INTER-ROLLER ENGINEERING LIMITED
Company Registration No. 197900230M

UNAUDITED FULL YEAR 2007 FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF PROFIT AND LOSS FOR THE 4TH QUARTER AND YEAR ENDED 31 DECEMBER 2007

	Group 4th Quarter			Group Year ended 31 December		
	2007 $'000	2006 $'000	Change %	2007 $'000	2006 $'000	Change %
Revenue	**22,674**	**25,613**	(11.5%)	**127,414**	**147,637**	(13.7%)
Investment, interest, rental & other income	70	219	(68.0%)	13,358	663	1,914.8%
Materials, subcontract & other direct cost	(15,887)	(13,815)	(15.0%)	(80,168)	(85,548)	(6.3%)
Staff cost	(5,734)	(7,836)	(26.8%)	(26,477)	(29,618)	(10.6%)
Depreciation & amortization expense	(410)	(578)	(29.1%)	(1,502)	(1,746)	(14.0%)
Other operating cost	(1,411)	(1,886)	(25.2%)	(7,027)	(6,573)	6.9%
Foreign exchange gains/(losses)	(2,992)	3,856	N.M.	(3,076)	4,816	N.M.
Profit / (Loss) from operations	**(3,690)**	**5,573**	**N.M.**	**22,522**	**29,631**	**(24.0%)**
Finance cost	(189)	(236)	(19.9%)	(643)	(707)	(9.1%)
Profit / (Loss) before taxation	**(3,879)**	**5,337**	**N.M.**	**21,879**	**28,924**	**(24.4%)**
Taxation	(321)	(856)	(62.5%)	(4,527)	(3,224)	(40.4%)
Profit / (Loss) after taxation	**(4,200)**	**4,481**	**N.M.**	**17,352**	**25,700**	**(32.5%)**

N.M. – not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

BALANCE SHEETS

	GROUP			COMPANY	
	31 Dec 07	31 Dec 06		31 Dec 07	31 Dec 06
	$'000	$'000		$'000	$'000
SHARE CAPITAL AND RESERVES					
Share capital	37,428	34,447		37,428	34,447
Other reserves	7,386	11,034		7,196	10,835
Retained profits	28,720	23,063		25,125	19,468
	73,534	**68,544**		**69,749**	**64,750**
NON-CURRENT LIABILITIES					
Deferred tax liabilities	343	153		-	-
Hire purchase creditors	-	441		-	-
Bank borrowings	3,973	9,098		-	-
	4,316	**9,692**		**-**	**-**
CURRENT LIABILITIES					
Trade and other payables	27,674	29,066		19,966	24,831
Amounts owing to subsidiary companies	-	-		7,655	1,823
Provision for taxation	3,671	5,956		1,124	5,863
Hire purchase creditors	-	191		-	-
Bank borrowings	8,365	13,978		7,047	12,500
	39,710	**49,191**		**35,792**	**45,017**
TOTAL EQUITY AND LIABILITIES	**117,560**	**127,427**		**105,541**	**109,767**
NON-CURRENT ASSETS					
Property, plant and equipment	16,417	23,102		4,583	11,240
Non current asset held for sale	8,766	-		8,766	-
Long-term investments	170	72		160	62
Investment properties	-	12,432		-	-
Investment in subsidiary companies	-	-		18,547	23,134
Other receivables	42	67		42	67
Goodwill on consolidation	2,835	2,835		-	-
Deferred tax assets	356	460		268	390
	28,586	**38,968**		**32,366**	**34,893**
CURRENT ASSETS					
Inventories	4,759	3,398		3,779	1,783
Contract work-in-progress	55,793	37,403		51,060	34,900
Trade and other receivables	22,515	27,547		15,500	23,662
Amounts owing by subsidiary companies	-	-		339	255
Short-term investments	90	90		-	-
Investment properties	-	3,848		-	-
Deferred tax assets	-	-		-	-
Cash and cash equivalents	5,817	16,173		2,497	14,274
	88,974	**88,459**		**73,175**	**74,874**
TOTAL ASSETS	**117,560**	**127,427**		**105,541**	**109,767**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Dec 07		As at 31 Dec 06	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
582	7,783	1,228	12,750

Amount repayable after one year

As at 31 Dec 07		As at 31 Dec 06	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
3,973	-	9,098	-

	31 Dec 07	31 Dec 06
	$'000	**$'000**
Total secured borrowings	4,555	10,326
Total unsecured borrowings	7,783	12,750
Total secured and unsecured borrowings	**12,338**	**23,076**

Details of any collateral

As at 31 December 2007, the total secured borrowings of $4.6 million were secured against the Group's factory in Pontian, Malaysia.

(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2007

	Group	
	2007	**2006**
CASH FLOWS FROM OPERATING ACTIVITIES	**$'000**	**$'000**
Profit before taxation	21,879	28,924
Adjustment for:		
Depreciation of property, plant and equipment	1,502	1,478
Depreciation of investment properties	-	268
Foreign exchange differences	(51)	(31)
Profit on disposal of property, plant and equipment	(23)	-
Profit from sales of investment properties	(12,949)	-
Loss on sales of long term investment	5	-
Share option expense	472	818
Unrealized holding gain of financial assets held for trading	-	(37)
Profit on disposal of equity investments	-	(82)
Dividend income	(51)	(57)
Interest income	(41)	(96)
Interest expense	643	707
Operating profit before working capital changes	**11,386**	**31,892**
Decrease/(Increase) in trade and other receivables	4,844	(7,336)
(Increase) / Decrease in inventories and contract work-in-progress	(19,751)	189
(Decrease)/Increase in trade and other payables	(1,392)	(6,244)
Income tax paid	(6,518)	(704)
Net cash (used in) / generated from operating activities	**(11,431)**	**17,797**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of quoted equity investments	-	556
Proceeds from sale of property, plant and equipment	365	-
Proceeds from sale of investment properties	29,229	-
Proceed from sale of long term investment	47	-
Purchase of property, plant and equipment	(3,882)	(3,749)
Purchase of long term investment	(150)	-
Purchase of investment properties	-	(16,548)
Interest received	41	96
Dividend received	51	57
Net cash generated from / (used in) investing activities	**25,701**	**(19,588)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of new shares	2,356	446
Proceeds from bank borrowings	-	18,855
Repayment of bank borrowings	(10,802)	-
Dividends paid	(14,968)	(20,565)
Interest paid	(643)	(707)
Payment to hire purchase creditors	(632)	(209)
Net cash (used in) financing activities	**(24,689)**	**(2,180)**
Net (decrease) in cash and cash equivalents	**(10,419)**	**(3,971)**
Cash and cash equivalents at beginning of year	16,172	20,143
Cash and cash equivalents at end of year	**5,753**	**16,172**

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY

THE GROUP ($'000)	Share Capital	Share Premium	Revaluation Reserve	Share Option Reserve	Exchange Fluctuation Reserve	Hedge Reserves	Statutory Reserve	Dividend Reserve	Retained Profits	Total
Balance at 1 Jan 2007	**34,447**	**-**	**5,673**	**780**	**(423)**	**-**	**67**	**4,937**	**23,063**	**68,544**
Share option expense for 2007	-	-	-	472	-	-	-	-	-	**472**
Employees' share options exercised	2,356	-	-	-	-	-	-	-	-	**2,356**
Transfer of share option reserve to share capital from employees' share options exercised	625	-	-	(625)	-	-	-	-	-	**-**
Statutory reserve in respect of an overseas subsidiary	-	-	-	-	-	-	-	-	-	**-**
Exchange difference arising from translation of investment in foreign subsidiary companies not recognized in income statement	-	-	2	-	(12)	-	1	-	-	**(9)**
Impairment in value of property in use	-	-	-	-	-	-	-	-	-	**-**
Cash flow hedges – fair value gain / (losses)	-	-	-	-	-	(213)	-	-	-	**(213)**
2006 fourth and final tax exempt dividend of 1.5 cents per share paid	-	-	-	-	-	-	-	(4,937)	(48)	**(4,985)**
2007 first quarter interim one-tier tax-exempt dividend of 1 cent per share paid	-	-	-	-	-	-	-	-	(3,327)	**(3,327)**
2007 second quarter interim one-tier tax-exempt dividend of 1 cent per share paid	-	-	-	-	-	-	-	-	(3,328)	**(3,328)**
2007 third quarter interim one-tier tax-exempt dividend of 1 cent per share paid	-	-	-	-	-	-	-	-	(3,328)	**(3,328)**
2007 fourth quarter final one-tier tax-exempt dividend of 0.5 cent per share proposed	-	-	-	-	-	-	-	1,664	(1,664)	**-**
Net profit for the year	-	-	-	-	-	-	-	-	17,352	**17,352**
As at 31 Dec 2007	**37,428**	**-**	**5,675**	**627**	**(435)**	**(213)**	**68**	**1,664**	**28,720**	**73,534**

STATEMENT OF CHANGES IN EQUITY

THE GROUP ($'000)	Share Capital	Share Premium	Revaluation Reserve	Share Option Reserve	Exchange Fluctuation Reserve	Hedge Reserves	Statutory Reserve	Dividend Reserve	Retained Profits	Total
Balance at 1 Jan 2006	**32,732**	**1,119**	**6,713**	**113**	**(271)**	**-**	**67**	**8,183**	**14,687**	**63,343**
Share option expense for 2006	-	-	-	818	-	-	-	-	-	**818**
Employees' share options exercised	445	-	-	-	-	-	-	-	-	**445**
Transfer of share premium to share capital following amendments to the Companies Act	1,119	(1,119)	-	-	-	-	-	-	-	**-**
Transfer of share option reserve to share capital from employees' share options exercised	151	-	-	(151)	-	-	-	-	-	**-**
Statutory reserve in respect of an overseas subsidiary	-	-	-	-	-	-	5	-	(5)	**-**
Exchange difference arising from translation of investment in foreign subsidiary companies not recognized in income statement	-	-	(9)	-	(152)	-	(5)	-	-	**(166)**
Impairment in value of property in use	-	-	(1,031)	-	-	-	-	-		**(1,031)**
2005 second and final tax exempt dividend of 5 cents per share paid	-	-	-	-	-	-	-	(8,183)	(41)	**(8,224)**
2006 first quarter interim one-tier tax-exempt dividend of 1.5 cents per share paid	-	-	-	-	-	-	-	-	(2,467)	**(2,467)**
2006 second quarter interim one-tier tax-exempt dividend of 1.5 cents per share paid	-	-	-	-	-	-	-		(4,937)	**(4,937)**
2006 third quarter interim one-tier tax-exempt dividend of 1.5 cents per share paid	-	-	-	-	-	-	-	-	(4,937)	**(4,937)**
2006 final one-tier tax-exempt dividend of 1.5 cents per share proposed	-	-	-	-	-	-	-	4,937	(4,937)	**-**
Net profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	25,700	**25,700**
As at 31 Dec 2006	**34,447**	**-**	**5,673**	**780**	**(423)**	**-**	**67**	**4,937**	**23,063**	**68,544**

STATEMENT OF CHANGES IN EQUITY

THE COMPANY ($'000)	Share Capital	Share Premium	Revaluation Reserve	Share Option Reserve	Hedge Reserve	Dividend Reserve	Retained Profits	Total
Balance at 1 Jan 2007	**34,447**	**-**	**5,118**	**780**	**-**	**4,937**	**19,468**	**64,750**
Share option expense for 2007	-	-	-	472	-	-	-	**472**
Employees' share options exercised	2,356	-	-	-	-	-	-	**2,356**
Transfer of share option reserve to share capital from employees' share options exercised	625	-	-	(625)	-	-	-	**-**
Cash flow hedges – fair value gain / (losses)	-	-	-	-	(213)	-	-	**(213)**
2006 fourth and final tax exempt dividend of 1.5 cents per share paid	-	-	-	-	-	(4,937)	(48)	**(4,985)**
2007 first quarter one-tier tax-exempt interim dividend of 1 cent per share paid	-	-	-	-	-	-	(3,327)	**(3,327)**
2007 second quarter one-tier tax-exempt interim dividend of 1 cents per share paid	-	-	-	-	-	-	(3,328)	**(3,328)**
2007 third quarter one-tier tax-exempt dividend of 1 cents per share paid	-	-	-	-	-	-	(3,328)	**(3,328)**
2007 fourth quarter final one-tier tax-exempt dividend of 0.5 cent per share proposed	-	-	-	-	-	1,664	(1,664)	**-**
Net profit for the year	-	-	-	-	-	**-**	17,352	**17,352**
As at 31 Dec 2007	**37,428**	**-**	**5,118**	**627**	**(213)**	**1,664**	**25,125**	**69,749**

STATEMENT OF CHANGES IN EQUITY

THE COMPANY ($'000)	Share Capital	Share Premium	Revaluation Reserve	Share Option Reserve	Hedge Reserve	Dividend Reserve	Retained Profits	Total
Balance at 1 Jan 2006	**32,732**	**1,119**	**6,149**	**113**	**-**	**8,183**	**11,781**	**60,077**
Share option expense for 2006	-	-	-	818	-	-	-	**818**
Employees' share options exercised	445	-	-	-	-	-	-	**445**
Transfer of share premium to share capital following amendments to the Companies Act	1,119	(1,119)	-	-	-	-	-	**-**
Transfer of share option reserve to share capital from employees' share options exercised	151	-	-	(151)	-	-	-	**-**
Impairment in value of property in use	-	-	(1,031)	-	-	-	-	**(1,031)**
2005 second and final tax exempt dividend of 5.0 cents per share paid	-	-	-	-	-	(8,183)	(41)	**(8,224)**
2006 first quarter one-tier tax-exempt interim dividend of 1.5 cents per share paid	-	-	-	-	-	-	(2,467)	**(2,467)**
2006 second quarter one-tier tax-exempt interim dividend of 1.5 cents per share paid	-	-	-	-	-	-	(4,937)	**(4,937)**
2006 third quarter one-tier tax-exempt dividend of 1.5 cents per share paid	-	-	-	-	-	-	(4,937)	**(4,937)**
2006 final one-tier tax-exempt dividend of 1.5 cents per share proposed	-	-	-	-	-	4,937	(4,937)	**-**
Net profit for the year	**-**	**-**	**-**	**-**	-	**-**	25,006	**25,006**
As at 31 Dec 2006	**34,447**	**-**	**5,118**	**780**	**-**	**4,937**	**19,468**	**64,750**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

During the year 2007, the Company issued and allotted 3,706,000 ordinary shares pursuant to the exercise of share options granted to the Executives under the Inter-Roller Executives' Share Option Scheme. The shares so allotted ranked pari passu in all respects with the existing issued ordinary shares in the capital of the Company. The weighted average exercise price was $0.64 per share.

As at 31 December 2007, total share options outstanding amounted to 3,075,000 unissued ordinary shares. The exercise price of these unissued shares ranged from $0.26 to $0.89 per share and the weighted average exercise price was $0.79 per share. As at 31 December 2007, the total number of shares in issue was 332,807,796.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as the audited financial statements as at 31 December 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Please refer to paragraph 4.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

EARNINGS PER ORDINARY SHARE (EPS)

Group	**Year ended 31 December**	
	2007	**2006**
EPS for the period based on net profit attributable to Shareholders		
(i) a. Basic earnings per share	**5.22 cents**	**7.81 cents**
b. Weighted average number of ordinary shares for basic earnings per share	332,110,138	328,943,446

(ii) a. Fully diluted earnings per share	**5.21 cents**	**7.78 cents**
b. Weighted average number of ordinary shares for fully diluted earnings per share	332,700,308	330,129,263

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

NET ASSET VALUE PER SHARE

Group	**31 Dec 07**	**31 Dec 06**
Net asset value per ordinary share based on issued share capital of 332,807,796 shares at end of the financial year (31 Dec 06: 329,101,796 shares)	**22.1 cents**	**20.8 cents**

Company	**31 Dec 07**	**31 Dec 06**
Net asset value per ordinary share based on issued share capital of 332,807,796 shares at end of the financial year (31 Dec 06: 329,101,796 shares)	**21.0 cents**	**19.7 cents**

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue

The Group's revenue for the year decreased by 13.7% to $127.4 million compared with $147.6 million in the previous year. Revenue for 4Q2007 declined by 11.5% to $22.7 million compared with $25.6 million for the same period in the previous year. The decline in 4Q2006 revenue was because most of the existing major projects were near completion and the new projects are still in the early phase of design. The lower revenue in 2007 is also in line with the lower order wins in 2006.

Revenue - $000	Q1	Q2	Q3	Q4	YTD
2007	38,340	39,085	27,315	22,674	127,414
2006	30,568	46,585	44,871	25,613	147,637
% Growth	25.4%	(16.1%)	(39.1%)	(11.5%)	(13.7%)

The Group's business continued to be largely international, with approximately 90% outside of Singapore compared with 89% for the previous year. For 2007, the airport logistics business contributed 93% of the total business.

Revenue from China was the highest, accounting for 42% of the Group's revenue. The revenue in China arose mainly from our projects in China. Middle East ranked second contributing 24% (2006: 27%) to the Group's revenue.

Revenue - $000	FY 2007		FY 2006	
Singapore	12,618	10%	16,798	11%
Other ASEAN countries	13,947	11%	17,523	12%
China	53,772	42%	68,128	46%
Middle East	30,568	24%	38,418	27%
Americas	1,493	1%	3,326	2%
Europe	7,460	6%	3,385	2%
India	6,701	5%	-	0%
Others	855	1%	59	0%
Total	**127,414**	**100%**	**147,637**	**100%**

Materials, Subcontract and Other Direct Costs

The materials, subcontract and other direct costs were indirectly affected by the increased oil price and inflation in various parts of the world. In particular, the rising cost of steel and copper materials, transportation and travelling costs have resulted in a compression of margin for our projects during the period and the year under review.

Staff Cost

Staff and related costs were 26.8% lower in the fourth quarter compared with the previous corresponding period. It was also 10.6% lower for the year compared with the previous year. The decrease in staff cost is mainly attributable to a reduction in average headcount and lower staff bonuses.

Other Operating Costs

The increase in operating costs is attributable to:

(a) Set up costs incurred on the formation of our factory in Suzhou in September 2007;

(b) Inclusion of research and development investment cost in future technology development for baggage and air-cargo handling systems; and
(c) Land rental payable for the new premises at Quality / International Road starting from June 2007.

Foreign Exchange Loss

The Group's net profit in the 4th quarter of 2007 and the year 2007 were affected by a foreign exchange loss of about S$3.0 million and S$3.10 million respectively. This is due mainly to the revaluation loss on the Group's unbilled revenue portion of the contract work-in-progress and trade receivables, namely those denominated in USD and AED (United Arab Emirates Dirham) which have weakened against SGD during the year. The foreign exchange loss for the year 2007 was further compounded by the fact that the Group had previously recognized a marked to market gain on foreign exchange contracts amounting to S$2.75 million in 2006 as a result of the application of "fair value accounting through profit and loss" treatment under the Financial Reporting Standard 39 ("FRS 39"). These foreign exchange contracts were meant to hedge our revenue in 2007. By recognizing the gain in 2006 it has resulted in lower profit recognized in 2007 as the forex losses in 2007 cannot be offset against the forex gains in the same financial period.

Net Profit

Net profit before tax decreased by 24.4% to $21.9 million for 2007 whereas income tax increased by 34.2% to $4.5 million from $3.2 million for 2006. The effective tax rate for the Group is 20.7% compared to 11.1% for 2006. The change in effective tax rate is due to tax provision for the gains on disposal of investment properties at the full corporate tax rate of 18% and deferred tax under recognized in previous year by a subsidiary company. The lower effective tax rate in FY2006 was also partly due to tax written back in a subsidiary in that year.

$'000	FY 2007	FY 2006	Change %
Net profit before tax	21,879	28,924	(24.4%)
Taxation	4,527	3,224	40.4%
Effective tax rate	20.7%	11.1%	NM

For the 4th quarter of 2007, the Group operated at a loss of $4.2 million after tax. The loss is mainly a result of low revenue, rising material and transportation costs, higher overhead due to the set up of Suzhou factory as well as the recognition of foreign exchange loss as a result of translating the foreign currency items in the balance sheet.

For the year, the Group operated at a net profit of $17.6 million after tax which included a net of tax gain on sale of investment properties of about $10.6 million. The net profit after tax of $17.6 million is, however, 31.7% lower the net profit after tax of $25.7 million for FY2006. In summary, the reduction in net operating profit is attributable to lower revenue, rising materials and transportation costs affecting project margins, research and development expenditure, land rental for the new premises, set up of Suzhou factory as well as the foreign exchange loss in the fourth quarter as explained above.

Net Profit After Tax - $000	Q1	Q2	Q3	Q4	YTD
2007	4,703	15,083	1,766	(4,200)	17,352
2006	4,663	8,703	7,853	4,481	25,700
% change	0.9%	73.3%	(77.5%)	N.M.	(32.5%)
Net margin as % of revenue	12.3%	38.6%	6.5%	(18.5%)	13.6%

N.M. – not meaningful

Balance Sheet Review

Net asset value of the Group increased to $73.7 million as at 31 December 2007 from $68.5 million as at 31 December 2006. The Group's net asset value per share as at 31 December 2007 was 22.2 cents compared with 20.8 cents as at 31 December 2006.

The year ended with a cash balance of approximately $5.8 million compared with $16.2 million as at 31 December 2006. Total borrowings as at 31 December 2007 were $12.3 million bringing the gearing ratio down to 16.7%.

As the existing major projects are coming to an end, this gives rise to an increase in retention receivables which would be collected at the end of defect liability period based on the normal contract terms. This resulted in an increase in contract work-in-progress.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

As highlighted in the second and third quarter 2007 results announcement, the delay in the award of new orders secured would have an impact on the Group's revenue in the third and fourth quarters this year. Revenue declined from $39.1 million in 2Q2007 to $27.3 million in 3Q2007 and to $22.7 million in 4Q2007.

Revenue - $000	Q1	Q2	Q3	Q4	YTD
2007	38,340	39,085	27,315	22,674	127,414

For various new projects secured in the third and fourth quarters, they are still in the design phase and higher percentage of work done will be recognized in 2008 and 2009.

In our full year 2006 result announcement and subsequent announcements, we mentioned the group is confident that total orders secured in 2007 will be significantly higher than 2006. We have secured S$163 million of new orders this year as compared with S$56.6 million for the whole of 2006. As at 31 December 2007, total outstanding orders stood at S$113 million.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group has successfully managed and delivered a number of large projects over the last two years. Despite weakening US dollars and rising costs, the Group has managed them well with a reasonable profit margin. The uncertainty in commodities futures, volatile oil price, high inflation in Singapore, as well the weakening US dollars will continue to post additional challenges to us. Notwithstanding this we believe our years of prudent approach in costs management will help us in weathering these challenges.

The airport industry continues to present plenty of opportunities for the Group, especially in the category of airports up to 20 million passengers. The Group continues to bid for these airports projects whereby the Group has been successful. In addition, we are also positioning ourselves to move up the value chain by bidding for very large projects (30 million passengers and above) directly or by working with partners. However, there are not many projects of this size on the horizon. (Currently, there are not more than 30 airports in the world that handles more than 30 million passengers annually)

Customer satisfaction is an endorsement of our proven project management capabilities. We have successfully installed three major airports in Asia last year and they will be operational sometime this year (Changi T3 opened on January 8th 2008). These projects further enhanced the Group's track records for airport projects.

The Group will also be focusing on more development works as we believe it is vital for us to invest in our future through continuous improvements, products development and more software solutions.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final dividend for 2007
Dividend Type	Cash
Dividend amount per share	0.5 cent
Tax rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	Final dividend for 2006
Dividend Type	Cash
Dividend amount per share	1.5 cent
Tax rate	One-tier tax exempt

(c) Date payable

21 May 2008

(d) Books closure date

Notice is hereby given that the Share Transfer Book and Register of Members of the Company will be closed on 7 & 8 May 2008 (the 'Books Closure Date') to determine members' entitlements to the proposed dividends. Duly completed transfers must be received by the Company's Registrar, KCK Corpserve Pte Ltd, 333 North Bridge Road #08-00 KH KEA Building, Singapore 188721 on or before the close of business at 5.00 pm on 6 May 2008 for entitlement to the proposed fourth quarter final dividend. Members whose securities accounts are with The Central Depository (Pte) Ltd ('CDP') will be credited with ordinary shares in the capital of the Company at 5 pm on the Books Closure Date and will be entitled to the final dividend.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group operates from its facilities in Singapore, Malaysia, Middle East, China and the United Kingdom.

Geographical Segments – by location of facilities	The Group	
	2007 $'000	2006 $'000
Revenue		
Singapore	119,474	149,450
Malaysia	14,075	16,075
Other countries	33,592	9,707
Less: Inter-segment sales	(39,727)	(27,595)
Consolidated revenue	**127,414**	**147,637**
Operating profit		
Singapore	22,079	28,847
Malaysia	(40)	1,084
Other countries	(160)	(1,007)
Profit before taxation	**21,879**	**28,924**
Total assets		
Singapore	76,601	105,542
Malaysia	19,925	16,528
Other countries	21,034	5,357
Consolidated total assets	**117,560**	**127,427**
Total liabilities		
Singapore	8,857	48,547
Malaysia	14,381	8,059
Other countries	20,788	2,277
Consolidated total liabilities	**44,026**	**58,883**

Geographical Segments - Revenue by location of Customers	**Group**			
	2007 $'000		**2006 $'000**	
Singapore	12,618	10%	16,798	11%
Other ASEAN countries	13,947	11%	17,523	12%
China	53,772	42%	68,128	46%
Middle East	30,568	24%	38,418	27%
Americas	1,493	1%	3,326	2%
Europe	7,460	6%	3,385	2%
India	6,701	5%	0	0%
Others	855	1%	59	0%
Consolidated revenue	**127,414**	**100%**	**147,637**	**100%**

Business Segments - Revenue by industry type	**Group**			
	2007 $'000		**2006 $'000**	
Airport logistics systems	118,529	93%	139,502	95%
Industrial logistics systems	8,885	7%	8,135	5%
Consolidated revenue	**127,414**	**100%**	**147,637**	**100%**

14. In the review of performance, the factors leading to any material changes in contributions to revenue and earnings by the business or geographical segments

Please refer to paragraph 8.

15. A breakdown of sales and net profit after tax

	The Group		
	2007 $'000	**2006 $'000**	**+ / (-) %**
Revenue reported for first quarter	38,340	30,568	25.4
Operating profit after tax reported for first quarter	4,703	4,663	0.9
Revenue reported for second quarter	39,085	46,585	(16.1)
Operating profit after tax reported for second quarter	15,083	8,703	38.6
Revenue reported for third quarter	27,315	44,871	(39.1)
Operating profit after tax for third quarter	1,766	7,853	(77.5)
Revenue reported for fourth quarter	22,674	25,613	(11.7)
Operating profit after tax for fourth quarter	(4,200)	4,481	N.M.

N.M. – not meaningful

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY 2007	FY 2006
	$'000	**$'000**
Ordinary (net dividend)	11,647	17,278
Preference	-	-
Total	**11,647**	**17,278**

17. Negative Assurance

The Board would like to confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors that may render the financial results to be false or misleading in any material respect.

BY ORDER OF THE BOARD

STEVEN LWI TONG BOON
COMPANY SECRETARY
26 FEBRUARY 2008