOLDERS**

We are required to hold an annual general meeting every year. The board of Directors may convene an Extraordinary General Meeting whenever it thinks fit and must do so if shareholders representing not less than 10% of the total voting rights of all shareholders request in writing that such a meeting be held. In addition, two or more shareholders holding not less than 10% of our issued share capital may call a meeting. Unless otherwise required by law or by the Articles, voting at general meetings is by ordinary

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## **APPENDIX E – DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES**

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resolution, requiring an affirmative vote of a simple majority of the votes cast at the meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Memorandum of Association and the Articles, a change of the corporate name and a reduction in the share capital, share premium account or capital redemption reserve fund. Our Company must give at least 14 days' notice in writing for every general meeting convened for the purpose of passing an ordinary resolution. Special resolutions generally require at least 21 days' notice in writing. The notice must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

### **VOTING RIGHTS**

A Shareholder is entitled to attend, speak and vote at any general meeting in person or by proxy. Proxies need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in the Articles, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under the Articles, on a show of hands, every Shareholder present in person and by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all shareholders having the right to attend and vote at the meeting or any two shareholders present in person or by proxy and entitled to vote.

### **DIVIDEND**

Our Company may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by the board of Directors. We must pay all dividends out of our profits; however, we may capitalise our share premium account and apply it to pay dividends, if such dividends are satisfied by the issue of Shares to our shareholders, see "Bonus and Rights Issue". The board of Directors may also declare an interim dividend without the approval of our shareholders. All dividends are paid pro rata among our shareholders in proportion to the amount paid up on each shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

### **BONUS AND RIGHTS ISSUES**

The board of Directors may, with approval of our shareholders at a general meeting, capitalise any reserves or profits (including profit or moneys carried and standing to any reserve or to the share premium account) and distribute the same as bonus shares credited as paid-up to our shareholders in proportion to their shareholdings. The board of Directors may also issue rights to take up additional Shares to shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

### **TAKEOVERS**

The SFA and the Singapore Code on Takeovers and Mergers regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting shares in the Company must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Code on Takeovers and Mergers. "Parties acting in concert" include a company and its related and associated

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## **APPENDIX E – DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES**

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companies, a company and its directors (including their relatives), a company and its pension funds, a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, and a financial advisor and its client in respect of shares held by the financial advisor and shares in the client held by funds managed by the financial advisor on a discretionary basis. An offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the preceding 6 months. A mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30% and 50% of the voting rights acquires additional voting shares representing more than 1% of the voting shares in any six month period.

### **LIQUIDATION OR OTHER RETURN OF CAPITAL**

If our Company liquidates or in the event of any other return of capital, holders of Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

### **LIMITATIONS ON RIGHTS TO HOLD OR VOTE SHARES**

Except as described in “Voting Rights” and “Takeovers” above, there are no limitations imposed by Singapore law or by the Articles on the rights of non-resident shareholders to hold or vote Shares.

### **MINORITY RIGHTS**

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations:-

- (a) the affairs of our Company are being conducted or the powers of the board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the shareholders; or
- (b) our Company takes an action, or threatens to take an action, or the shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:-

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of the affairs of our Company in the future;
- (c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority shareholder's Shares by the other shareholders or by our Company and, in the case of a purchase of Shares by our Company, a corresponding reduction of our share capital;
- (e) provide that the Memorandum of Association or the Articles be amended; or
- (f) provide that our Company be wound up.



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## APPENDIX F – DESCRIPTION OF SINGAPORE LAW AND REGULATIONS RELATING TO TAXATION

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*The following discussion is limited to a general description of the material Singapore income tax, stamp duty, estate duty and goods & services tax consequences of the purchase, ownership and disposal of our ordinary shares. The discussion is not intended to constitute a comprehensive or exhaustive analysis of all tax consequences relating to ownership of our ordinary shares. It is also not intended to be and does not constitute legal or tax advice. Prospective purchasers of our ordinary shares should consult their own tax advisors concerning the tax consequences of their particular situations. This description is based on laws, regulations and interpretations now in effect and available in Singapore as of the date of this Prospectus. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of our ordinary shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below.*

### **Singapore Income Tax**

#### *General*

#### **(I) Individual taxpayers**

An individual will be regarded as tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

Generally, Singapore resident individuals are subject to Singapore income tax on:

- i. income accrued in or derived from Singapore; and
- ii. foreign income received or deemed to be received in Singapore from outside Singapore.

With effect from the year of assessment 2005, all foreign-sourced income received in Singapore (except for income received through a partnership in Singapore) by tax resident individuals will be exempt from income tax. In addition, certain Singapore sourced investment income from financial instruments will also be exempt from Singapore income tax.

For a Singapore tax resident individual, the rate of tax will vary according to the individual's chargeable income, subject to the current maximum rate of 22%. In the 2005 Budget, the Minister for Finance announced that the top personal tax rate would be reduced to 21% for the year of assessment 2006 and then 20% for the year of assessment 2007.

Generally, non-Singapore resident individuals are subject to Singapore income tax on income accrued in or derived from Singapore only. Foreign sourced income of such individuals are specifically tax exempt even if remitted into Singapore. The rate of tax applicable to a non-resident individual would depend on the type of income, subject to the current maximum rate of 20%.

#### **(II) Corporate taxpayers**

Generally, Singapore resident companies are subject to Singapore income tax on:

- i. income accrued in or derived from Singapore; and
- ii. foreign-sourced income received or deemed to be received in Singapore from outside Singapore.

A company will be regarded as tax resident in Singapore if the control and management of its business is exercised in Singapore.

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## APPENDIX F – DESCRIPTION OF SINGAPORE LAW AND REGULATIONS RELATING TO TAXATION

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Foreign-sourced income in the form of dividends, branch profits and services income received or deemed to be received in Singapore by resident corporate taxpayers on or after 1 June 2003 will be exempt from tax if certain prescribed conditions are met.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income that is accrued in or derived from Singapore and foreign-sourced income received or deemed to be received in Singapore from outside Singapore.

The corporate tax rate in Singapore is 20% for the year of assessment 2005 (i.e. financial year ended 31 December 2004). The Minister for Finance has announced in the 2005 Budget that the corporate tax rate would remain at the prevailing corporate tax rate of 20%. Three-quarters of up to the first \$10,000, and one-half of up to the next \$90,000, of a company's chargeable income will be exempt from corporate tax. The remaining chargeable income will be taxed at the prevailing corporate tax rate of 20%. The above tax exemption does not apply to Singapore dividends received by companies.

### *Dividend Distributions*

Singapore does not impose withholding tax on dividends paid to Singapore resident or non-Singapore resident shareholders.

With effect from 1 January 2003, Singapore moved into the one-tier corporate tax system. Under this system, the corporate tax payable by a company would constitute a final tax and the company may pay tax exempt (1-tier) dividends to its shareholders subject to the provisions in the Companies Act relating to dividend distribution. The tax exempt (1-tier) dividends are exempt from Singapore tax in the hands of the shareholder (both individual or corporate) regardless of whether the shareholder is a Singapore tax resident or otherwise.

Our company will move to the one-tier corporate tax system when our franking credit is fully utilised or on 1 January 2008, whichever is earlier.

### *Gains on Disposal of Ordinary Shares*

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains. Hence, gains arising from the disposal of shares may be construed to be of an income nature and subject to tax if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore.

Any profits from the disposal of ordinary shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature, in which case, the disposal profits would be taxable.

### **Stamp Duties**

No stamp duty is payable on the issue of new ordinary shares of the Company.

Stamp duty is payable on the instrument of transfer of the ordinary shares of the Company at the rate of \$0.20 for every \$100 or part thereof computed on the actual consideration or the market value of the ordinary shares, whichever is higher. The purchaser is liable for stamp duty, unless otherwise agreed. No stamp duty is payable if no instrument of transfer is executed or if the instrument of transfer is executed outside Singapore. However, stamp duty would be payable if the instrument of transfer which is executed outside Singapore is received in Singapore. The above stamp duty is not applicable to scripless transfers of the ordinary shares through CDP system.



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## APPENDIX G – RULES OF THE NTEGRATOR SHARE OPTION SCHEME

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### 1. Name of Scheme

This Scheme shall be called the “Ntegrator Share Option Scheme”.

### 2. Definitions

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:-

“Act”	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Aggregate Subscription Cost”	The total amount payable for Scheme Shares which may be acquired on the exercise of an Option
“Associate”	shall bear the meaning assigned to it by the Listing Manual of the Singapore Exchange Securities Trading Limited
“Auditors”	The auditors of the Company for the time being
“Board of Directors”	The board of Directors of the Company
“Committee”	The committee comprising the Committee of Directors of the Company appointed by the Board of Directors to administer this Scheme
“Controlling Shareholder”	A person who:-  (a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares in the Company; or  (b) in fact exercises control over the Company
“Date of Grant”	The date on which an Option is granted to an Employee pursuant to Rule 5
“Director”	A Director of the Company for the time being
“Employee”	An employee (including an employee holding a non-managerial position) of the Ntegrator Group including any Controlling Shareholder, Executive Director and Non-Executive Director selected by the Committee to participate in this Scheme in accordance with Rule 5(a) of this Scheme
“Executive Director”	A Director who performs an executive function
“Market Day”	A day on which the Stock Exchange is open for trading in securities
“Market Price”	The average of the last dealt prices per Share determined by reference to the daily official list published by the Stock Exchange for a period of five (5) consecutive market days immediately prior to the relevant Date of Grant provided always that in the case of a market day on which the Shares of the Company are not traded on the Stock Exchange the last dealt price for Shares on such market day shall be deemed to be the last dealt price of the Shares on the immediately preceding market day on which the Shares were traded

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## APPENDIX G – RULES OF THE NTEGRATOR SHARE OPTION SCHEME

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“Ntegrator” or the “Company” Ntegrator International Ltd	a company incorporated in the Republic of Singapore
“Ntegrator Group”	The Company and its Subsidiaries for the time being
“Option Period”	Subject as provided in Rule 7, Rule 9.2 and Rule 12 and any other additional conditions as may be introduced by the Committee from time to time a period commencing the date as provided in Rule 7(a) and expiring at the end of one hundred and twenty (120) months (or sixty (60) months where the Participant is a Non-Executive Director) after such Date of Grant
“Participant”	The holder of an Option
“Performance Criteria”	The performance criteria from time to time approved by the Chairman of the Board of Directors for the determination of the eligibility of Employees to participate in this Scheme
“Rules”	Rules of this Scheme and any reference to a particular Rule shall be construed accordingly
“Scheme”	The Ntegrator Share Option Scheme as the same may be amended from time to time pursuant to the terms and conditions set out herein
“Scheme Shares”	Shares to be issued under this Scheme
“Selected Employee”	An Employee eligible under Rule 5 below and who has been selected by the Committee for the purposes of making an Offer
“Shares”	Fully-paid ordinary shares of par value S\$0.10 each (or such other par value) in the capital of the Company
“Shareholders”	The registered holders of the Shares and in the case of Depositors, Depositors who have shares entered against their names in the Depository Register
“Stock Exchange” or “SGX-ST”	The Singapore Exchange Securities Trading Limited
“Subscription Price”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option as determined in accordance with Rule 9
“Subsidiaries”	The subsidiaries of a company (as defined in Section 5 of the Act) and “Subsidiary” shall be construed accordingly
“\$” and “cents”	Singapore dollars and cents respectively

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively by Section 130A of the Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

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## APPENDIX G – RULES OF THE INTEGRATOR SHARE OPTION SCHEME

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Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in the Scheme shall have the meaning assigned to it under the said Act.

Any reference to a time of a day in this Scheme is a reference to Singapore time.

### 3. Duration of this Scheme

The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date upon which this Scheme is adopted by the shareholders at a general meeting; Provided Always that this Scheme may continue beyond the above stipulated period with the approval of the shareholders by way of an ordinary resolution passed at a general meeting and of any relevant authorities which may then be required.

This Scheme may be terminated at any time by the Committee or by an ordinary resolution passed by the shareholders at a general meeting subject to all other relevant approvals which may be required and if this Scheme is so terminated no further Options shall be offered by the Company hereunder.

The termination or discontinuance or expiry of this Scheme, for any reason, shall not affect Options which have been granted and accepted as provided in Rule 5(g), whether such Options have been exercised (whether fully or partially) or not.

### 4. Limitation on the Size of this Scheme

The total number of Scheme Shares in respect of which Options may be granted on any date, when added to the number of Scheme Shares issued and issuable in respect of all Options granted under the Scheme, shall not exceed fifteen per cent (15%) of the issued share capital of the Company on the day preceding that date.

### 5. Grant of Options

(a) The following persons shall be eligible to participate in this Scheme at the absolute discretion of the Committee:-

(i) confirmed Employees (including confirmed part-time Employees) who have attained the age of twenty-one (21) years and above on or before the Date of Grant and who meet the Performance Criteria, if applicable;

(ii) Controlling Shareholders or his Associate who qualify under (a)(i) above who are selected to participate in this Scheme except that no Option shall be granted to such person unless his participation in this Scheme and the actual number and the terms of the Options (including the Subscription Price) to be granted to him have been approved by the shareholders in separate resolutions for each such person. The resolution for the actual number and terms of options to be granted for each of the Controlling Shareholders and their Associates should also be separate from the resolution for their participation. The following information shall be disclosed in the Circular seeking such approval:-

(a) clear justification or rationale for allowing the participation of the such Controlling Shareholder or his Associate;

(b) clear justification or rationale for the specific grants to be made to such Controlling Shareholder or his Associate; and

(c) the rationale and justification for any discount granted pursuant to Rule 9.2 of the Scheme Shares under the grants made to such Controlling Shareholder or his Associate.

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## APPENDIX G – RULES OF THE INTEGRATOR SHARE OPTION SCHEME

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Such Controlling Shareholder or his Associate shall abstain from voting on the resolution in relation to his participation in this Scheme and the grant of Options to him.

- (b) Any Director (including a Non-Executive Director) or any Employee who has been selected by the Committee shall be eligible to participate in this Scheme Provided That a Director who is a member of the Committee shall not be involved in the Committee's deliberations in respect of Options to be granted to that Director.
- (c) An Employee shall be entitled to participate in more than one share option scheme of the Company or any of its Subsidiaries.
- (d) An Employee shall, at the discretion of the Committee, be entitled to participate in the share option scheme of companies in which he is not principally employed.
- (e) Subject to such adjustment pursuant to Rule 10, the number of Scheme Shares to be offered to an Employee in accordance with this Scheme shall be determined at the absolute discretion of the Committee. In determining the extent of participation of an eligible Employee, the Committee shall take into account criteria such as the seniority of position, performance, length of service and potential for future development of the Employee, subject always to the following limitations:-
  - (i) the total number of Scheme Shares to be offered to Controlling Shareholders and their Associates as a whole under this Scheme shall not exceed twenty-five per cent (25%) of the total number of Scheme Shares;
  - (ii) the total number of Scheme Shares to be offered to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten per cent (10%) of the number of Scheme Shares; and
  - (iii) the maximum number of Scheme Shares in respect of which Options may be granted on any date, when added to the number of Scheme Shares issued and issuable in respect of all Options granted under this Scheme, shall not exceed fifteen per cent (15%) of the issued share capital of the Company on the day preceding the Date of Grant of the Options. The Committee shall exercise its discretion in deciding the number of Scheme Shares to grant to each Employee which will depend on the performance and value of the Employee to the Group and shall have the flexibility in deciding whether to issue Shares up to this prescribed limit.
- (f) Offers may be made at such time as the Committee may determine.

The Letter of Offer to grant the Option shall be in or substantially in the form set out in Appendix I (subject to such modifications as may be made by the Committee from time to time).
- (g) An Option granted to an Employee by the Committee must be accepted by the Employee within fourteen (14) days from the Date of Grant of that Option, and in any event not later than 5.00 p.m. on the fourteenth (14th) day from such Date of Grant, by completing, signing and returning the Acceptance Form in or substantially in the form set out in Appendix II (subject to such modifications as may be made by the Committee from time to time), accompanied by the payment of S\$1.00 as consideration. The Employee may accept or refuse the whole or any part of the offer. The Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and consideration thereof, acknowledge receipt of the same.
- (h) An Option which is granted to a Participant is personal to him and may not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part without the prior written approval of the Committee.

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## APPENDIX G – RULES OF THE NTEGRATOR SHARE OPTION SCHEME

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- (i) Offers shall cease and lapse forthwith automatically and shall no longer be available for acceptance in the following events:-
  - (i) the Offer is not accepted within the time stated therein; or
  - (ii) the death of the Selected Employee prior to his acceptance of the Offer;
  - (iii) the Selected Executive ceases to be in the employment of the Ntegrator Group for any reason whatsoever; or
  - (iv) the liquidation of the Company.
- (j) Failure by the Selected Executive to complete the Company's prescribed Acceptance Form in accordance with its requirements may render invalid the Selected Executive's acceptance of an Offer. Any Acceptance Form received after the closing date shall not be valid. The Offer is deemed not accepted until actual receipt by the Company of the Acceptance form.
- (k) In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claims whatsoever against the Company.

### 6. Administration of Scheme

- (a) This Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of Directors.
- (b) The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of this Scheme as they deem fit.
- (c) Any decision of the Committee, made pursuant to any provisions of this Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to interpretation of this Scheme or any rule, regulation, or procedure thereunder as to any rights under this Scheme).

The Company shall make the following disclosure in its annual report:-

- (i) The names of the members of the Company administering this Scheme;
- (ii) The information required in the table below for the following Participants:-
  - (1) Directors;
  - (2) Participants who are Controlling Shareholders of the Company and their Associates; and
  - (3) Participants, other than those in (1) and (2) above, who receive 5% or more of the total number of Options available under this Scheme.

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of financial year under review	Aggregate Options exercised since commencement of Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

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## APPENDIX G – RULES OF THE NTEGRATOR SHARE OPTION SCHEME

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- (iii) In respect of Options granted at a discount, the following disclosure shall be made:-
  - (1) the number and proportion of Options granted at a discount of ten per cent (10%) or less during the financial year under review; and
  - (2) the number and proportion of Options granted at a discount of more than ten per cent (10%) during the financial year under review.

### 7. Rights to Exercise Option

- (a) A Participant may exercise an Option (other than an Option granted at a discount) in whole or in part:-

Provided Always that an Option shall be exercised before the end of one hundred and twenty (120) months (or sixty (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.

- (b) An Option shall, to the extent unexercised, immediately lapse without any claim against the Company:-
  - (i) subject to Rules 7(c), (d) and (e), upon the Participant ceasing to be in the employment of any member of the Negrator Group for any reason whatsoever; or
  - (ii) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of or interest in such Options; or
  - (iii) in the event of any misconduct on the part of the Participant, as determined by the Committee in its absolute discretion or any breach of any regulation of the Company or Negrator Group, such breach being regarded as serious by the Committee in its absolute discretion.

For the purpose of Rule 7(b)(i) above, a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- (c) If a Participant ceases to be employed by the Negrator Group by reason of ill-health, injury, disability (in each case, as evidenced to the satisfaction of the Committee), redundancy, retirement or for any other reason approved in writing by the Committee, he may, at the discretion of the Committee, but subject to Rule 7(a), exercise any unexercised Option within the period of thirty (30) days after the date of such cessation of employment or before the end of one hundred and twenty (120) months (or sixty (60) months where the Participant is a Non-Executive Director) of the Date of Grant of that Option, whichever is earlier, or such other period as approved by the Committee in writing. Upon expiry of such period, the Option shall lapse.
- (d) If a Participant ceases to be employed by the Negrator Group by reason of the company in which he is principally employed ceasing to be a member of the Negrator Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Negrator Group, provided the Committee gives its consent in writing, he may, at the discretion of the Committee, exercise any unexercised Option(s) within the period of thirty (30) days after the date of such cessation of employment or before the end of one hundred and twenty (120) months (or sixty (60) months where the Participant is a Non-Executive Director) of the Date of Grant of that Option, whichever is earlier, or such other period as approved by the Committee in writing. Upon the expiry of such period, the Option shall lapse.



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## APPENDIX G – RULES OF THE INTEGRATOR SHARE OPTION SCHEME

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Upon the expiry of any Option to which a Participant is entitled (which Option has not been exercised or fully exercised), or upon receipt of an irrevocable notice in writing from a Participant to the effect that he does not wish to exercise his entitlement or balance of his entitlement to any Option granted to and accepted by him, the Company shall forthwith cancel the relevant Option or Options and refund to that Participant all monies (if any) paid under Rule 5(g) without interest, benefit, compensation or other share of revenue (if any) arising from the use of the said monies for the meantime.

- (e) If a Participant dies and at the date of his death the Participant holds any unexercised Option, such Option may at the absolute discretion of the Committee, but subject to Rule 7(a), be exercised by the duly appointed personal representative(s) of the Participant within the period as decided by the Committee after his death or before the end of one hundred and twenty (120) months (or sixty (60) months where the Participant is a Non-Executive Director) of the Date of Grant, whichever is earlier. Upon the expiry of such period, the Option shall lapse.

### 8. Exercise of Options, Allotment and Listing of Shares and Non-Exercise of Options in Certain Situations

#### (A) Exercise of Options, Allotment and Listing of Shares

- (a) An Option may be exercised in multiples of 1,000 Scheme Shares only and may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in the form or substantially in the form set out in Appendix III (subject to such modifications as may be made by the Committee from time to time). Such notice must be accompanied by a remittance for the Aggregate Subscription Cost, the relevant Depository charges and such other documentation as the Committee may require. An Option shall be deemed to be exercised only upon the receipt by the Company of the said notice duly completed and the Aggregate Subscription Cost, the relevant Depository charges and such other documentation as the Committee may require. All payments pursuant to this Clause shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company.
- (b) The Company shall, as soon as practicable after the exercise of an Option allot and issue the relative Scheme Shares to the Participant and shall apply to the Stock Exchange for permission to deal in and for quotation of such Scheme Shares. Scheme Shares which are allotted and issued on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the Participant's name or in the name of the Depository and credited to the securities account of that Participant or that Participant's securities sub-account with a Depository Agent. Subject to such consents or other required action of any competent authority under such regulations or enactments for the time being in force as may be necessary and subject to compliance with the rules of this Scheme and the Memorandum and Articles of Association of the Company, the Company shall, within ten (10) Market Days after the exercise of an Option, allot and issue the relative Scheme Shares and, within five (5) Market Days after the date of such allotment and issue, despatch to the Participant or the Depository (as the case may be) the relative share certificates by ordinary post or such other mode as the Committee may deem fit.
- (c) The Scheme Shares shall be subject to all the provisions of the Articles of Association and shall rank in full for all dividends declared or recommended in respect of the then issued Shares the Record Date of which is on or after the date of the exercise of the Option. The Scheme Shares will rank *pari passu* in all respects with the then issued Shares of the Company. "Record Date" means the date on which Shareholders must be registered in order to participate in any dividends or other distributions or other rights.
- (d) The Company shall maintain sufficient unissued reserved Shares to satisfy the exercise in full of all Options for the time being remaining capable of being exercised.

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## APPENDIX G – RULES OF THE NTEGRATOR SHARE OPTION SCHEME

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(B) Non-exercise of Options in Certain Situations

Upon the expiry of any Option to which a Participant is entitled (which Option has not been exercised or fully exercised), or upon receipt of an irrevocable notice in writing from a Participant to the effect that he does not wish to exercise his entitlement or balance of his entitlement to any Option granted to and accepted by him, the Company shall forthwith cancel the relevant Option or Options and refund to that Participant all monies (if any) paid under Rule 5(g) without interest, benefit, compensation or other share of revenue (if any) arising from the use of the said monies for the meantime.

### 9. Determination of Subscription Price

9.1 Subject to the provisions of Rules 9.2 and 10 below, the Subscription Price per Share to be paid by way of subscription upon exercise of an Option shall be equal to the Market Price.

9.2 The Subscription Price of the Options may, at the discretion of the Committee, be set at such discount as may be determined by the Committee, subject to the following conditions:-

- (i) the maximum discount shall not be at a discount rate exceeding twenty per cent (20%) of the Market Price;
- (ii) the Committee shall exercise any decision to offer Options with an exercise price set at a discount in good faith and only when circumstances require;
- (iii) if and only if the Committee verily believes that the discount and the quantum thereof would be in furtherance of the core objectives of this Scheme and would be in the best interests of the Company and the prevailing market conditions. In making any determination as to the actual discount applicable to any Option, the Committee shall take into account such criteria as the Committee may, in its absolute discretion, deem appropriate, in particular:-
  - (1) the performance of the Company and its Subsidiaries, on the basis of the Ntegrator Group's sales, revenues, profit and/or any other financial parameters as the Committee may, in its absolute discretion, deem appropriate;
  - (2) the individual performance of the Participant, his effectiveness and contribution to the success and development of the Ntegrator Group; and/or
  - (3) the potential for future development of the Participant to the success and development of the Ntegrator Group; and
- (vi) the Options may only be exercised in whole or in part after two (2) years from the Date of Grant.

Provided Always that such Option shall be exercised before the end of one hundred and twenty (120) months (or sixty (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.

9.3 In addition to the fulfilment of the above conditions, in the event the Committee decides to offer any discount to the exercise price of Options granted to the Controlling Shareholder(s) or his Associate, the amount of the discount and the specific Subscription Price of the Options shall be approved by independent Shareholders in separate resolutions for each such person by the Company in general meeting.



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## APPENDIX G – RULES OF THE INTEGRATOR SHARE OPTION SCHEME

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### 10. Variation of Capital

- (a) If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, sub-division or consolidation of Shares or distribution) shall take place or if there is an offer or invitation made by the Company to Shareholders whereunder they may acquire rights to acquire or subscribe for Shares, then:-

- (i) the Subscription Price;
- (ii) the nominal value, class and/or number of Scheme Shares comprised in an Option to the extent unexercised; and/or
- (iii) the nominal value, class and/or number of Scheme Shares over which additional Options may be granted to the Participants;

may be adjusted in such manner as the Committee may determine to be appropriate, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators) that in their opinion, such adjustment is fair and reasonable.

- (b) Notwithstanding the provisions of Rule 10(a) above, no such adjustment shall be made if, as a result:-

- (i) the Subscription Price shall fall below the nominal value of a Share (in which event the Subscription Price shall be the nominal value of a Share) unless the Committee, after considering all relevant circumstances, considers it just and equitable to do so; and/or
- (ii) a Participant will not receive a benefit that a Shareholder does not receive.

- (c) The issue of securities as consideration for an acquisition will not be regarded as a circumstance requiring adjustment. In addition, the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on SGX-ST during the period when a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force shall not be regarded as a circumstance requiring adjustment.

Upon any adjustment made pursuant to this Rule 10, the Company shall notify the Participants (or their duly appointed legal personal representatives) in writing of the Subscription Price thereafter in effect and the nominal value, class and/or number of Scheme Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being despatched.

### 11. Alteration of this Scheme

Subject to the Rules, this Scheme may be modified or amended in any respect by a resolution of the Committee except that:-

- (a) no modification or amendment shall alter adversely the rights attaching to any Options granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in nominal amount of all the Scheme Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;
- (b) the definitions of “Committee”, “Employee”, “Option Period”, “Participant”, “Subscription Price” and the provisions of Rules 4, 5(a), 5(b), 5(c), 5(d), 5(e), 5(f), 6, 7, 8(A)(c), 8(A)(d), 9, 10 and this Rule 11 shall not be altered to the advantage of Participants except with the prior sanction of the Shareholders at a general meeting; and

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## APPENDIX G – RULES OF THE INTEGRATOR SHARE OPTION SCHEME

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- (c) no modification or amendment shall be made without the prior approval of the Stock Exchange and/or any other relevant competent regulatory authorities.

Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

Shareholders who are eligible to participate in this Scheme must abstain from voting on any resolution relating to this Scheme (other than a resolution relating to the participation of, or grant of, Options to, directors and employees of the Company's Subsidiaries).

Directors and employees of the Subsidiaries of the Company, who are also Shareholders and are eligible to participate in this Scheme must abstain from voting on any resolution relating to the participation of, or grant of Options to, directors and employees of the Subsidiaries of the Company.

### 12. Take-over and Winding Up of the Company

- (a) In the event of a take-over offer being made for the Company, a Participant holding an Option shall, subject to Rule 7, Rule 9.2 and Rule 12(e), be entitled within six (6) months of the date on which such offer is made or, if such offer is conditional, within six (6) months of the date on which the offer becomes or is declared unconditional (but not after the expiry of the Option Period relating thereto), to exercise in full or in part any Option as yet unexercised. However, if during such period of six (6) months, a party becomes entitled or bound to exercise rights of compulsory acquisition of the Shares under the provisions of any applicable law and gives notice to the Participant that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse unless the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, subject to Rule 7, Rule 9.2 and Rule 12(e), remain exercisable until the expiry of the Option Period relating thereto.

For the avoidance of doubt, the provisions of this Rule 12(a) shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

- (b) If under any applicable law, the court sanctions a compromise or arrangement, proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, subject to Rule 7, Rule 9.2 and Rule 12(e), to exercise any Option then held by him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which it becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon the Option shall automatically lapse and so thereafter become null and void.
- (c) In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction) of the Company, the Participant shall be entitled within thirty (30) days of the passing of the resolution of such winding-up (but in any event prior to the expiration of the Option Period relating thereto) to exercise in full any unexercised Option, after which such unexercised Option shall, subject to Rules 7, 9.2 and 12(e), lapse and become null and void.
- (d) If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall automatically lapse and thereafter be null and void.

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## **APPENDIX G – RULES OF THE INTEGRATOR SHARE OPTION SCHEME**

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- (e) If in connection with the making of a general offer referred to in Rule 12(a) or the scheme referred to in Rule 12(b) or the winding up referred to in Rule 12(c), arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercised, shall not, except at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 12.
- (f) To the extent that an Option is not exercised within the periods referred to in this Rule 12, it shall lapse.

### **13. Rights and Obligations of Executives as Employees Unaffected**

The terms of employment of a Participant shall not be affected by his participation in this Scheme which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of such Participant's employment for any reason.

### **14. Notices**

- (a) Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.
- (b) Participants shall be entitled to receive copies of all notices, reports and accounts of the Company sent to Shareholders. Such notices or documents required to be given to a Participant shall be delivered to him by hand or sent to him at his home address according to the records of the Company and if delivered personally, shall be deemed to have been given on the date of delivery and if sent by post, shall be deemed to have been given on the day following the date of posting.

### **15. Taxes**

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under this Scheme shall be borne by that Participant.

### **16. Costs and Expenses of Scheme**

- (a) Each Participant shall be responsible for all fees of the Depository relating to or in connection with the issue and allotment of any Scheme Shares, the deposit of share certificate(s) with the Depository, the Participant's securities account with Depository, or the Participant's securities sub-account with a Depository Agent (collectively, the "Depository Charges").
- (b) Save for the taxes referred to in Rule 15 and the fees referred to in Rule 16(a), all fees, costs and expenses incurred by the Company in relation to this Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment of the Shares of the Company pursuant to the exercise of any Option shall be borne by the Company.

### **17. Disputes**

Any disputes or differences of any nature arising thereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

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## **APPENDIX G – RULES OF THE INTEGRATOR SHARE OPTION SCHEME**

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### **18. Disclaimer of Liability**

Notwithstanding any provisions contained herein and subject to applicable laws, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Scheme Shares or procuring the listing of the Scheme Shares on the Stock Exchange in accordance with Rule 8A(b) (and any other stock exchange on which the Shares are quoted or listed).

### **19. Condition of Option**

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in the jurisdiction of Singapore or any other relevant country.

### **20. Governing Law**

This Scheme shall be governed by and construed in accordance with the laws of Singapore. The Participants, by accepting Options in accordance with this Scheme, and the Company irrevocably submit to the exclusive jurisdiction of the courts of Singapore.

**NTEGRATOR  
SHARE OPTION SCHEME**

**LETTER OF OFFER**

**Private & Confidential**

Serial No. \_\_\_\_\_

Date: \_\_\_\_\_

To: Name  
Designation  
Address

Dear Sir/Madam

We have the pleasure of informing you that you have been nominated by the Committee of Directors of NTEGRATOR International Limited (the “Company”) to participate in the NTEGRATOR Share Option Scheme (the “Scheme”).

Accordingly, an offer is hereby made to grant you an Option (as defined in the Scheme), in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted \_\_\_\_\_ ordinary shares of S\$[●] each in the issued and paid-up share capital of Company (the “Shares”) at the price of S\$\_\_\_\_\_ per Share. The Option shall be subject to the rules of the Scheme, a copy of which is enclosed herewith. The Option is personal to you and shall not be transferable, assignable or chargeable to any other person in whole or in part save as provided in the Scheme.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$\_\_\_\_\_ not later than \_\_\_\_\_ (a.m./p.m.) on \_\_\_\_\_, failing which this offer shall automatically lapse and shall thereafter be null and void.

Yours faithfully

The Committee  
NTEGRATOR Share Option Scheme

**NTEGRATOR  
SHARE OPTION SCHEME**

**ACCEPTANCE FORM**

**Private & Confidential**

Serial No. \_\_\_\_\_

To: The Company Secretary  
[●]  
[Address]

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Closing Time and Date for Acceptance of Offer : \_\_\_\_\_

Number of Shares offered : \_\_\_\_\_

Subscription Price per Share : \$ \_\_\_\_\_

Total Amount Payable for the Shares (exclusive of  
the relevant Charges) : \$ \_\_\_\_\_

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I have read your Letter of Offer dated \_\_\_\_\_ (Date of Grant) and agree to be bound by the Rules of the NTEGRATOR Share Option Scheme stated therein. I hereby accept the Option to subscribe for \_\_\_\_\_ Shares at S\$ \_\_\_\_\_ for each Share and enclose a \*cheque/cashier's order/banker's draft postal order for S\$ \_\_\_\_\_ as consideration for the grant of the Option.

I am aware that I am not obliged to exercise my Option.

\*I acknowledge and confirm that I shall be responsible for the payment (if any) of all fees of the Depository relating to or in connection with the allotment and issue of any Shares in the Depository's name, the deposit of share certificate(s) with the Depository, my securities account with the Depository or my securities sub-account with a Depository Agent (as the case may be)(collectively, the "Depository Charges").

I further acknowledge and confirm that you have not made any representation to induce me to accept this offer in respect of the said Option and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

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## APPENDIX G – RULES OF THE NTEGRATOR SHARE OPTION SCHEME

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**Please print in block letters**

Name in Full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**NOTE :**

1. Shares must be accepted in full or in multiples of 1,000.
2. The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant Depository Charges payable at the time of the exercise of an option, if any.

**\*Delete accordingly  
@If applicable**

**NTEGRATOR  
SHARE OPTION SCHEME**

**EXERCISE NOTICE**

**Private & Confidential**

Serial No. \_\_\_\_\_

To: The Company Secretary  
[●]  
[Address]

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Total number of ordinary shares of S\$\_\_\_\_\_ each  
(the “Shares”) offered at S\$\_\_\_\_\_ for each Share  
under the Scheme on \_\_\_\_\_ (Date of Grant) : \_\_\_\_\_

Number of Shares previously allotted and issued  
thereunder : \_\_\_\_\_

Outstanding balance of Shares to be allotted and issued  
thereunder : \_\_\_\_\_

Number of Shares now to be subscribed : \_\_\_\_\_

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1. Pursuant to your Letter of Offer dated \_\_\_\_\_ (Date of Grant) and my acceptance thereof, I hereby exercise the Option to subscribe for \_\_\_\_\_ Shares in the capital of [●] at S\$\_\_\_\_\_ per Share.

2. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above \*in my name/in the name of \_\_\_\_\_ to the credit of my securities account with the Depository or my securities sub-account with the Depository Agent specified below and to deliver the share certificate(s) relating thereto to me/the Depository. ®I further agree to bear such fees or other charges as may be imposed by the Depository (the “Depository Charges”) in respect thereof:-

3. \*(a) Direct Securities Account Number \_\_\_\_\_

or

\*(b) Sub-Account Number \_\_\_\_\_

Name of Depository Agent \_\_\_\_\_

4. I enclose a \*cheque/cashier's order/bank draft/postal order no. \_\_\_\_\_ of S\$\_\_\_\_\_ in payment for the following:-

(a) Subscription of S\$\_\_\_\_\_ for the total number of the said shares; and

(b) ®Depository Charges of S\$\_\_\_\_\_.



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## APPENDIX G – RULES OF THE NTEGRATOR SHARE OPTION SCHEME

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5. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Ntegrator Share Option Scheme and the Memorandum and Articles of Association of the Company.
6. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

**Please print in block letters**

Name in Full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**NOTE :**

1. An Option may be exercised, in whole or in part, provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The Exercise of Option to Subscribe must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

**\*Delete accordingly  
@if applicable**

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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You are invited to apply for 20,100,000 New Shares subject to the following terms and conditions:-

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 NEW SHARES AND INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**
2. Your application for Offer Shares may be made by way of Offer Shares Application Forms or by way of Electronic Applications through ATMs belonging to the Participating Banks (“ATM Electronic Applications”) or through Internet Banking (“IB”) websites of the relevant Participating Banks (“Internet Electronic Applications”, which together with ATM Electronic Applications, shall be referred to as “Electronic Applications”). Your application for the Placement Shares (other than Reserved Shares) may only be made by way of printed Placement Shares Application Forms. Your application for Reserved Shares may only be made by way of printed Reserved Shares Application Forms. **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE SHARES.**
3. **You are allowed to submit only one application in your own name for the Offer Shares or the Placement Shares (other than Reserved Shares). If you submit an application for Offer Shares by way of an Application Form, you MAY NOT submit another application for Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, except in the case of applications by approved nominees companies, where each application is made on behalf of a different beneficiary.**

**If you submit an application for Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for Offer Shares by way of an Internet Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company.**

**If you, other than an approved nominee company, have submitted an application for Offer Shares in your own name, you should not submit any other application for Offer Shares, whether by way of an Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company.**

**If you have made an application for Placement Shares (other than Reserved Shares), you should not make any application for Offer Shares either by way of an Application Form or by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company.**

**Conversely, if you have made an application for Offer Shares either by way of an Electronic Application or by way of an Application Form, you may not make any application for Placement Shares (other than Reserved Shares). Such separate applications shall be deemed to be a multiple applications and may be rejected at the discretion of our Company.**

**If you have made an application for Reserved Shares, you may submit one separate application for the Offer Shares in your own name by way of an Application Form or by way of an Electronic Application, or submit one separate application for Placement Shares (other than Reserved Shares) by way of an Application Form, provided that you adhere to the terms and conditions of this Prospectus. Such separate applications shall NOT be treated as multiple applications.**

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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Joint applications shall be rejected. Multiple applications for New Shares shall be liable to be rejected at the discretion of our Company. If you submit or procure submissions of multiple share applications for Offer Shares, Placement Shares or both Offer Shares and Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications may be rejected at the discretion of our Company.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks or IPO website, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.
5. We will not recognise the existence of a trust. An application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.
6. **WE WILL ONLY ACCEPT APPLICATIONS FROM APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application or IPO website, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application may be rejected if your particulars such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form or contained in the records of the relevant Participating Bank or IPO website at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application will be rejected.
8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank or IPO website, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.**
9. **Our Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Prospectus or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Prospectus or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance. Our Company further reserves the right**

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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to treat as invalid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Prospectus and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

10. Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment which shall be at our discretion, due consideration will be given to the desirability of allotting the New Shares to a reasonable number of Applicants with a view to establishing an adequate market for the Shares.
11. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of New Shares allotted to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the New Shares allotted to you. This authorisation applies to applications made by way of printed Application Forms and by way of Electronic Applications.
12. In the event that our Company lodges a supplementary or replacement prospectus (“Relevant Document”) pursuant to the Securities and Futures Act or any applicable legislation in force from time to time prior to the close of the Invitation, and the New Shares have not been issued, we will (as required by law) at our Company’s sole and absolute discretion either:-
  - (i) within 7 days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw your application; or
  - (ii) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 7 days from the lodgement of the Relevant Document.

Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 12(i) above to withdraw your application, we shall pay to you all monies paid by you on account of your application for the New Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, within seven days from the receipt of such notification.

In the event that at any time at the time of the lodgement of the Relevant Document, the New Shares have already been issued but trading has not commenced, we will (as required by law) either:-

- (iii) within 7 days of the lodgement give you a copy of the Relevant Document and provide you with an option to return the New Shares; or
- (iv) deem the issue as void and refund your payment for the New Shares (without interest or any share of revenue or other benefit arising therefrom) within 7 days from the lodgement of the Relevant Document.

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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Any applicant who wishes to exercise his option under paragraph 12(iii) above to return the New Shares issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify us of this and return all documents, if any, purporting to be evidence of title of those New Shares, whereupon we shall, within 7 days from the receipt of such notification and documents, pay to him all monies paid by him for the New Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the New Shares issued to him shall be void.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement prospectus, including instructions on how you can exercise the option to withdraw, may be found in such supplementary or replacement prospectus.

13. In the event of an under-subscription for Offer Shares as at the close of the Application List, that number of Offer Shares under-subscribed shall be made available to satisfy applications for Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

Any of the Reserved Shares not taken up will be made available first to satisfy applications for the Placement Shares to the extent that there is an over-subscription for the Placement Shares and then to satisfy applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event of an under-subscription for Placement Shares (other than Reserved Shares) as at the close of the Application List, that number of Placement Shares (other than Reserved Shares) under-subscribed shall be made available to satisfy applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event of an over-subscription for Offer Shares as at the close of the Application List and Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for Offer Shares will be determined by ballot or otherwise as determined by our Company and approved by the SGX-ST, if required.

In all the above instances, the basis of allotment of the New Shares as may be decided by our Directors in ensuring a reasonable spread of shareholders of our Company, shall be made public, as soon as practicable, via an announcement through the SGX-ST and by advertisement in a generally circulating daily press.

14. You irrevocably authorise CDP to disclose the outcome of your application, including the number of New Shares allotted to you pursuant to your application, to us, the Manager, the Underwriter, the Placement Agent and any other parties so authorised by the foregoing persons.
15. Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Offer Shares by way of an Application Form or by way of an Electronic Application, a person applying for the Placement Shares through the Placement Agents and a person applying for the Reserved Shares.
16. By completing and delivering an Application Form or by making and completing an Electronic Application by (in the case of an ATM Electronic Application) pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM (as the case may be) or by (in the case of an Internet Electronic Application) clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other relevant button on the IB website screen (as the case may be) in accordance with the provisions of this Prospectus, you:-

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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- (a) irrevocably offer to subscribe for the number of New Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price and agree that you will accept such New Shares as may be allotted to you, in each case subject to the conditions set out in this Prospectus and the Memorandum and Articles of Association of our Company;
  - (b) agree that, in the event of any inconsistency between the terms and conditions set for application set out in this Prospectus and those set out in the IB websites or ATMs of the Participating Banks, the terms and conditions set out in this Prospectus shall prevail;
  - (c) agree that the aggregate Issue Price for the New Shares applied for is due and payable to the Company forthwith;
  - (d) warrant the truth and accuracy of the information provided in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company in determining whether to accept your application and/or whether to allot any New Shares to you; and
  - (e) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Manager, the Underwriter, the Placement Agent, the Primary Sub-Underwriters and/or the Primary Sub-Placement Agents will infringe any such laws as a result of the acceptance of your application.
17. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:-
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares and the New Shares on the Official List of the SGX-SESDAQ;
  - (b) the Management and Underwriting Agreement and the Placement Agreement referred to in this Prospectus have become unconditional and have not been terminated; and
  - (c) the Authority has not served a stop order which directs that no or no further shares to which this Prospectus relates be allotted.
18. In the event that a stop order in respect of the New Shares is served by the Authority or other competent authority, and
- (a) the New Shares have not been issued, we will (as required by law) deem all applications withdrawn and cancelled and our Company shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the stop order; or
  - (b) If the New Shares have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and:-
    - (i) if documents purporting to evidence title had been issued to you, our Company shall inform you to return such documents to our Company within 14 days from that date; and
    - (ii) we will refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the date of receipt of those documents (if applicable) or the date of the stop order, whichever is later.

This shall not apply where only an interim stop order has been served.

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## **APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**

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19. In the event that an interim stop order in respect of the New Shares is served by the Authority or other competent authority, no New Shares shall be issued to you until the Authority revokes the interim stop order.
20. The Authority is not able to serve a stop order in respect of the New Shares if the New Shares have been issued and listed on a securities exchange and trading in them has commenced.
21. In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com> and through a paid advertisement in a local newspaper.
22. We will not hold any application in reserve.
23. We will not allot shares on the basis of this Prospectus later than six months after the date of registration of this Prospectus.
24. Additional terms and conditions for applications by way of Application Forms are set out on pages H-7 to H-10 of this Prospectus.
25. Additional terms and conditions for applications by way of Electronic Applications are set out on pages H-11 to H-15 of this Prospectus.



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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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### ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out under the section entitled “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE” of this Prospectus, as well as the Memorandum and Articles of Association of our Company.

1. Your application must be made using the **WHITE** Application Forms and **WHITE** official envelopes “A” and “B” for Offer Shares, the **BLUE** Application Forms for Placement Shares (other than Reserved Shares) or the **PINK** Application Forms for Reserved Shares accompanying and forming part of this Prospectus. We draw your attention to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance.**
2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “FOR OFFICIAL USE ONLY” must be completed and the words “NOT APPLICABLE” or “N.A.” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
  - (a) You must complete Sections A and B and sign page 1 of the Application Form.
  - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Forms with particulars of the beneficial owner(s).
  - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Shares is a citizen or permanent resident of Singapore or a corporation,



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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of New Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of **"INTEGRATOR SHARE ISSUE ACCOUNT"** crossed "A/C PAYEE ONLY", and with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED. We will reject remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings. No acknowledgement or receipt will be issued by our Company or the Manager for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List. In the event that the Invitation is cancelled by us following the termination of the Management and Underwriting Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 5 Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a stop order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 days from the date of the stop order.
9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
10. By completing and delivering the Application Form, you agree that:-
  - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 12.00 noon on 24 October 2005 or such other time or date as our Company may, in consultation with the Manager, decide and by completing and delivering the Application Form:-
    - (i) your application is irrevocable; and
    - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
  - (b) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
  - (c) in respect of the New Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
  - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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- (e) in making your application, reliance is placed solely on the information contained in this Prospectus and that none of our Company, the Manager, the Underwriter, the Placement Agents, the Primary Sub-Underwriters, the Primary Sub-Placement Agents or any other person involved in the Invitation shall have any liability for any information not so contained;
- (f) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable) and share application amount from your account with the relevant Participating Bank to our Share Registrar, CDP, SCCS, SGX-ST, CPF, our Company, the Manager, the Underwriter, the Placement Agent or other authorised operators; and
- (g) you irrevocably agree and undertake to subscribe for the number of New Shares applied for as stated in the Application Form or any smaller number of such New Shares that may be allocated to you in respect of your application. In the event that our Company decides to allocate a smaller number of New Shares or not to allocate any New Shares to you, you agree to accept such decision as final.

### Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. You must:-
  - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Prospectus in the **WHITE** envelope “A” provided;
  - (b) in the appropriate spaces on **WHITE** envelope “A”:-
    - (i) write your name and address;
    - (ii) state the number of Offer Shares applied for; and
    - (iii) affix adequate Singapore postage;
  - (c) SEAL **WHITE** ENVELOPE “A”;
  - (d) write, in the special box provided on the larger **WHITE** envelope “B” addressed to **UOB ASIA LIMITED, 1 RAFFLES PLACE # 13-01, OUB CENTRE, SINGAPORE 048616**, the number of Offer Shares you have applied for; and
  - (e) insert **WHITE** envelope “A” into **WHITE** envelope “B”, seal **WHITE** envelope “B” and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND at your own risk to UOB ASIA LIMITED, 1 RAFFLES PLACE # 13-01, OUB CENTRE, SINGAPORE 048616**, to arrive by **12.00 noon on 24 October 2005 or such other time as our Company may, in consultation with the Manager, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.
4. **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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### Applications for Placement Shares (other than Reserved Shares)

1. Your application for Placement Shares (other than Reserved Shares) **MUST** be made using the **BLUE** Placement Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Prospectus) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. The sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to UOB ASIA LIMITED, 1 RAFFLES PLACE # 13-01, OUB CENTRE, SINGAPORE 048616**, to arrive by **12.00 noon on 24 October 2005 or such other time as our Company may, in consultation with the Manager, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

### Applications for Reserved Shares

1. Your application for Reserved Shares **MUST** be made using the **PINK** Reserved Shares Application Forms. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **PINK** Reserved Shares Application Form and the correct remittance (in accordance with the terms and conditions of this Prospectus) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. The sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to our Company's registered office at 4 LENG KEE ROAD, #06-04, SIS BUILDING, SINGAPORE 159088** to arrive by **12.00 noon on 24 October 2005 or such other time as our Company may, in consultation with the Manager, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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### ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and the IB website screens (in the case of Internet Electronic Applications) of the relevant Participating Banks. Currently, UOB Group and DBS, are the only Participating Banks through which Internet Electronic Applications can be made. For illustration purposes, the procedures for Electronic Applications through ATMs and the IB website of UOB are set out respectively in the “Steps for Electronic Applications through ATMs of UOB” and the “Steps for Internet Electronic Applications through the IB website of UOB” (collectively, the “Steps”) appearing on pages H-18 to H-19 of this Prospectus. The Steps set out the actions that you must take at an ATM or the IB website of UOB to complete an Electronic Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” in the additional terms and conditions for Electronic Applications and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB website of a relevant Participating Bank.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one Participating Bank cannot be used to apply for Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank account with and an IB User Identification (“User ID”) and a Personal Identification Number/Password (“PIN”) given by the relevant Participating Bank. The Steps set out the actions that you must take at ATMs or the IB website of UOB to complete an Electronic Application. The actions that you must take at ATMs or the IB websites of other Participating Banks are set out on the ATM screens or the IB website screens of the relevant Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“Transaction Record”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application through the IB website of UOB Group, there will be an on-screen confirmation (“Confirmation Screen”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

**You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or if you do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.**

You must ensure, when making an Internet Electronic Application, that your mailing address for the account selected for the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise your application is liable to be rejected.

You shall make an Electronic Application in accordance with and subject to the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below and those set out under the section entitled “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE” of this Prospectus as well as the Memorandum and Articles of Association of our Company.

1. In connection with your Electronic Application for Offer Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:-
  - (a) **that you have received a copy of this Prospectus (in the case of an ATM Electronic Application only) and have read, understood and agreed to all the terms and conditions of application for Offer Shares and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;**

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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- (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residence status, share application amount, CPF Investment Account number (if applicable) and CDP Securities Account number and application details (the “Relevant Particulars”) with the relevant Participating Bank to the CDP, CPF, SCCS, SGX-ST, Share Registrar, our Company and the Manager or other authorised operators (the “Relevant Parties”); and
- (c) that this is your only application for Offer Shares and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction in the ATM or on the IB website unless you press the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, such confirmation, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by the relevant Participating Bank of the Relevant Particulars to the Relevant Parties.

- 2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS THE BENEFICIAL OWNER.**

**YOU SHOULD MAKE ONLY ONE ELECTRONIC APPLICATION FOR OFFER SHARES AND SHOULD NOT MAKE ANY OTHER APPLICATION FOR OFFER OR PLACEMENT SHARES (OTHER THAN RESERVED SHARES), WHETHER AT THE ATMS OR THE IB WEBSITES (IF ANY) OF ANY PARTICIPATING BANK OR ON THE APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR OFFER OR PLACEMENT SHARES (OTHER THAN RESERVED SHARES) ON AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR OFFER SHARES.**

- 3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATM or the IB website of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.**

You may make an ATM Electronic Application at the ATM of any Participating Bank or an Internet Electronic Application at the IB website of the relevant Participating Bank for the Offer Shares using only cash by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank.

- 4. You irrevocably agree and undertake to subscribe for and to accept the number of Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Offer Shares that may be allotted to you in respect of your Electronic Application. In the event that our Company decide to allot any lesser number of such Offer Shares or not to allot any Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen) of the number of Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares that may be allotted to you and your agreement to be bound by the Memorandum and Articles of Association of our Company.



## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

5. **We will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated Share issue account. **Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore currency (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 14 days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated Share issue account.

**Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Shares allotted to you before trading the Offer Shares on the SGX-SESDAQ. You may also call CDP Phone at 6535 7511 to check the provisional results of your application by using your T-pin (issued by CDP upon your application for the service) and keying in the stock code (that will be made available together with the results of the allotment via an announcement through the SGX-ST and by advertisement in a generally circulating daily press). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, our Company nor the Manager assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.**

6. If your Electronic Application is unsuccessful, no notification will be sent by the Participating Banks.

If you make Electronic Applications through the ATMs of the following Participating Banks, you may check the results of your Electronic Applications as follows:-

Bank	Telephone	Available at ATM	Operating Hours	Service expected from
UOB Group	1800 222 2121	ATM (Other Transactions – “IPO Enquiry”) <sup>(1)</sup>  <a href="http://www.uobgroup.com">http://www.uobgroup.com</a> <sup>(1)(2)</sup>	ATM/Phone Banking - 24 hours a day  Internet Banking 24 hours a day	Evening of the balloting day  Evening of the balloting day
DBS	1 800 339 6666 (for POSB Account holders)  1800 111 1111 (for DBS Account holders)	Internet Banking Internet Kiosk <a href="http://www.dbs.com">http://www.dbs.com</a> <sup>(2)</sup>	24 hours a day	7 p.m. on the balloting day
OCBC	1 800 363 3333	ATM	ATM/Phone Banking - 24 hours a day	Evening of the balloting day

(1) If you make your Electronic Applications through the ATMs or the IB website of UOB, you may check the results of your application through UOB Personal Internet Banking, UOB Group ATMs or UOB PhoneBanking Services.

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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- (2) If you make your Internet Electronic Application through the IB website of UOB Group or DBS, you may check the result of your application through the same channels listed in the table above in relation to ATM Electronic Application made at ATMs of UOB Group or DBS.
7. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, our Company and the Manager and if, in any such event, our Company, the Manager and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Manager and/or the relevant Participating Bank for Offer Shares applied for or for any compensation, loss or damage.
8. Electronic Applications shall close at **12.00 noon on 24 October 2005** or such other time as our Company may, in consultation with the Manager, decide. Subject to the paragraph above, an Internet Electronic Application is deemed to be received only upon its completion, that is, when there is an on-screen confirmation of the application.
9. You are deemed to have irrevocably requested and authorised our Company to:-
- (a) register the Offer Shares allotted to you in the name of CDP for deposit into your Securities Account;
  - (b) send the relevant Share certificate(s) to CDP;
  - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of the balloting of applications; and
  - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 days after the close of the Application List.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in your own name and without qualification. Our Company will reject any application by any person acting as nominee except those made by approved nominee companies only.
11. All your particulars in the records of your relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify your relevant Participating Bank.
12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.
13. By making and completing an Electronic Application, you are deemed to have agreed that:-
- (a) in consideration of our Company making available the Electronic Application facility, through the Participating Banks as the agents of our Company, at the ATMs and IB websites (if any):-

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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- (i) your Electronic Application is irrevocable; and
- (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (b) neither our Company, the Manager, the Participating Banks nor CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond our respective controls;
- (c) in respect of Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;
- (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application; and
- (e) in making your application, reliance is placed solely on the information contained in this Prospectus and that none of our Company, the Manager, the Underwriter, the Placement Agent, the Primary Sub-Underwriters and Primary Sub-Placement Agents or any other person involved in the Invitation shall have any liability for any information not so contained.

### Steps for Electronic Applications through ATMs and the IB website of UOB

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens of the respective Participating Banks. For illustrative purposes, the steps for making an Electronic Application through an ATM belonging to the UOB Group or through the IB website of the UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB Group) may differ from that represented below.

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:-

"CDP"	: THE CENTRAL DEPOSITORY (PTE) LIMITED
"CPF"	: CENTRAL PROVIDENT FUND BOARD
"SCCS"	: SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD
"SGX-ST"	: SINGAPORE EXCHANGE SECURITIES TRADING LIMITED



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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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### Steps for an ATM Electronic Application through ATMs of UOB

- Step 1 : Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal number.
- 2 : Select “SECURITIES APPLICATION”.
- 3 : Select the share counter which you wish to apply for.
- 4 : Read and understand the following statements which will appear on the screen:-
- **THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENTS. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENTS.**  
(Customer to press “ENTER” to continue)
  - **PLEASE CALL 1800-22-22-121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT.**  
  
**WHERE APPLICABLE, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT.**  
(Customer to press “ENTER” key to continue)
- 5 : Read and understand the following terms which will appear on the screen:-
- **YOU HAVE READ, UNDERSTOOD & AGREED TO ALL TERMS OF THE PROSPECTUS/DOCUMENT/SUPPLEMENTARY DOCUMENT AND THIS ELECTRONIC APPLICATION.**  
(Customer to press "ENTER" to confirm)
  - **YOU CONSENT TO DISCLOSE YOUR NAME, IC/PASSPORT, NATIONALITY, ADDRESS, APPLICATION AMOUNT, CPF INVESTMENT ACCOUNT NUMBER AND CDP ACCOUNT NUMBER FROM YOUR ACCOUNTS TO CDP, CPF, SCCS, SHARE REGISTRARS, SGX-ST AND ISSUER/VENDOR(S).**
  - **THIS IS YOUR ONLY FIXED PRICE APPLICATION AND IS IN YOUR NAME AND AT YOUR RISK.**  
(Customer to press "ENTER" to confirm)
- 6 : Screen will display:-
- NRIC/Passport No. XXXXXXXXXXXXX**
- IF YOUR NRIC/PASSPORT NUMBER IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.**  
(Customer to press “CANCEL” or “CONFIRM”)

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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- 7 : Select mode of payment i.e. “CASH ONLY”. You will be prompted to select Cash Account type to debit (i.e., “CURRENT ACCOUNT / I- ACCOUNT”, “CAMPUS ACCOUNT” OR “SAVINGS ACCOUNT / TX ACCOUNT”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.
- 8 : After you have selected the account, your CDP Securities Account number will be displayed for you to confirm or change. (This screen with your CDP Securities Account number will be shown if your CDP Securities Account number is already stored in the ATM system of UOB Group’s ATM system). If this is the first time you are using UOB Group’s ATM to apply for Shares, your CDP Securities Account number will not be stored in the UOB Group’s ATM system, and the following screen will be displayed for your input of your CDP Securities Account number.
- 9 : Read and understand the following terms which will appear on the screen:-
1. **PLEASE DO NOT APPLY FOR YOUR JOINT ACCOUNT HOLDER OR OTHER THIRD PARTIES.**
  2. **PLEASE USE YOUR OWN ATM CARD.**
  3. **DO NOT KEY IN THE CDP ACCOUNT NUMBER OF YOUR JOINT ACCOUNT HOLDER OR OTHER THIRD PARTIES.**
  4. **KEY IN YOUR CDP ACCOUNT NUMBER (12 DIGITS)**
  5. **PRESS ENTER KEY**
- 10 : Key in your CDP Securities Account number (12 digits) and press the “ENTER” key
- 11 : Select your nationality status
- 12 : Key in the quantity of securities you wish to apply for and press the “ENTER” key
- 13 : Check the details of your Electronic Application on the screen and press “ENTER” key to confirm your Electronic Application
- 14 : Select “NO” if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only

Owing to space constraints on UOB’s IB website screens, the following terms will appear in abbreviated form:-

“CDP”	: The Central Depository (Pte) Limited
“CPF”	: The Central Provident Fund
“NRIC” or “I/C”	: National Registration Identity Card
“PR”	: Permanent Resident
“SGD” or S\$	: Singapore Dollars
“SCCS”	: Securities Clearing & Computer Services (Pte) Ltd
“SGX-ST”	: Singapore Exchange Securities Trading Limited

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## APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

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### Steps for an Internet Electronic Application through the IB website of UOB

- Step 1 : Connect to UOB website at <http://www.uobgroup.com>
- 2 : Locate the Login icon on the left hand side next to “Internet Banking”
- 3 : Click on Login and at drop list select “UOB Personal Internet Banking”
- 4 : Enter your Username and Password and click “Submit”
- 5 : Select Investment Services (“IPO” should be the default transaction that appears, select “Application”)
- 6 : Read the IMPORTANT notice and complete the declarations found on the bottom of the page by answering Yes/No to the questions
- 7 : Click “Continue”
- 8 : Select your country of residence (you must be residing in Singapore to apply), and click “Continue”
- 9 : Select the IPO counter from the drop list (if there are concurrent IPOs) and click “Continue”
- 10: Check the share counter, select the mode of payment and account number to debit and click on “Continue”
- 11: Read the important instructions and click on “Continue” to confirm that:-
1. **You have read, understood and agreed to all terms and conditions of the application and Prospectus/Document or Supplementary Document.**
  2. **You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable), and application details to the Share Registrars, SGX, SCCS, CDP, CPF Board and Issuer/Vendor(s).**
  3. **This application is made in your own name for your own account and at your own risk.**
  4. **For FIXED/MAX price shares application, this is your only application. For TENDER price shares application, this is your only application at the selected tender price.**
  5. **For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in S\$, based on the Bank’s prevailing board rates at the time of application. The different prevailing board rates at the time of the application and at the time of refund of applications monies may result in either a foreign exchange profit or loss, or application monies may be debited and refunds credited in S\$ at the same exchange rate.**
  6. **For 1<sup>st</sup>-Come-1<sup>st</sup> Serve securities, the number of securities applied for may be reduced, subject to the availability at the point of application.**

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## **APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**

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- 12: Check your personal details, details of the share counter you wish to apply for and account to debit.

Select (a) Nationality;

Enter (b) your CDP securities account number; and

(c) the number of shares applied for.

Click “Submit”

- 13: Check the details of your application, your NRIC /Passport number, CDP securities account number and the number of shares applied for, share counter, payment mode and account to debit.

- 14: Click “Confirm”, “Edit” or “Cancel”.

- 15: Print the Confirmation Screen (optional) for own your reference