



INTER-ROLLER ENGINEERING LIMITED
Company Registration No. 197900230M

UNAUDITED RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2007

- 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 2ND QUARTER AND 6 MONTHS ENDED 30 JUNE 2007

	Group			Group		
	2 nd Quarter			6 months ended 30 June		
	2007	2006	Change	2007	2006	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Turnover	39,085	46,585	-16.1	77,425	77,153	0.4
Net gains from sale of investment properties	12,949	-	n.m.	12,949	-	n.m.
Investment, interest & other income	110	27	307.4	315	163	93.3
Materials, subcontract & other direct cost	(22,361)	(28,304)	-21.0	(46,955)	(45,253)	3.8
Staff cost	(8,126)	(7,482)	8.6	(14,727)	(14,337)	2.7
Depreciation & amortization expense	(372)	(357)	4.2	(748)	(706)	5.9
Other operating cost	(1,295)	(1,353)	-4.3	(3,067)	(2,799)	9.6
Foreign exchange gain/(loss)	(1,784)	618	n.m.	(1,457)	947	n.m.
Profit from operations	18,206	9,734	87.0	23,735	15,168	56.5
Finance cost	(171)	(206)	-17.0	(335)	(259)	29.3
Profit before taxation	18,035	9,528	89.3	23,400	14,909	57.0
Taxation	(2,952)	(825)	257.8	(3,614)	(1,543)	134.2
Profit after taxation	15,083	8,703	73.3	19,786	13,366	48.0

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	
	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06
	\$'000	\$'000	\$'000	\$'000
SHARE CAPITAL AND RESERVES				
Share capital	37,406	34,447	37,406	34,447
Other reserves	9,114	11,034	8,915	10,835
Retained profits	36,148	23,063	21,567	19,468
	82,668	68,544	67,888	64,750
NON-CURRENT LIABILITIES				
Deferred tax liabilities	157	153	0	0
Hire purchase creditors	458	441	0	0
Bank borrowings	4,716	9,098	0	0
	5,331	9,692	0	0
CURRENT LIABILITIES				
Trade payables	21,641	28,023	19,637	24,224
Other payables	4,456	1,043	1,016	607
Amounts owing to subsidiary companies	0	0	17,574	849
Provision for taxation	4,297	5,956	2,030	5,863
Hire purchase creditors	102	191	0	0
Bank borrowings	1,650	13,978	0	12,500
	32,146	49,191	40,257	44,043
TOTAL EQUITY AND LIABILITIES	120,145	127,427	108,145	108,793
NON-CURRENT ASSETS				
Property, plant and equipment	23,910	23,102	11,740	11,240
Long-term investments	222	72	212	62
Investment properties	0	12,432	0	0
Subsidiary companies	0	0	16,657	22,415
Other receivables	82	67	82	67
Goodwill on consolidation	2,835	2,835		0
Deferred tax assets	373	460	291	390
	27,422	38,968	28,982	34,174
CURRENT ASSETS				
Inventories	6,051	3,398	4,522	1,783
Contract work-in-progress	51,520	37,403	48,812	34,900
Trade receivables	23,054	23,466	20,301	20,561
Other receivables	4,453	4,081	535	3,101
Short-term investments	92	90		0
Investment property held for sale	0	3,848		0
Cash and cash equivalents	7,553	16,173	4,993	14,274
	92,723	88,459	79,163	74,619
TOTAL ASSETS	120,145	127,427	108,145	108,793

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

Amount repayable in one year or less, or on demand

As at 30/06/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
\$'000	\$000	\$'000	\$'000
1,650	0	1,228	12,750

Amount repayable after one year

As at 30/06/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
\$'000	\$000	\$'000	\$'000
4,716	0	9,098	0

	30/06/2007	31/12/2006
	\$'000	\$'000
Total secured borrowings	6,366	10,326
Total unsecured borrowings	0	12,750
Total borrowings	6,366	23,076

Details of any collateral

As at 30 June 2007, the total secured borrowings of \$6.4 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 6 MONTHS ENDED 30 JUNE 2007

	Group 2 ND Quarter		Group 6 months ended 30 June	
	2007	2006	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES	\$'000	\$'000	\$'000	\$'000
Profit before taxation	18,035	9,528	23,400	14,909
Adjustment for:				
Depreciation of property, plant and equipment	372	357	748	706
Foreign exchange differences	65	(14)	137	250
Profit on disposal of property, plant and equipment	2	0	12	0
Profit on sale of investment properties	(12,949)	0	(12,949)	0
Share-based payment expense	199	196	374	351
Unrealized holding gain/(loss) of financial assets held for trading	0	55	(2)	(3)
Profit on disposal of equity investments	0	(64)	0	(82)
Dividend income	0	(4)	(2)	(4)
Interest income	(20)	(12)	(35)	(73)
Interest expense	171	206	335	259
Operating profit before working capital changes	5,875	10,248	12,018	16,313
Decrease/(Increase) in trade and other receivables	11	(1,630)	(25)	(13,585)
(Increase) in inventories and contract work-in-progress	(5,024)	(4,313)	(16,770)	(4,345)
(Decrease)/increase in trade and other payables	(8,210)	1,570	(3,039)	(3,752)
Income tax paid	(3,035)	(342)	(5,273)	(381)
Net cash (used in)/generated from operating activities	(10,383)	5,533	(13,089)	(5,748)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of quoted equity investments	0	282	0	555
Proceeds from sale of property, plant and equipment	0	0	140	0
Proceeds from sale of investment properties	29,229	0	29,229	0
Purchase of property, plant and equipment	(975)	(2,405)	(1,706)	(3,183)
Purchase of long-term investment	0	0	(150)	0
Purchase of investment properties	0	0	0	(16,669)
Interest income	20	12	35	73
Dividend received	0	4	2	4
Net cash generated from/(used in) investing activities	28,274	(2,107)	27,550	(19,220)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from issue of shares	443	101	2,275	412
Proceeds from bank borrowings	0	5,989	0	18,376
Repayment of bank borrowings	(8,738)	-	(16,710)	0
Dividends paid	(8,311)	(10,692)	(8,311)	(10,692)
Interest paid	(171)	(206)	(335)	(259)
Net cash (used in)/generated from financing activities	(16,777)	(4,808)	(23,081)	7,837
Net (decrease)/increase in cash and cash equivalents	1,114	(1,382)	(8,620)	(17,131)
Cash and cash equivalents at beginning of period	6,439	4,394	16,173	20,143
Cash and cash equivalents at end of period	7,553	3,012	7,553	3,012

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 capitalisation 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	Statutory Reserve	Dividend Reserve	Retained Profits	Total
Balance at 1 Jan 2007	34,447	0	5,673	780	(423)	67	4,937	23,063	68,544
Share option expense for 2007				374					374
Issue of shares – options exercised	2,275								2,275
Transfer of share option reserve to share capital on options exercised	684			(684)					0
Exchange difference arising from translation of investment in foreign subsidiary companies not recognized in income statement			22		-18	-4			0
2006 fourth quarter final one-tier tax exempt dividend of 1.5 cents per share paid							(4,937)	(47)	(4,984)
2007 first quarter interim one-tier tax-exempt dividend of 1 cents per share proposed							3,320	(3,320)	0
2007 first quarter interim one-tier tax-exempt dividend of 1 cents per share paid							(3,320)	(7)	(3,327)
2007 second quarter interim one-tier tax exempt dividend of 1 cents per share proposed							3,327	(3,327)	0
Net profit for the period								19,786	19,786
As at 30 June 2007	37,406	0	5,695	470	(441)	63	3,327	36,148	82,668

THE GROUP (\$'000)	Share Capital	Share Premium	Revalua- tion Reserve	Share Option Reserve	Exchange Fluctuation Reserve	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				351					351
Issue of shares – options exercised	412								412
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 on options exercised	104			(104)					-
Exchange difference arising from translation of investment in foreign subsidiary companies not recognized in income statement			(11)		81	(2)			68
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 proposed							4,937	(4,937)	-
Net profit for the period								13,366	13,366
As at 30 June 2006	34,367	-	6,702	360	(190)	65	4,937	20,608	66,849

THE COMPANY (\$'000)	Share Capital	Share Premium	Revalua- tion Reserve	Share option Reserve	Exchange Fluctuation Reserve	Dividend Reserve	Retained Profits	Total
Balance at 1 Jan 2007	34,447	0	5,118	780	0	4,937	19,468	64,750
Share option expense for 2007				374				374
Issue of shares – options exercised	2,275							2,275
Transfer of share option reserve to share capital on options exercised	684			(684)				0
2006 fourth quarter final tax exempt dividend of 1.5 cents per share paid						(4,937)	(47)	(4,984)
2007 first quarter one-tier tax-exempt interim dividend of 1 cent per share proposed						3,320	(3,320)	0
2007 first quarter one-tier tax-exempt interim dividend of 1 cent per share paid						(3,320)	(7)	(3,327)
2007 second quarter one-tier tax-exempt interim dividend of 1 cent per share proposed						3,327	(3,327)	0
Net profit for the period							8,800	8,800
As at 30 June 2007	37,406	0	5,118	470	0	3,327	21,567	67,888

THE COMPANY (\$'000)	Share Capital	Share Premium	Revaluation Reserve	Share option Reserve	Exchange Fluctuation 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				351				351
Issue of shares – options exercised	412							412
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 on options exercised	104			(104)				-
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 proposed						4,937	(4,937)	-
Net profit for the period							12,199	12,199
As at 30 June 2006	34,367	-	6,149	360	-	4,937	16,535	62,348

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 first half of the year, the Company issued and allotted 3,596,000 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 exercise price ranged from \$0.255 to \$0.735 per share and the average exercise price was \$0.64 per share.

As at 30 June 2007, total share options outstanding amounted to 3,185,000 unissued ordinary shares. The exercise price of these unissued shares ranged from \$0.255 to \$0.89 per share and the average exercise price was \$0.79 per share.

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

The figures have not been audited or reviewed by the Company's auditors.

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

NA

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 compared with 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)

	Six months ended 30 June	
	2007	2006
EPS for the period based on net profit attributable to Shareholders		
(i) a. Based on weighted average number of ordinary shares in issue	5.97 cents	4.07 cents
b. Weighted average number of ordinary shares in issue adjusted for the share split	331,442,768	328,468,396
(ii) a. On a fully diluted basis and based on weighted average number of ordinary shares in issue	5.91 cents	4.06 cents
b. Weighted average number of ordinary shares in issue adjusted for the share split	334,627,768	329,534,718
(iii) a. Based on the total number of ordinary shares in issue	5.95 cents	4.06 cents
b. Total number of ordinary shares in issue adjusted for share split adjusted for the share split	332,697,796	328,975,796

The share split of one existing share into two shares was completed in July 2006. In computing the earnings per share figures for the period ended 30 June 2006, the relevant numbers of shares in issue were adjusted assuming the share split took place on or before 30 June 2006.

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	30/06/2007	31/12/2006
Net asset value per ordinary share based on issued share capital of 332,697,796 shares (31/12/2006: 329,101,796 shares) at end of the financial period/year	24.8 cents	20.8 cents

Company	30/06/2007	31/12/2006
Net asset value per ordinary share based on issued share capital of 332,697,796 shares (31/12/2006: 329,101,796 shares) at end of the financial period/year	20.4 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.**

Review of Income Statement

Turnover \$'000	Q1	Q2	Total
2007	38,340	39,085	77,425
2006	30,568	46,585	77,153
Change	+25.4%	-16.1%	+0.4%

The Group's turnover for the first half year 2007 at \$77.4 million is slightly higher than the turnover for the same period in 2006. Turnover for second quarter 2007 at \$39.1 million is about 2% higher than the turnover for first quarter 2007 and 16.1% lower compared with the turnover for second quarter 2006.

Turnover	1H 2007 (\$000)	%	1H 2006 (\$000)	%
Singapore	5,599	7%	9,670	13%
Other ASEAN countries	4,383	6%	11,523	15%
China	46,721	60%	30,673	40%
India	2,374	3%	-	0%
Middle East	15,672	20%	22,452	29%
Americas	633	1%	1,728	2%
Europe	2,043	3%	1,107	1%
	77,425	100%	77,153	100%

The Group's business is largely international, with approximately 93% of its first half year 2007 turnover outside of Singapore. Turnover from China is the highest, accounting for 60% of the Group's first half year turnover while Middle East ranked second contributing 20% to the Group's first half year turnover in 2007.

Net profit after tax (\$000)	Q1	Q2	Total
2007	4,703	15,083	19,786
2006	4,663	8,703	13,366
Change	+0,9%	+73.3%	+48.0%

The Group's net profit after tax in second quarter 2007 at \$15.1 million is 73.3% higher than the net profit after tax in second quarter 2006. This is due mainly to the gains of \$12.9 million from the sale of its investment properties at Suntec Tower One and Octagon Building which were completed in the second quarter 2007. Net profit for the first half year closed at \$19.8 million or 48% higher than the first half year 2006.

The Group's net profit is affected by the foreign exchange gain or loss arising from marking to market the foreign currency forward contracts entered into by the Company. It is the Company's policy to hedge substantially its foreign currency contracts. Under FRS 39, the Company is required to mark to market its foreign exchange contracts at the end of the reporting period. Its foreign currency contracts are substantially in US dollars. When the US dollars exchange rate on the day of the reporting period is lower than the contracted rates, this will result in the Company recognising a foreign exchange gain as in the case at 30 June 2006. When the US dollars exchange rate is higher than the contracted rates as in the case around 30 June 2007, it will result in the Company recognizing a loss in foreign exchange.

Net profit margin of the Group for the first half year 2007 is 25.6% compared with 17.3% for the same period in 2006. Excluding the gains from sale of investment properties and the foreign exchange gain and loss, the Group's net margin from its engineering activities is lower than the same period in 2006. The decline in net profit margin is due mainly to lower margin for the projects executed in the period under review, higher development and marketing activities as well as higher financing costs.

Earnings per share for the first half year of 2007 is 5.97 cents compared with 4.07 cents for the same period in 2006.

Review of Balance Sheet Items

The net asset value of the Group increased to \$82.7 million as at 30 June 2007 from \$68.5 million as at 31 December 2006. The Group's net asset value per share as at 30 June 2007 was 24.8 cents compared with 20.8 cents as at 31 December 2006 based on the number of shares in issue at the balance sheet dates.

The Group received net cash proceeds of \$29.2 million in second quarter 2007. The proceeds were used mainly to repay bank borrowings of \$16.7 million. Total borrowings as at 30 June 2007 were \$6.4 million compared with \$23.1 million as at 31 December 2006. The gearing ratio at 30 June 2007 is 7.7%. This represents a reduction of 25.2% from the gearing ratio of 33.7% as at 31 December 2006.

Dividends

Directors have declared a one-tier tax-exempt interim dividend of 1 cent per share for the second quarter of 2007. Dividend payable for the second quarter 2007 would amount to \$3.3 million. Together with the one-tier tax-exempt interim dividend of 1 cent per share paid for the first quarter 2007 of \$3.3 million, total dividends paid and payable for the first half year 2007 would amount to \$6.6 million compared with \$7.4 million paid for the first half year 2006.

Directors will review the dividend payments for the whole year in the last quarter of 2007 taking into consideration the gains from sale of investment properties and the capital expenditure needs of the Group to meet its expansion plan.

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

In our first quarter 2007 results announcement on 15 May 2007, it was stated that the results for the first half year 2007 was expected to be significantly better than that of the first half year 2006 in view of the gains from sale of investment properties. The Group's net profit after tax of \$19.8 million for the first half year is 48% higher than the net profit after tax of \$13.4 million for the first half year 2006.

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 secured \$65.7 million of new orders for the first six months of 2007. With this, the outstanding orders as at 30 June 2007 stood at \$68.2 million. The Group is confident that total orders secured in 2007 will be significantly higher than 2006 because the Group expects to secure more orders in the second half of the year. As a result of the delay in the award of these tenders, these projects will contribute more to the turnover in 2008 instead of 2007. It would have an impact on the turnover of the Group in the third and the fourth quarters this year.

11. Dividends

(a) Current Financial Period Reported On

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

Name of Dividend	Interim 2 nd quarter 2007
Dividend Type	Cash
Dividend amount per share	1 cent net
Tax rate	One-tier tax exempt

Directors have declared a one-tier tax-exempt interim dividend of 1 cent per share for the second quarter of 2007. Total dividends payable for the second quarter would amount to \$3.3 million. Together with the one-tier tax-exempt interim dividend of 1 cent per share paid for the first quarter 2007 of \$3.3 million, total dividends paid and payable for the first half year 2007 would amount to \$6.6 million compared with \$7.4 million paid for the first half year 2006.

(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	Interim 2 nd quarter 2006
Dividend Type	Cash
Dividend amount per share	1.5 cents net
Tax rate	One-tier tax exempt

(c) Date payable

6 September 2007

(d) Books closure date

Notice is hereby given that the Share Transfer Book and Register of Members of the Company will be closed on 24 August 2007 (the 'Books Closure Date') to determine members' entitlements to the proposed dividend. Duly completed transfers must be received by the Company's Share Registrar, KCK CorpServe Pte Ltd of 47 Hill Street, #06-07A, Singapore Chinese Chamber of Commerce & Industry Building, Singapore 179365 on or before the close of business at 5.00 pm on 23 August 2007 for entitlement to the proposed interim dividends. Members whose securities accounts are with The Central Depository (Pte) Ltd ('CDP') and whose ordinary shares in the capital of the Company are credited by CDP as at 5 pm on the Books Closure Date will be entitled to the interim dividends.

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

N.A.

13. Negative Assurance

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the 6 months ended 30 June 2007 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Amy Lew Hooi Ching
Company Secretary
7 August 2007