

## Biz Interview

Ntegrator's continues to put up steady profits

### Interview with Mr Jimmy Chang, Managing Director Director and Executive Director



**Biz Daily:**

Can you tell us about Ntegrator International Ltd and your regional operations?

**Jimmy Chang:**

Ntegrator was founded in April 2002 and is currently listed on SGX Catalist (formerly known as SESDAQ). Our primary businesses include the design, installation and implementation of data, video, fibre optics, wireless, voice communications and cellular network. We also provide project management services as well as maintenance and support services.

Ntegrator is headquartered in Singapore and operates in regional countries like Vietnam, Myanmar and Thailand.

**Biz Daily:**

Ntegrator posted an impressive financial result for FY2009 with a net profit increase of 46.5 per cent? What do you attribute your success to?

**Jimmy Chang:**

Despite the challenges faced during the difficult period last year, Ntegrator recorded a healthy 16.7 per cent growth in revenue, from S\$47.9 million to S\$55.9 million. This increase in revenue reflects the continued confidence and support of the Group's valued customers.

The timely completion of several major projects in Vietnam contributed to the majority of the increase. In addition, our total revenue was also boosted by project completion in Singapore.

Our Project Sales recorded a moderate increase in revenue of 13.3 per cent to \$48.2 million, gross profit jumped 147.9 per cent to S\$5.4 million. The improved profit was mainly due to the decrease in finance cost, the majority of which were accounted for in previous year under FRS 39.

Project Management and Maintenance Services also grew by 43.5 per cent to \$7.8 million. This is due to renewal of contracts by existing customers and project management services rendered by one of an overseas subsidiary. However, gross profit for this segment decreased by 57.3 per cent to S\$2.6 million because of lower margins from the overseas subsidiary. Nonetheless, project management delivered a good margin of 25 per cent.

**Biz Daily:**

What is your company's advantage over your competitors? What is your company's niche in the industry?

**Jimmy Chang:**

We provide "integrated one-stop shop" solutions for all our customers' IT and telecommunication needs including a full range of data, video, fibre optics, wireless and cellular network infrastructure. In addition, we are also able to execute total end-to-end business solutions for network infrastructure and voice communication systems for clients with local and overseas offices. Other services that we provide include full turn-key system integration and commissioning of PABX, access multiplexer, SDH and fibre optics equipment.

We have skilled and qualified project engineers that provide solutions from inception, project consultation, design, and

installation to implementation within schedule.

Our management team has a proven track record of between 15 and 25 years of experience in the IT and telecommunications industry. The Group's track record speaks for itself with the acquisition or attainment of several major projects. Business relationships with our customers and suppliers continue to remain strong.

**Biz Daily:**

What are your expansion plans for 2010?

**Jimmy Chang:**

Ntegrator began the year with the confirmation of three expansion plans on existing contracts with M1 Ltd, Viettel Import Export Limited Company ("VIETTELIMEX") and Myanmar Posts and Telecommunications ("MPT"). There is a fourth contract from Singapore Telecommunications Ltd ("SingTel") for the purchase of a Tester.

These four new contracts have increased Ntegrator's total outstanding orders to S\$46.8 million. We expect the newly secured contracts to contribute positively to the Group's earnings in FY2010.

These contracts are significant in that they signal our strong and continuing relationships with the leading telcos in Singapore and the region.

Since 2002, these four telcos have provided us with repeat businesses. SingTel and M1 are two of the largest telcos in Singapore while VIETTELIMEX is the largest telco operator in Vietnam, and MPT is the State-run telco in Myanmar.

The M1 contract will provide infrastructure expansion to the Synchronous Digital Hierarchy ("SDH") infrastructure, which Ntegrator installed previously under the earlier Phases 1 & 2 contracts.

Under the agreement with VIETTELIMEX, we will also provide expansion for the SDH infrastructure, which the Group supplied and installed under earlier contracts awarded by the Viettel Corporation.

The MPT contract is to facilitate expansion to its existing network for the SDH products.

The SingTel contract for the purchase of a Tester is part of the telco's continuing equipment purchase. Ntegrator has been an equipment supplier to SingTel since the Group's establishment in 2002. In September last year, SingTel awarded the Group two contracts worth S\$22 million to roll out its Next Generation Nationwide Broadband Network.

The government expects Singapore's economy to expand by 4.5 to 6.5 per cent this year. The Ministry of Trade and Industry believes the electronics sector will benefit, due to a trend of increased global IT spending and inventory restocking. However, the Group is cautiously optimistic in line with the government's predictions.

The Group will continue to focus on the emerging Indochina markets, with an emphasis on Vietnam as opportunities continue to open up. The outlook of Vietnam's market is promising and will need more expansion to build up its 3G network.