



INTER-ROLLER ENGINEERING LIMITED
Company Registration No. 197900230M

Acquisition Of Properties

Inter-Roller Engineering Limited announced that the Group had acquired two investment properties through its wholly owned subsidiary companies. One floor of office space with total floor area of 1,336 square metres in Suntec Tower One was acquired for S\$12.2 million and one floor of office space with total floor area of 562 square metres in The Octagon was acquired for S\$3.8 million.

The purchase price was arrived at on a willing buyer and willing seller basis. Total cost of investment was S\$16.7 million, including other incidental costs such as stamp duty and legal fees. The acquisitions were financed by a long-term secured bank loan of \$5 million and by internal funds of \$11.7 million.

Colliers International Consultancy & Valuation (Singapore) Pte Ltd was commissioned to carry out a desktop valuation on both properties. The open market value of the Suntec Tower One property was \$15.6 million and the open market value of the Octagon property was S\$4.1 million.

The acquisitions have no material effect on the net tangible assets per share and earnings per share of the Group for the financial year ended 31 December 2005, assuming that the acquisitions had been effected at the end of the financial year.

The Group views the purchase of the two properties as an investment opportunity for both rental yield and potential capital appreciation. The investments through the subsidiary companies are not likely to affect the Company's core business activities. The Company remains focused on its engineering business.

None of the directors or substantial shareholders has any interest, direct or indirect, in the above transaction.

A copy of the sale and purchase agreements and a copy of the desktop valuation reports for both properties are available for inspection during normal business hours at the Company's premises at 20 Benoi Crescent, Singapore 629983 for 3 months from the date of this announcement.

Submitted by Low Cze Soo, Company Secretary on 16 May 2006.