Positioning for Recovery

Linair Technologies Limited
annual report 2008

Corporate Profile

Founded in 1998, Linair Technologies Limited is a multi-disciplinary company providing environmental-control exhaust systems and critical airflow control systems to semiconductor, wastewater treatment, pharmaceutical and biotechnological industries. The company was successfully listed in the SGX Sesdaq on February 2005.

Linair Technologies is a proven partner in providing one-stop environmental-solutions and integrated services from manufacturing, distribution to on-site engineering services and environmental consultancy.

Linair Technologies Limited has 3 major pillars of businesses:

(i) The Manufacturing division which involved in the manufacture and fabrication of high quality ducts and critical airflow systems;

(ii) The Distribution division to distribute the critical airflow systems, Individual Ventilated Cages (IVC) and established international industrial and biotechnology products; and

(iii) The Engineering and Maintenance division to provide turnkey facility construction management and specialist engineering

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Linair Group of Companies

Manufacturing
FM-Approved ETFE-coated Ductwork
Stainless Steel Ductwork
Galavanised Steel Ductwork
Air-Tight Dampers
Fumehood

Engineering and Environmental Solutions
Facility Management
Fume Exhaust Solution
Waste-Water Management Solution
HVAC systems

Distribution
Phoenix Controls Critical Airflow System
METU (Ducting Joints) System
Individual Ventilated Caging System

Linair Technologies (Suzhou) Co., Ltd
Its principal activities include the manufacture of stainless (coated and non-coated) and Galvanised Steel (GI) ductwork, complete components for environmental friendly waste water and distilled water management system.

Linair Technologies (M) Sdn Bhd
Its principal activity is to manufacture stainless (coated and non-coated) ductwork and related accessories.

Air System Technology (Singapore) Pte Ltd
A leading building services and engineering solutions provider which specializes in design, installation, testing and commissioning of Air-Conditioning and Mechanical Ventilation (ACMV) and Electrical system for hospitals, live firing indoor ranges, clean rooms, commercial buildings and others. Awarded with Building and Construction Authority ("BCA") L6 certification, Air System Technology (S) Pte Ltd has the ability to undertake contracts (both public and private) without tendering limits.

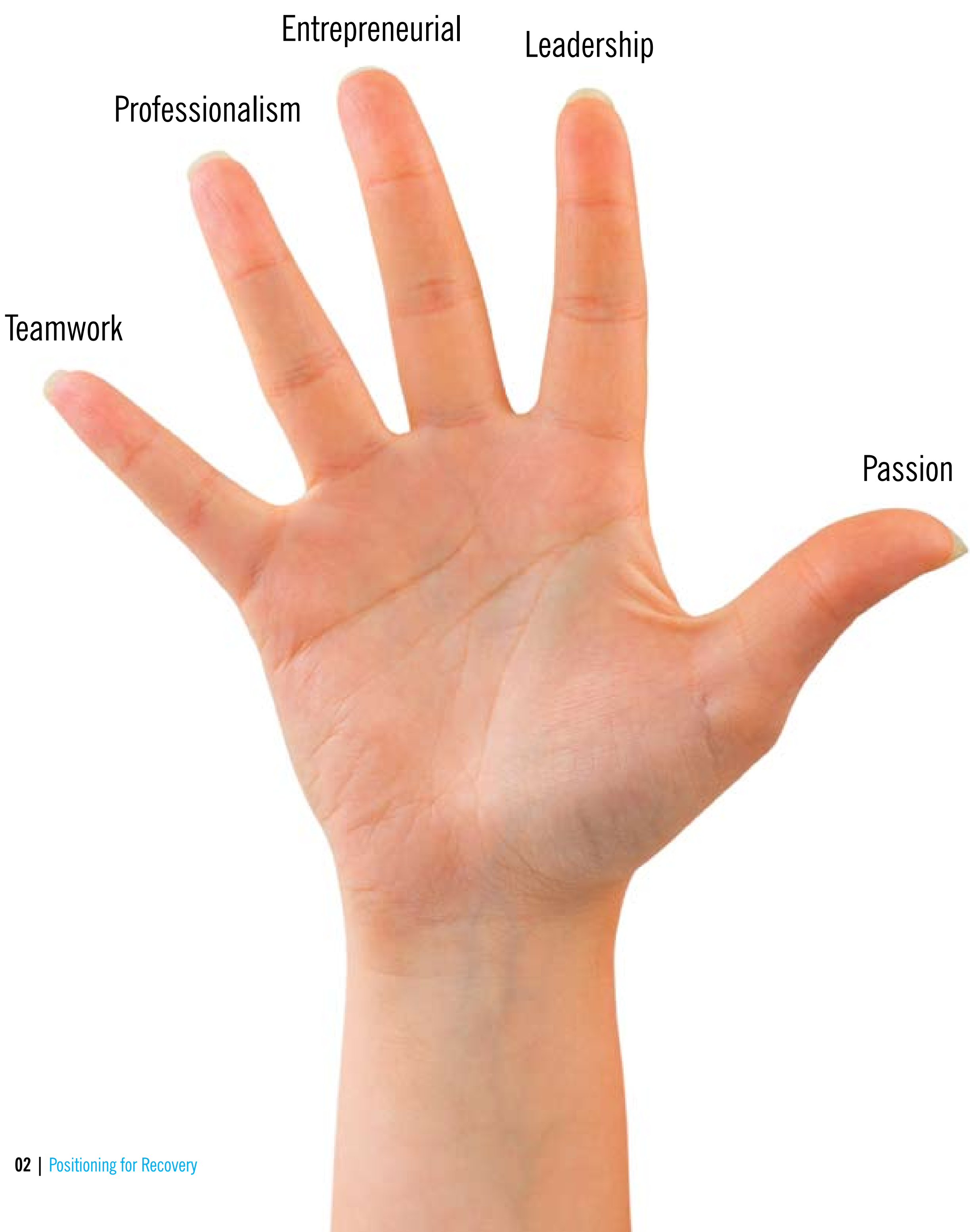
Linair Engineering Pte Ltd
Linair Engineering seeks to provide project management and consultancy services for the construction of Semiconductor clean rooms and laboratories up to Bio-Safety Level 3 (BSL 3) and the installation of fume exhaust systems in the semiconductor, pharmaceutical and chemical industries.

Shanghai Xianda Industry Equipment Installation Co., Ltd
This subsidiary focuses on process engineering and providing connections for chemical and waste water management systems to Semiconductor, Power Stations and Chemical plants. Shanghai Xianda is also the OEM manufacturer for NIKKISO chemical dosing and sampling equipment.

Linair Bio-Science Pte Ltd
A total Laboratory solution provider offering critical airflow control systems to the biotechnology, bio-medical, pharmaceutical, petrochemicals and educational industries. This includes critical airflow design up to Bio-Safety Level 3 (BSL 3), laboratory equipping (fumehood, IVC), airflow balancing and commissioning, indoor air quality and certification as our value added services.

Linair Technologies (Taiwan) Co., Ltd
Its principal business is in the distribution of critical airflow control systems, laboratory furniture and laboratory equipment in Taiwan as well as the manufacture of laboratory equipment.

Core Values


Entrepreneurial
Leadership
Professionalism
Teamwork
Passion

Corporate Motto

"We deliver what we promise."

Linair Technologies Limited's credo "We Deliver What We Promise" serves to illustrate the commitment of our management and staff to provide and deliver the highest standards in our environmental products, solutions and service levels.

- To our customers, we will deliver high quality products, best-in-class solutions, and on-time responses and services.

- To our investors and stakeholders, we will take responsibility to provide truthful and transparent information and commit full effort to bring enhanced value to the company.

- To our business partners, we will provide full support and timely information to develop win-win propositions and achieve sustainable growth.

- To our employees, we will provide a conducive work environment which encourages teamwork and enterprise, promotes creativity, offering opportunities for career growth with the company.

- To the community, we shall maintain a high standard of corporate social responsibility in the discharge of our responsibilities, ensuring best workplace health and safety practices.

Exploring
collaborations,
establishing partnerships.

Seeking new
opportunities,
expanding new markets.

Chairman's Message

DEAR SHAREHOLDERS,

Key Financial Performance for FY2008

Our operations in Financial Year 2008 ("FY2008") started well but was later impacted by the current economic turmoil in the last quarter of FY 2008, especially for our operations in China. Despite a steady increase in revenue for Linair Technologies Limited ("Linair" or the "Group") by 18.2% to S$81.9 million, the net profit attributable to shareholders slipped by 88.5% to S$454,000. The increase in revenue came mainly from the contribution from the newly acquired subsidiary, Air System Technology (S) Pte Ltd ("AST"), which amounted to S$16.7 million. However, the sharp drop in net profit was due to the $1.37 million provision made pertaining to our China operations.

Corporate Milestones in 2008

For the year under review, one of the most significant events is the successful acquisition of Air System Technology Pte Ltd ("AST"), a specialist engineering company with a Singapore BCA L6 license (no limit to tender). Following the acquisition, AST has brought in a good order book of S$70 million, where S$30 million of projects are expected to realise in FY2009. This marked a significant milestone in enhancing our engineering capabilities and building up our portfolio, especially when it relates to tender for commercial and industry turnkey projects.

Linair Technologies Limited has also entered into an agreement with Mr Khalfan Saeed J. Al Kaabi, Chairman of Ascorp Holdings Est ("Ascorp"), a prominent and diversified engineering and automation group in the Middle East, for the latter to form a strategic collaboration via the subscription of 29 million placement share and 94 million option shares of Linair Technologies Limited. To date, we are pending regulatory approval.

Outlook and Future Direction

In the midst of global recession, our company's focus is to be able to ride through this challenging period and to position ourselves for recovery. We are currently concerned with two primary challenges, one of which is the integration and assimilation of the acquisition of Air System Technology, followed by the declining demand for our FM-Approved EFTE-coated ductworks, especially in the semiconductor industry. Such a trend may not likely to recover within the next 12 months. Amidst these key challenges ahead, the positive side is our Engineering division's healthy order book to sustain and further enhance our engineering capabilities as a Group. Looking ahead, we expect the Engineering division to be our primary growth engine for FY2009, while maintaining stable revenue streams from the other business divisions within the Group.

In response to the present economic climate, we have taken a systematic approach in addressing our challenges. First, we have rationalised the integration of AST into the Group. The objective is to maximise the capabilities and working efficiencies of the engineering employees. Bearing that in mind, we hope to achieve greater synergies with the combined workforce. Locally, we plan to devote the necessary financial and human resources support to the existing Singapore operations. Second, we will implement proactive cost control measures to trim our expenses and streamline the various operations, while at the same time utilise our inventories effectively. Linair will adopt a 'stand alone' strategy for all business units and subsidiaries, which requires each of them to maintain profitability. On a regular basis, we will review the existing cost centres, to identify the need for consolidation or internal restructuring to elevate our overall performance level as a Group.

Third, we endeavour to set the grounds right for our footprints into the Middle East. This would be our next phase of geographical expansion to prepare ourselves for recovery. Fourth, we have taken strategic steps to market our ductwork products to the electronic foundries in Europe beyond our traditional markets in South-East Asia and China. Besides venturing into new markets, we are also trying to sell our manufactured products to new sectors apart from the semi-conductor industry, such as the photovoltaic industry. Finally, we have taken steps to increase our market share of our distribution products by developing new channels and fostering overseas partnerships. All these measures are essential in helping Linair to position itself to capitalise on market recovery.

Strategic Change in Management Roles

With the acquisition of AST, the Board would like to extend our warmest welcome to Mr Raymond Loh who will monitor and spearhead the developments of all Engineering and Maintenance Services, whilst Mr Wong Kok Chye will oversee all Manufacturing and Distribution businesses of the Group. Mr Jemme Ong, the Group's CEO will continue to oversee the Group's Operations.

Heartfelt Appreciation

Last but not least, we on behalf of the Board of Directors of Linair would like to express our gratitude to all our shareholders for their continuous trust and support; and to all our suppliers, clients and business partners for their confidence in us and finally, our employees for their relentless effort and dedication.

May we together weather the economic storm and position ourselves for recovery.

Thank you.

BG (Ret) Law Chee Kiat
Non-Executive Chairman

CEO's Message - Operations Review

In Linair, we believe in offering our customers quality environment-control solutions by capitalising on the seamless compatibility of our manufacturing, distribution and engineering arms. As a one-stop solution provider, we provide turnkey environment-control systems, encompassing the entire process from manufacturing of the components to the final installation.

Manufacturing and Distribution

Seagate Senai Scrubber System

Air Tight Damper

Being the first manufacturer to specialize in stainless steel ducts in the region, Linair is the only FM-approved ETFE-coated ductwork supplier in SEA regions, supported by its various facilities in Malaysia (Senai), China (Suzhou and Beijing) and UAE (Ajman). Over the years, we have established a good track record by adding value to our customers, delivering quality services and responding in a timely manner.

Following the drastic downturn in the semiconductor industry caused by the global economic crisis, we saw demand for our ductworks weakening in Singapore and China, particularly in the final quarter of FY2008. We currently hold a substantial share of the ETFE market. To remain competitive while protecting our margins, we are implementing the 'Cold Coating System' for the manufacturing and automation of our FM-approved ETFE-coated ductwork system. This will help us lower our overall cost. We believe this vital step is timely for us to mitigate the slowdown in demand for our products.

During the year, we have managed to secure several sizeable projects through hard work and persistence, such as the RM6.7 million Seagate Senai project and the S$2.4 million Seagate W3 project.

Amidst the gloomy economic outlook, we look forward to exploring new and potential markets in the future. In the Southeast Asia region, we are seeing an emerging trend in demand from photovoltaic industries, which relate to the field of technology and research in the application of solar cells for energy. Due to the growing demand for clean sources of energy, the production of solar cells and photovoltaic arrays has expanded dramatically in recent years, notably in new markets.

Beyond fabricating high quality ducts and assembling exhaust systems, we are also involved in the distribution of critical airflow control systems, Individual Ventilated Cages (IVC), Metu-System duct accessories and Phoenix Controls Valves which are all well-known brands and established internationally.

Despite weaker consumer sentiments, we have registered a revenue growth of 53.3% to S$3.0 million under the Distribution segment, driven by growing demand and contribution from new markets such as Taiwan and Malaysia. The management is fairly encouraged with these developments during the year, which enabled Linair to strategically position itself as a provider of biotechnology clean room and laboratory solutions.

In congruence with the Singapore government's plan to groom the island nation into a regional healthcare hub, we expect the development of new high quality healthcare facilities will continue to drive demand for our distribution business.

Venturi Valve


Individual Ventilated Cages

DBS Building project

Engineering

The Engineering and Maintenance business primarily engages in the project management and consultancy services for the construction of semiconductor clean rooms and laboratories up to Bio-Safety Level 3. In addition, we provide installation and servicing of fume exhaust systems in the semiconductor, pharmaceutical and chemical industries.

One of the most significant developments in FY2008 was the successful acquisition of Air System Technology (S) Pte Ltd ("AST"). With a BCA L6 (no limits to tender) license, AST specialises in providing engineering and maintenance services to commercial, biotechnology and government-related projects such as airports, hospitals and public transportation systems. Among the 26 companies with BCA L6 license in Singapore, we are one of the few contractors with bizSafe membership, which is a program initiated by the Workplace Safety and Health Council tailored to assist the Small and Medium Enterprises in enhancing their workplace safety and health measures. By offering hazard-free workplaces, bizSafe differentiates us from our competitors, especially when it is one of the pre-requisites of certain customers.

CEO's Message - Operations Review

By leveraging on AST's reputation and capabilities, the group has clinched several projects during the year, for instance the 3-year Changi Airport Terminal 1 project with a value of over S$40 million that is expected to last until 2011. AST contributed approximately S$16.7 million in revenue to the Group in FY2008 and is expected to be the major revenue driver in FY2009.

Seeing the need to elevate ourselves to cater to larger projects, we will continue to enhance our design capabilities in niche areas such as laboratories, healthcare and military related projects, as well as the ability to tender for more Green Mark projects. We are also looking for opportunities to upgrade our services to include facilities management, and to further strengthen our position as an integrated solution provider specializing in Mechanical, Electrical and Plumbing (MEP) and related solutions in the next 5 years.

Facing a slowdown in the semiconductor industry, coupled with stiff competition from smaller peers and pricing pressures within the industry, we seek to mitigate this via new ventures into green industries as well as geographical diversification through collaboration with local partners as well as seeking opportunities to perform merger and acquisitions for the strategic growth for the Group. We will focus on securing more commercial and MEP related projects in the Middle East, while plans for other overseas markets would be targeted at airports and infrastructure projects.

Changi Airport Terminal 1 project

Conclusion

We have felt the crunch of the economic crisis in our businesses and performances for the past few months. Linair has done reasonably well to weather the initial wave of the economic storm to post positive results through careful planning and prudent conduct of business.

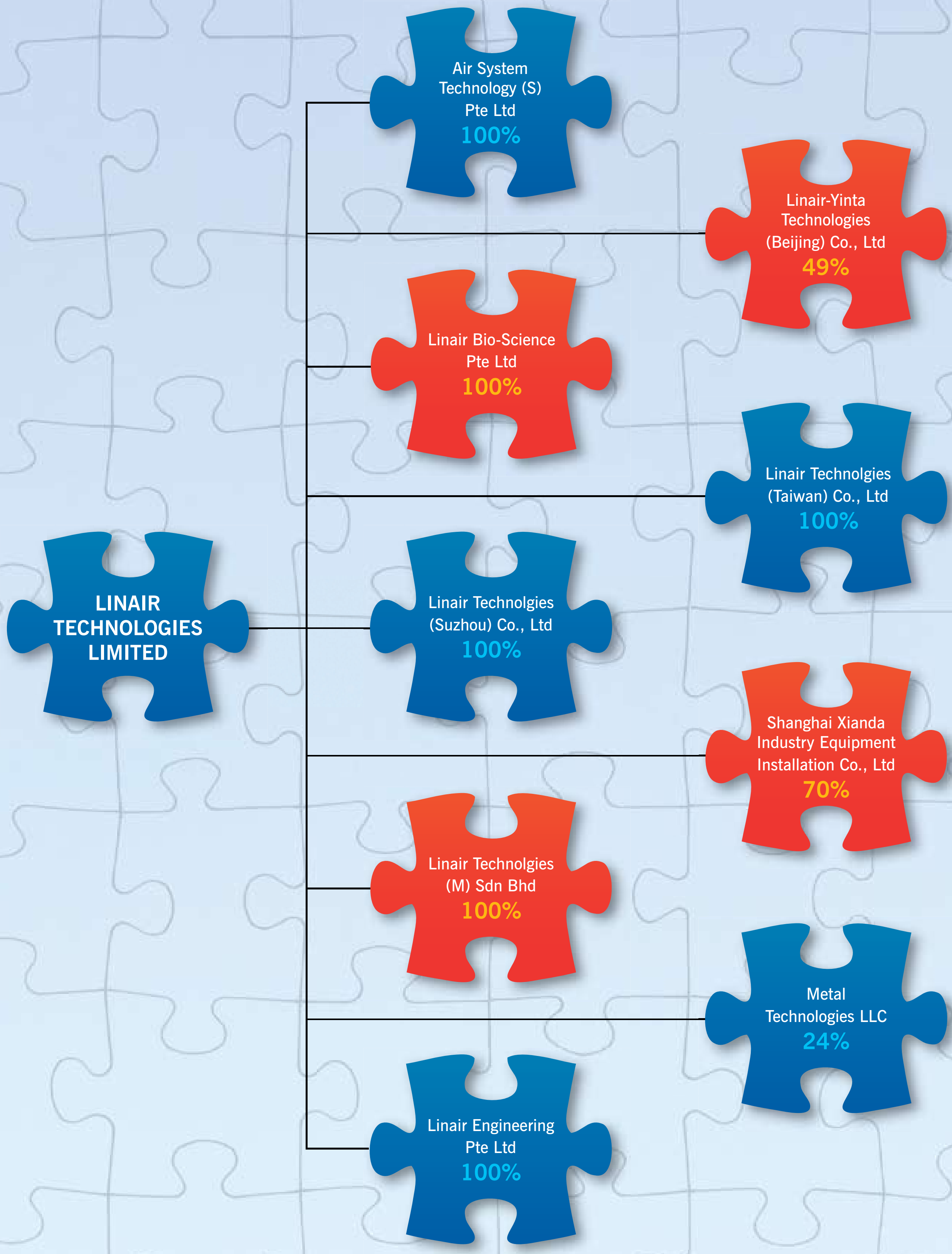
Underpinned by the uncertainties in the market place, we believe that the economic environment will continue to be challenging for businesses ahead. In anticipation to these challenges, the best approach would be to harness our core competencies, strengthen our business fundamentals and minimise exposure to high business risk areas, so as to maintain our profitability for the next 2 years. Within the next 6 months, we will regularly monitor our operations in China to identify the feasibility and relevance of the various businesses to the Group before making any decision to scale down operations.

Appreciation

Last but not least, I wish to extend my gratitude to the Linair staff and management for their relentless efforts in a difficult situation. I also wish to extend my appreciation to the Chairman and Board of Directors for the motivation and clarity in managing the economic situation, and look forward to the continued support of associates and investors.

Mr. Jemme Ong Peng Kwang
Group Chief Executive Officer

Group Structure



Board of Directors

BG (Ret) Law Chwee Kiat Independent Director and Non-Executive Chairnan

BG (ret) Law Chwee Kiat brings with him over 30 years of service with the SAF and held several senior command and staff appointments, including Commander of 9th Division, Commander TrADOC and Head Combat Intelligence Department and Acting ACGS (Intelligence). BG (ret) Law had also served on the boards of two government-linked companies.

Following his retirement from the SAF, BG (ret) Law was appointed Senior research Fellow, the Institute of Defence and Strategic Studies, NTU, Singapore. Concurrently he held the appointment of the Head of Operational Art Development Group in the SAF. He left the NTU in 2003 and helped established Einrelevance Pte. Ltd. He is currently the Chairman of the company.

He holds a Bachelor of Arts (Political Science/History) from the National University of Singapore.

Mr. Jemme Ong Peng Kwang Group Chief Executive Officer

Group CEO Mr. Jemme Ong is primarily responsible for overseeing the Group's strategic business direction and development. Prior to joining the Group in 2003, Mr. Jemme Ong set up Aims Capital Pte Ltd in 1999, a company dealing with investment in equities. In June 2001, he set up Jordans Offshore Supplies Pte Ltd, engaged in the supply of material and handling equipment for the oil and gas industry. From 1997 to 1999, Mr. Jemme Ong was the Managing Partner of Ngee Seng Autoworks and Ngee Seng Spray Painting. From 1990 to 1997, he managed a chain supply and distribution business dealing with home appliances in Indonesia.

Mr. Ho Ta-Huang Non Executive Director

Mr. Ho Ta-Huang is the founder and Chairman of Chern Dar. Mr. Ho has over 30 years of experience in the business of manufacturing and installation of stainless steel and galvanised steel ductworks in Taiwan. He is the honorary Chairman of the Taiwan Hardware Association and an inspector with the Taiwan Ventilation Equipment Association.

Mr. Wong Kok Chye CEO, Linair Duct

Mr. Wong Kok Chye is the Chief Executive Officer of Linair Duct, a key business unit of The Linair Group. His responsibilities include overseeing the Group's duct manufacturing business in ASEAN. Prior to joining the Group as Project Director in 2000, he was a consulting Engineer in Rankine & Hill Consultant Engineers and was responsible for designing building systems and management of engineering projects.

Mr. Wong holds a Bachelor degree in Engineering with First Class Honours in Mechanical Engineering from Queen's University of Belfast. Mr. Wong was awarded the rex McCandless Prize and the F.V. Warnock Prize for academic excellence by the University.

Mr. Ong Chin Lin Independent Director

Mr. Ong Chin Lin is the Independent Non-Executive Director at Linair. He is the Chairman of the Audit Committee, and member of the remuneration Committee and Nomination Committee.

Mr. Ong had previously held senior financial and operations positions at Prima Flour Ltd, Malaysia-Beijing Travel Sdn Bhd and Nylect Technology Limited. He is currently the Independent Non-Executive Director of Yi-Lai Berhad and Old Chang Kee Ltd.

Mr. Ong graduated with a Bachelor of Commerce (Accountancy) from the then Nanyang University in 1970. He is a fellowship member of the Institute of Chartered Accountants in England & Wales, and also a member of the Malaysia Institute of Accountants.

Key Management

Mr. Jemme Ong Peng Kwang Group Chief Executive Officer
Mr. Jemme Ong, the Group Chief Executive Officer is primarily responsible for the Group's strategic directions and developments. He charted Linair's Global outlook Plan and maintained the Group's business health and growth strategies. Mr. Jemme Ong joined Linair in 2003 as General Manager. He was promoted to Chief Operations Officer in 2004 and appointed as Director in 2005 before taking over as Group CEO in 2006.

Mr. Ong has brought with him to Linair a wealth of experience in managing successful Singapore companies Aims Capital Pte Ltd, Jordans Offshore Supplies Pte Ltd, Ngee Seng Autoworks, Ngee Seng Spray Painting, including a chain supply and distribution business in Indonesia.

Mr. Wong Siew Hong Group Chief Financial Officer
Mr. Wong joined Linair as Chief Financial Officer in April 2007. He is responsible for the financial management and reporting functions of the Group. Mr. Wong is also the Company Secretary. Prior to joining the group, Mr. Wong Siew Hong was with Foo Kon Tan Grant Thornton for nine years and his last held position was that of Senior Audit Manager. Mr. Wong holds a Bachelor of Accountancy from the National University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore.

Mr. Anthony Sum Yew Wah Group Chief Marketing Officer
Mr. Anthony Sum was appointed Linair's Chief Marketing Officer in Jan 2007. He is responsible for the Group's Global Marketing effort in providing marketing leadership and support, establish distributorships and sales, develop partnerships and alliances. Mr Sum also oversees the Group's Corporate Affairs, and is responsible for shaping and implementing policy initiatives.

Mr. Sum has more than 17 years' experience with MNCs and SMEs. He holds a Master Of Science in IT from the University of Glasgow (UK) and a Executive MBA from the Golden Gate University (USA).

Mr. Wong Kok Chye Chief Executive Officer, Linair Duct
Mr. Wong Kok Chye is the Chief Executive Officer of Linair Duct. He is chiefly responsible for the development, operations and growth of the Group's Duct business. Mr. Wong joined Linair in 2000 as Project Director, and was appointed Sales Director in 2001. He was promoted to South-East Asia Director in 2005 before assuming his current role as CEO, Linair Duct in October 2006.

Mr. Wong holds a Bachelor degree in Engineering with First Class Honours in Mechanical Engineering from Queen's University of Belfast.

Mr. Raymond Loh Director, Air System Technology Pte Ltd
Mr. Raymond Loh is the sole founder of Air System Technology (S) Pte Ltd. He is primarily responsible for the technical design, development and maintenance of airflow systems to meet the required Quality Assurance standards. Since 1985, Mr. Loh has been involved in the planning, design and construction of HVAC systems as well as M&E Installation and Maintenance Management.

Mr. Loh, a Chartered Marine and Mechanical Engineer, graduated with a degree of Master of Science from the University of Newcastle-Upon Tyne in the United Kingdom.

Mr. Lai Mun Yow Chief Executive Officer, Linair Engineering
Mr. Lai Mun Yow joined Linair in Oct 2006 as Chief Executive Officer of Linair Engineering Pte Ltd. His responsibilities include overseeing the Group's engineering business and operations in ASEAN and China. Mr. Lai has more than 20 years of experience in project management and construction of laboratory, pharmaceutical plants and clean rooms.

Prior to joining Linair, Mr. Lai was the project manager with Shin Nippon Air Technologies Co., Ltd.

Mr. Chang Cheng Yu General Manager, Linair Technologies (Suzhou) Co., Ltd
Mr. Chang joined Linair in Dec 2007 as General Manager of Linair Technoloiges (Suzhou) Co.,Ltd, a wholly owned subsidiary company of The Linair Group. He is responsible for the management and development of the Group's business and duct manufacturing operations in China. Mr. Chang has more than 10 years of experience in the business of manufacturing and installation of stainless steel and galvanised steel ductworks in Taiwan.

Mr. Chang holds a Bachelor Degree in Mechanical Engineering, Taiwan Yuan-Ze University.

Statement of Corporate Governance

The Board of Directors of Linair Technologies Limited (the "Company") is committed to ensure that high standards of corporate governance and transparency for the protection of shareholders' interest, whilst upholding values of integrity, accountability and pursuing entrepreneurial and strategic direction so as to preserve and enhance shareholder value.

Except as disclosed, the Company has complied with the requirements of the Code of Corporate Governance ("Code") as well as the Singapore Exchange Listing Manual requirements. There are other sections in this annual report which contain information required by the Code. Hence the annual report should be read in totality.

BOARD MATTERS

Principle 1: Effective Board to lead and control the company

The Board meets regularly and as warranted by particular circumstances or as deemed appropriate by the board members. The Company Secretary is always present at such meetings to record the proceedings.

The responsibilities of the Board include:

- reporting to shareholders and the market;
- ensuring adequate risk management processes;
- reviewing internal controls and internal and external audit reports;
- monitoring the Board composition, director selection and Board processes and performance;
- reviewing and approving executive directors' remuneration;
- validating and approving corporate strategy;
- reviewing business results, monitoring budgetary control and corrective actions (if required); and
- authorising and monitoring major investment and strategic commitments.

Newly appointed directors will be given an orientation program to familiarise themselves with the Company's operations.

The attendance of the directors at meetings of the Board and Board Committees during the year, as well as the frequency of such meetings, is disclosed below:

	BOARD	AUDIT COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
Number of meetings held	5	4	2	2
Jemme Ong Peng Kwang	5	NA	2	NA
Wong Kok Chye	5	NA	NA	NA
Ho Ta-Huang	5	4	NA	2
BG(Ret) Law Chwee Kiat	5	4	2	2
Ong Chin Lin	5	4	2	2

Statement of Corporate Governance

BOARD COMPOSITION AND BALANCE

Principle 2: Strong and independent element on the Board

The Board comprises five members, two are executive and three are non-executive. Two of the non-executive directors are independent directors. Key information regarding the Directors and their appointments on various Board Committees is also contained therein. There is an Audit Committee, a Remuneration Committee and a Nominating Committee. All Committees are chaired by an independent director, with majority of members being non-executive and independent.

As a team, the Board provides collectively core competencies such as accounting, finance, business and management experience as well as industry knowledge.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities at the top of the company

Currently, the Chairman of the Board is BG (Ret) Law Chwee Kiat, an Independent non-executive Director whilst the Chief Executive Officer, Mr Jemme Ong Peng Kwang is an executive Director. The Board is of the view that the current size and structure are appropriately given that the non-executive directors form the majority in the Board comprising five members. The Chairman is also responsible for the workings of the Board. Regular meetings are scheduled to enable the Board to perform its duties. Agendas are prepared in consultation with the key executives as well as the Company Secretary. There is no restriction of access to the senior management by the Board and all board papers are prepared mainly by key executives who hold professional qualifications. The Chairman is also assisted by the three Committees and the internal audit function which reports to the Audit Committee in ensuring compliance with the Company's guideline on corporate governance.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment of new directors

The role of Nominating Committee is to make recommendations to the Board on all board appointments. The Committee is charged with the responsibility of re-nomination having regard to the director's contribution and performance, including, if applicable, as an independent director. Nominating Committee is also charged with determining annually whether or not a director is independent. The Company has in place the policy and procedures for the appointment of independent Non-executive Directors, including a description on the search and nomination process.

Currently, Article 89 of the Company's Articles of Association provides that, 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. Accordingly, each Director shall retire at least once every three years.

BOARD PERFORMANCE

Principle 5: Formal assessment of the effectiveness of the Board and contributions of each director

The Nominating Committee has established a formal evaluation process to assess the effectiveness of the Board as a whole and of individual director.

For the current year, the Board is satisfied that each individual director has allocated sufficient time and resources to the affairs of the Company.

ACCESS TO INFORMATION

Principle 6: Board members to have complete, adequate and timely information

Periodic financial summary reports, budgets, forecasts and other disclosure documents are provided to the Board, where appropriate, prior to Board meetings. The Board has separate and independent access to the Company Secretary and key executives.

The Company Secretary is present at all formal Board meetings to respond to the queries of any Director and to assist in ensuring that board procedures as well as applicable rules and regulations are followed.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board has adopted a policy to seek independent professional advice.

REMUNERATION MATTERS

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

The Remuneration Committee recommends to the Board a framework for remuneration for the Board and key executives and to determine specific remuneration packages for each executive director of the Company.

LEVEL/MIX AND DISCLOSURE OF REMUNERATION

Principle 8: Remuneration of directors should be adequate but not excessive

Principle 9: Remuneration policy, level and mix of remuneration and procedure for setting remuneration

The Board has also recommended a fixed fee for non-executive directors plus a variable component which is depending on the number of meeting they attend, taking into account the effort, time spent and responsibility of each non-executive director. The Company will submit the quantum of the non-executive Directors' fee of each year to the shareholders for approval at each AGM.

Disclosure of Remuneration of Directors and Executives

DIRECTORS

	Mix of Remuneration				
	Salary	**Bonus**	**Others**	**Fee**	**Total**
Below $250,000					
Jemme Ong Peng Kwang	88%	7%	5%	-	100%
BG (Ret) Law Chwee Kiat	-	-	-	100%	100%
Ho Ta-Huang	-	-	-	100%	100%
Ong Chin Lin	-	-	-	100%	100%
Wong Kok Chye	78%	13%	9%	-	100%

Rather than set out the names of the top five executives who are not Directors of the Company, the remuneration in year 2008 of the top five executives are set out below in bands of S$250,000 so as to maintain the confidentiality of their remuneration packages. The remuneration packages of the key executives are classified as follows:

Above S$250,000 : 0
Below S$250,000 : 5

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability of the Board and management

Half yearly and full year results are released to the shareholders through SGXNET in the current year.

The Board is provided with half yearly and full year financial reports together with the relevant analysis. Other relevant disclosure documents are also made available to the Board, where appropriate.

AUDIT COMMITTEE

Principle 11: Establishment of audit committee with written terms of reference

Audit Committee

The Audit Committee comprises the following members, all of whom are independent and non-executive:

Mr Ong Chin Lin (Chairman)
BG (Ret) Law Chwee Kiat
Mr Ho Ta-Huang

The role of the Audit Committee is to assist the Board of Directors in the execution of its corporate governance responsibilities within the established Board references and requirements. The Audit Committee also reviewed the financial statements of the Group for the year ended 31 December 2008 as well as the auditor's report thereon and the half-yearly and annual results announcements before they are submitted to the Board for approval. The Audit Committee also reviewed the interested person transactions of the Group. The services of the Internal Audit Department are utilised to assist the Audit Committee in the discharge of its duties and responsibilities. The Audit Committee also has the authority to carry out any matter within its terms of reference.

The financial statements, accounting policies and system of internal accounting controls are the responsibilities of the Board of Directors acting through the Audit Committee. In performing its functions set out in Section 201B(5) of the Companies Act, Cap. 50, the Audit Committee reviewed the scope of work both internal and external auditors and the assistance given by the Group's officers to the audits. It met periodically with the Company's internal and external auditors to review their audit plan and discuss the results of their respective examinations and their evaluation of the Group's system of internal accounting controls. The Audit Committee always has separate and independent access to the external auditors and the Internal Audit function. The Audit Committee has also reviewed the appointment of the auditors for the Company and its subsidiaries and are satisfied with the standard and effectiveness of the audit. The Company has complied with Rule 716 of the Listing Manual.

The Company has in place a whistle-blowing framework where staff of the Company can have access to the Audit Committee Chairman. All concerns about improprieties would be channelled to the Head of Human Resource who would investigate and report to the Audit Committee Chairman.

In accordance with the Code, the Audit Committee is satisfied that it:

- has full access to and cooperation from management as well as discretion to invite any Director, executive or otherwise, to attend its meeting.
- has been given reasonable resources to enable it to complete its functions properly.
- has reviewed findings and evaluation of the system of internal controls with internal and external auditors.

The Audit Committee has reviewed the amount of non-audit services to the Group by the external auditors and is satisfied that the nature and extent of such services had not prejudiced the independence and objectivity of the external auditors.

The Company recognises that external auditors are a critical component of the Group's overall corporate governance framework as they provide the Board and shareholders with an independent verification of the Group's financial statements as well as highlighting areas for strengthening the Group's systems of internal control and accounting procedures during the course of the audit. The Audit Committee believes that the periodic rotation of external auditors will serve to further enhance the independence and effectiveness of the external auditors and, in the process, further strengthen the corporate governance of the Group.

INTERNAL CONTROLS

Principle 12: Sound system of internal controls

The Group maintains a system of internal controls for all companies within the Group. The controls are to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguarded, operational controls are in place, business risks are suitably protected and proper accounting records are maintained. The Audit Committee is satisfied that the internal audit function is adequate.

With the assistance of the Internal Audit function and through the Audit Committee, the Board of Directors reviews the effectiveness of the key internal controls on an on-going basis, provides its perspective on management control and ensures that the necessary corrective actions are taken on a timely basis. There are formal procedures in place for both the internal and external auditors to report conclusions and recommendations to management and to the Audit Committee independently.

RISK MANAGEMENT

The Group's systems of internal control have a key role in the identification and management of risks that are significant to the achievement of its business objectives. The process of business risk management has been integrated throughout the Group into business planning and monitoring process. The results are reviewed by key senior executives on a continuous basis. The overall risk management process and results are reviewed by the Board.

In addition, a comprehensive exercise to assess the risk of each of the individual operating division was conducted by the Internal Audit function with the participation from the Board and senior members of the management team. This provided the Board and the management with another opportunity to re-look at risk management issues.

The significant macro-level risk factors relevant to the Group's operations and the associated mitigating factors are discussed as follows:

Corporate Level

Financial risk

Such risks include interest rate risk, foreign currency risks from foreign currency denominated assets and liabilities as well as foreign investments and credit risks arising from payment default by customers or tenants. We manage risks mainly by monitoring the rate movements in the financial market closely, hedging the fluctuation risks by use of the appropriate hedge instruments and putting a formal credit evaluation and collection system in place.

Operational risks that may result in fraud and error

The sheer diversity and scale of our operations subject us to such risks. We address these risks by instituting standards on corporate governance, promoting control consciousness, implementing proper system of internal controls and maintaining an internal audit function.

INTERNAL AUDIT

Principle 13: Setting up independent internal audit function

The Internal Audit function reports directly to the Audit Committee. The Internal Audit function follows essentially the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. Currently, the Internal Audit function is managed by ELTICI e-Risk Services Pte Ltd.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Regular, effective and fair communication with shareholders

Principle 15: Shareholder participation at AGM

The Board strives to ensure that timely disclosure is made regarding all material business matters affecting the Group so as to maintain a high level of transparency. All announcements by the Company are made through SGXNET.

The Group also maintains a website at http://www.linair.com.sg at which shareholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group.

At AGMs, shareholders are given the opportunities to express their views and ask the Board and Management questions regarding the operations of the Company.

SECURITIES TRANSACTIONS

In line with the code, the Company has in place a policy prohibiting share dealings by Directors and employees of the Group for the period of one month before the release of the half-year and year-end financial results and ending on the date of the announcement of the relevant results, and if they are in possession of unpublished material price sensitive information. Directors and employees are expected to observe the insider trading laws at all times when dealing in securities within permitted trading period.

The Board confirms that for the financial year ended 31 December 2008, the Company has compiled with Listing Rule 1207 (18).

INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length and are reviewed by the Audit Committee. There is no interested person transactions conducted during the year, which exceeds $100,000 in value.

The Board is satisfied with the Group's commitment to comply with the Code of Corporate Governance.

MATERIALS CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiary companies involving the interest of the Chief Executive Officer, any Director, or controlling shareholder. A shareholder's loan of S$2,500,000 from a substantial shareholder has been disclosed in note 15 to the Financial Statements.

Financial Statements

Contents

Directors' Report

The directors submit their report to the members together with the audited balance sheet of the Company and consolidated financial statements of the Group for the financial year ended 31 December 2008.

DIRECTORS

The directors of the company in office at the date of this report are:

BG (Ret) Law Chwee Kiat
Ong Peng Kwang Jemme
Ho Ta-Huang
Ong Chin Lin
Wong Kok Chye

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other body corporate.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year was interested in shares of the Company and its related corporations except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
Name of director	As at 31.12.2007	**As at 31.12.2008 and 21.1.2009**	As at 31.12.2007	**As at 31.12.2008 and 21.1.2009**
	Number of ordinary shares fully paid			
The Company:				
Linair Technologies Limited				
BG (Ret) Law Chwee Kiat	1,492,000	**1,492,000**	508,000	**508,000**
Ong Peng Kwang Jemme	40,000	**1,346,000**	9,656,240	**5,356,240**
Ho Ta-Huang	-	**-**	14,761,000	**14,761,000**
Ong Chin Lin	134,000	**134,000**	-	**-**
Wong Kok Chye	-	**500,000**	-	**193,000**
Interest in warrants in the Company				
BG (Ret) Law Chwee Kiat	186,500	**186,500**	63,500	**63,500**
Ong Peng Kwang Jemme	5,000	**5,000**	1,207,030	**1,207,030**
Ho Ta-Huang	-	**-**	1,845,370	**1,845,370**
Ong Chin Lin	17,000	**17,000**	-	**-**

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial period, no director has received or has become entitled to receive a benefit, by reason of a contract made by the Company or its related corporations with a director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

WARRANTS

On 19 July 2007, the company allotted 14,397,767 warrants at an issue price of $0.13 for each warrant. Each warrant entitles the warrant holder to subscribe for one (1) new ordinary share. The warrants have an exercise period of 3 years from 19 January 2007 to 18 January 2010. During the financial year, there is no conversion of warrants and the outstanding number of warrants is 13,592,767 as at 31 December 2008.

SHARE OPTIONS

No options to take up unissued shares of the Company or of its subsidiaries have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Ong Chin Lin (Chairman)
BG (Ret) Law Chwee Kiat
Ho Ta-Huang

The Audit Committee carried out its functions in accordance with Section 201B of the Companies Act, Cap. 50, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance.

In performing its functions, the Audit Committee reviewed the overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls. The Audit Committee also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2008 as well as the auditors' report thereon. The Audit Committee has full access to and co-operation of the Management and has been given the resources required for it to discharge its functions properly. It also has discretion to invite any Director and executive officer to attend its meetings.

The Audit Committee has also conducted a review of the fees paid or payable to the auditors for non-audit services for financial year ended 31 December 2008. In pursuance with Section 206(1A) of the Companies Act, Cap. 50, and based on the review by the Audit Committee and its recommendation, the Board is also satisfied that the level of non-audit fees paid or payable to the auditors did not affect the independence of the auditors.

The Audit Committee has recommended to the Board the nomination of PKF-CAP LLP for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

AUDITORS

The auditors, PKF-CAP LLP, has expressed its willingness to accept re-appointment.

On behalf of the board of directors

ONG PENG KWANG JEMME

WONG KOK CHYE

Dated: 02 March 2009

Statement by Directors

In the opinion of the directors,

(a) the accompanying balance sheets, consolidated income statement, consolidated statement of changes in equity and the consolidated cash flow statement, together with the notes thereon, 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 2008 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) 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

ONG PENG KWANG JEMME

WONG KOK CHYE

Dated: 02 March 2009

Independent Auditors' Report

to the members of Linair Technologies Limited

We have audited the accompanying financial statements of Linair Technologies Limited ("the Company") and its subsidiaries collectively, ("the Group"), set out on page 29 to 75, which comprise the balance sheets of the Company and the Group as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

The financial statements for the financial year ended 31 December 2007 were audited by another firm of auditors whose report dated 28 February 2008 expressed an unqualified opinion on those financial statements.

<u>Management's responsibility for the financial statements</u>

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

<u>Auditors' responsibility</u>

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

<u>Opinion</u>

In our opinion:

(a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards 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 2008 and the results, changes in equity and cash flows of the Group for the 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.

PKF-CAP LLP
Public Accountants and Certified Public Accountants

Singapore, 02 March 2009

Balance Sheets

As at 31 December 2008

		The Company		The Group	
		31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
			(Restated)		(Restated)
	Note	**$**	$	**$**	$
Assets					
Non-current assets					
Goodwill	4	**-**	-	**969,054**	132,472
Property, plant and equipment	5	**1,616,847**	784,274	**7,539,474**	6,811,787
Other intangible assets	6	**-**	-	**3,543,046**	-
Investment in subsidiaries	7	**15,936,382**	9,403,654	**-**	-
Investment in associated companies	8	**663,902**	571,870	**282,809**	342,924
		18,217,131	10,759,798	**12,334,383**	7,287,183
Current assets					
Inventories	9	**806,737**	110,387	**6,033,273**	3,432,211
Gross amount due from customers for contract work-in-progress	10	**20,552**	787,746	**4,460,984**	3,521,138
Trade and other receivables	11	**10,742,551**	18,772,057	**19,734,327**	21,006,691
Fixed deposits pledged	12	**719,654**	614,501	**2,642,013**	1,476,873
Financial assets, fair value through profit or loss	13	**-**	-	**24,177**	-
Prepaid operating expenses		**13,611**	11,193	**292,638**	231,089
Fixed deposits	14	**-**	527,433	**-**	527,433
Cash and bank balances	14	**1,254,422**	707,293	**5,051,497**	2,822,231
		13,557,527	21,530,610	**38,238,909**	33,017,666
Total assets		**31,774,658**	32,290,408	**50,573,292**	40,304,849
Equity and liabilities					
Current liabilities					
Trade and other payables	15	**13,616,903**	10,630,636	**28,463,487**	13,438,053
Obligations under finance leases	16	**887,661**	1,023,751	**898,275**	1,034,364
Current tax payable		**202,627**	605,166	**519,581**	1,154,328
Bank borrowings	17	**207,411**	2,673,158	**1,051,293**	4,720,000
		14,914,602	14,932,711	**30,932,636**	20,346,745
Net current (liabilities)/assets	2(a)	**(1,357,075)**	6,597,899	**7,306,273**	12,670,921

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Balance Sheets

As at 31 December 2008

		The Company		The Group	
		31 December 2008	31 December 2007	**31 December 2008**	31 December 2007
			(Restated)		(Restated)
	Note	**$**	$	**$**	$
Non-current liabilities					
Obligations under finance leases	16	**870,408**	810,428	**877,802**	828,436
Deferred tax liabilities	18	**-**	-	**207,752**	244,217
		870,408	810,428	**1,085,554**	1,072,653
Total liabilities		**15,785,010**	15,743,139	**32,018,190**	21,419,398
Net assets		**15,989,648**	16,547,269	**18,555,102**	18,885,451
Capital and reserves					
Share capital	19	**10,802,968**	10,802,968	**10,802,968**	10,802,968
Retained earnings		**5,186,680**	5,744,301	**7,445,051**	7,878,120
Exchange fluctuation reserve		**-**	-	**214,237**	(117,194)
Attributable to equity holders of the company		**15,989,648**	16,547,269	**18,462,256**	18,563,894
Minority interests		**-**	-	**92,846**	321,557
Total equity		**15,989,648**	16,547,269	**18,555,102**	18,885,451
Total equity and liabilities		**31,774,658**	32,290,408	**50,573,292**	40,304,849

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Income Statement

For the Financial Year ended 31 December 2008

	Note	Year ended 31 December 2008	Period from 1 October 2006 to 31 December 2007
			(Restated)
		$	$
Revenue	3	**81,940,587**	69,331,524
Cost of sales		**(70,965,543)**	(56,463,944)
Gross profit		**10,975,044**	12,867,580
Other operating income	20	**867,990**	672,893
Administrative expenses		**(5,689,794)**	(4,610,079)
Other operating expenses	21(b)	**(4,650,814)**	(3,331,100)
Finance costs	21(c)	**(372,199)**	(236,630)
Share of associated companies' results		**(128,332)**	(349,309)
Profit before taxation	21(d)	**1,001,895**	5,013,355
Taxation	23	**(547,473)**	(1,078,211)
Profit for the year/period		**454,422**	3,935,144
Attributable to:			
Equity holders of the parent		**726,805**	3,780,118
Minority interests		**(272,383)**	155,026
		454,422	3,935,144
Earnings per share (cents)			
Basic	24	**0.63**	3.40
Diluted	24	**0.63**	3.28

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year ended 31 December 2008

	Share capital	Exchange fluctuation reserve	Retained earnings	Attributable to equity holders of company	Minority interests	Total
	$	$	$	$	$	$
Balance at 30 September 2006	7,111,244	(88,168)	4,595,588	11,618,664	201,724	11,820,388
Effects of prior year adjustment (Note 35)	-	-	(281,622)	(281,622)	-	(281,622)
As restated	7,111,244	(88,168)	4,313,966	11,337,042	201,724	11,538,766
Rights issue	3,743,428	-	-	3,743,428	-	3,743,428
Share issue expenses	(188,554)	-	-	(188,554)	-	(188,554)
Exchange fluctuation difference	-	(29,026)	-	(29,026)	(35,193)	(64,219)
Net income recognised directly in equity	10,666,118	(117,194)	4,313,966	14,862,890	166,531	15,029,421
First and final dividend	-	-	(215,964)	(215,964)	-	(215,964)
Exercise of warrants	136,850	-	-	136,850	-	136,850
Net profit for the period / Total recognised income and expenses for the period	-	-	3,780,118	3,780,118	155,026	3,935,144
Balance at 31 December 2007	10,802,968	(117,194)	7,878,120	18,563,894	321,557	18,885,451
Balance at 1 January 2008, as restated	**10,802,968**	**(117,194)**	**7,878,120**	**18,563,894**	**321,557**	**18,885,451**
Exchange fluctuation difference	**-**	**331,431**	**-**	**331,431**	**43,672**	**375,103**
Net income recognised directly in equity	**10,802,968**	**214,237**	**7,878,120**	**18,895,325**	**365,229**	**19,260,554**
First and final dividend	**-**	**-**	**(1,159,874)**	**(1,159,874)**	**-**	**(1,159,874)**
Net profit for the year / Total recognised income and expenses for the year	**-**	**-**	**726,805**	**726,805**	**(272,383)**	**454,422**
Balance at 31 December 2008	**10,802,968**	**214,237**	**7,445,051**	**18,462,256**	**92,846**	**18,555,102**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Cash Flow Statement

For the Financial Year ended 31 December 2008

	Year ended 31 December 2008	Period from 1 October 2006 to 31 December 2007
		(Restated)
	$	$
Cash Flows from Operating Activities		
Net profit before taxation	**1,001,895**	5,013,355
Adjustments for:		
Depreciation of property, plant and equipment	**1,712,798**	1,338,519
Allowance for impairment on receivables	**1,371,769**	147,186
Impairment of goodwill	**132,472**	-
Provision write back for warranty no longer required	**(685,111)**	(199,919)
Exchange fluctuation difference	**231,484**	(44,978)
Interest expense	**372,199**	234,421
Interest income	**(41,211)**	(68,518)
(Gain)/loss on disposal of property, plant and equipment	**(28,465)**	103,270
Share of associated companies' results	**128,332**	349,309
Gain on disposal of club membership	**-**	(1,365)
Operating profit before working capital changes	**4,196,162**	6,871,280
Increase in inventories	**(2,601,063)**	(1,552,998)
Decrease/(increase) in amount due from customers for contract work-in-progress	**363,043**	(2,520,279)
Decrease/(increase) in operating receivables	**2,802,149**	(12,465,107)
Increase in operating payables	**3,970,281**	7,118,237
Cash generated from/(used in) operations	**8,730,572**	(2,548,867)
Interest paid	**(372,199)**	(234,421)
Tax paid	**(1,355,561)**	(480,674)
Net cash generated from/(used in) operating activities	**7,002,812**	(3,263,962)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment (Note A)	**(854,584)**	(1,902,659)
Net cash outflow from acquisition of subsidiary (Note B)	**(1,686,677)**	-
Acquisition of investment in associated companies	**(92,032)**	(692,233)
Interest received	**41,211**	68,518
Proceeds from disposal of property, plant and equipment	**191,594**	454,032
Net cash used in investing activities	**(2,400,488)**	(2,072,342)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Cash Flow Statement

For the Financial Year ended 31 December 2008

	Year ended 31 December 2008	Period from 1 October 2006 to 31 December 2007
		(Restated)
	$	$
Cash Flows from Financing Activities		
Bank borrowings (repaid)/obtained	**(3,668,706)**	3,660,386
Decrease/(increase) in fixed deposits pledged	**488,001**	(319,490)
Finance lease obligations paid	**(1,059,912)**	(927,528)
Dividends paid	**(1,159,874)**	(215,967)
Proceeds from shares issued	**-**	3,880,278
Amount due to a substantial shareholder	**2,500,000**	-
Share issue expenses	**-**	(188,554)
Net cash (used in)/generated from financing activities	**(2,900,491)**	5,889,125
Net increase in cash and cash equivalents	**1,701,833**	552,821
Cash and cash equivalents at the beginning of the year/period	**3,349,664**	2,796,843
Cash and cash equivalents at the end of the year/period (Note C)	**5,051,497**	3,349,664

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Cash Flow Statement

For the Financial Year ended 31 December 2008

NOTE:

A. During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $1,827,772 (2007 - $3,618,914) of which $973,188 (2007 - $1,716,255) was acquired under finance lease. Cash payments of $854,584 (2007 - $1,902,659) were made to purchase property, plant and equipment.

B. On 1 January 20008, the company acquired 100% stake in Air System Technology (S) Pte Ltd for a consideration of S$7,414,358.

The fair value of the subsidiary's assets acquired and liabilities assumed as at 1 January 2008 were as follows:

	1 January 2008
	$
Property, plant and equipment	632,222
Financial asset, fair value through profit or loss	122,582
Gross amount due from customers for contract work-in-progress	1,302,889
Trade and other receivables	2,864,698
Cash and cash equivalents	819,681
Fixed deposits	1,653,142
Trade and other payables	(4,256,080)
Provision for warranty	(100,000)
Tax payable	(136,876)
Intangible assets(Note 6)	3,543,046
Net identifiable assets purchased	6,445,304
Goodwill(Note 4)	969,054
Total consideration	7,414,358
Satisfied by:	
Cash paid	2,506,358
Amount due to the vendor of a subsidiary cum substantial shareholder	4,908,000
	7,414,358
Net cash outflow from acquisition of subsidiary	1,686,677

The effect of acquisition on cash flows is as follows:

	$
Total consideration	7,414,358
Less: Amount due to the vendor of a subsidiary cum substantial shareholder	(4,908,000)
Consideration paid	2,506,358
Less: Cash and cash equivalents of subsidiary acquired	(819,681)
Net cash outflow from acquisition of subsidiary	1,686,677

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Cash Flow Statement

For the Financial Year ended 31 December 2008

NOTE:

C. Cash and cash equivalent at end of financial year

	31 December 2008	31 December 2007
	$	$
Fixed deposits	**-**	527,433
Cash and bank balances	**5,051,497**	2,822,231
	5,051,497	3,349,664

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the year ended 31 December 2008 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

The Company is a limited liability company and incorporated in the Republic of Singapore and listed on the Singapore Exchange Securities Trading Limited (''SGX-ST'').

The registered office and principal place of business of the Company is located at No. 2 Woodlands Sector 1 #01-08 Woodlands Spectrum 1 Singapore 738068.

The principal activities of the Company are in the business of supply and installation of environment-control exhaust systems from its component parts and investment holding. The principal activities of the subsidiaries are stated in Note 7 to the financial statements.

2(a) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, unless as disclosed in the accounting policies below.

The Company's current liabilities exceeded its current assets by $1,357,075. There is no material uncertainty about the Company's ability to continue as a going concern. It has been addressed by the inter companies financing activities. The Group is in a current asset position of $7,306,273.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

In the process of applying the Group's accounting policies, which are described in Note 2(c), management has made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

<u>Impairment of goodwill</u>

The Group determines whether goodwill is impaired at least once on an annual basis. This requires an estimation of the value in use of the cash generating unit to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate to calculate the present value of those cash flows.

2(a) BASIS OF PREPARATION (CONT'D)

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 60 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Revenue and cost of sales recognition

The Group has recognised revenue generated from installation contracts and relevant cost of sales incurred by using the percentage of completion method. The assessment of the percentage of completion requires the examination of the circumstances of the transactions. The Group believes that its recognition basis of sales and cost of sales as set out in Note 2(c) is appropriate.

Income tax

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Operating lease commitments - as lessor

The Group has entered into commercial property lease on its freehold property. The Group has determined that it retains all the significant risks and rewards of ownership of its property which is leased out on operating lease.

Impairment loss on trade and other receivables

The Group provides for impairment loss on trade and other receivables mainly based on the collectability and aging status of the individual receivable at the end of the year. The balance of impairment for doubtful debts as at 31 December 2008 amounted to $1,518,955 (2007: $147,186).

Provision for warranties

A provision is recognised for expected warranty claims on construction project completed during the year, based on past experience of the level of returns.

During 2008, management has made a provision for warranty of 5% (2007: 5% - 10%) on those construction projects completed during the year.

Accordingly, $274,345(2007:$859,456) and $174,345(2007:$859,456) of provision was provided as at year end for the Group and Company respectively.

2(b) ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Financial Reporting Standard ("FRSs") and Interpretations issued by Accounting Standard Councils that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2008. The adoption of these new and revised FRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not adopted the following FRS and INT FRS that have been issued but not yet effective:

		Effective for annual periods beginning on or after
FRS 1	- Presentation of Financial Statements – Revised presentation	1 January 2009
	- Presentation of Financial Statements – Amendments relating Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 23	Borrowing Costs	1 January 2009
FRS 32	Financial Instruments: Presentation – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 102	Share-based payment – Vesting conditions and cancellations	1 January 2009
FRS 108	Operating Segments	1 January 2009

The directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial application, except for FRS 1 and FRS 108 as indicated below.

<u>FRS 1 Presentation of Financial Statements – Revised presentation</u>

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in income statement, together with all other items of recognised income and expense, either in one singles statement, or in two linked statements. The Group is currently evaluating the format to adopt.

<u>FRS 108 Operating Segments</u>

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined. As this is a disclosure standard, it will have no impact on the financial position and results of the Group when implemented in 2009.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year. Details of its subsidiaries are given in Note 7. All inter-company balances and significant inter-company transactions and resulting unrealised profits and losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only.

The financial statements of the subsidiaries used in the presentation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transaction and events in similar circumstances.

The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from consolidated financial statements from the effective dates of acquisition or disposal i.e. when the power to govern the financial and operating policies of the subsidiary is ceded. Where accounting policies of the subsidiary do not conform to those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

Minority interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of fair value of the subsidiary's identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition except when the losses applicable to the minority interests in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority interests are attributed to the equity holders of the Company, unless the minority interests have a binding obligation to, and are able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minority interests' share of losses previously absorbed by the equity holders of the Company have been recovered. Minority interest is presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated income statement.

Goodwill

Goodwill on consolidation arises when purchase price exceeds the fair values attributed to net assets at the date of acquisition.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Other intangible assets

Intangible assets acquired are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Furniture and fittings	3 - 10 years
Plant and machinery	3 - 10 years
Renovations	10 years
Motor vehicles	5 years
Leasehold property	over the period of lease
Computers and office equipment	3 -10 years
Freehold property	$33^{1}/_{3}$ years

No depreciation is provided for construction-in-progress.

The cost of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration costs is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Fully depreciated property, plant and equipment are retained in the books of account until they are no longer in use.

The carrying amounts of property, plant and equipment are reviewed yearly in order to assess whether their carrying amounts need to be written down to recoverable amounts. Recoverable amount is defined as the higher of value in use and net selling price.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries

A subsidiary is defined as a company in which the investing Company has a long-term equity interest of more than 50% or whose financial and operating policy decisions the Group controls.

Shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associated companies in the consolidated balance sheet includes any goodwill (net of any accumulated impairment losses) identified on acquisition.

Investments in associated companies at Company level are initially recognised at cost. The cost of an acquisition is measured at the fair value of assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Allowance for impairment losses, if any, is made on an individual associate company basis.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group's share of the net assets and post-acquisition reserves of associated companies is reflected in the book value of the investments in the consolidated balance sheet.

Related parties

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes freight and handling charges. Provision is made, where necessary, for obsolete, slow-moving and defective inventory in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Amount due (from)/to customers for contract work-in-progress

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. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred. 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.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The stage of completion is determined by surveys of work performed.

At the balance sheet date, the aggregated costs incurred plus recognised profit(less recognised loss) on each contract is compared against the progress billings. Where costs incurred plus the recognised profits(less recognised losses) exceed progress billings, the balance is presented as gross amount due from customers on construction work-in-progress on the face of balance sheet. Where progress billings exceed costs incurred plus recognised profit(less recognised losses), the balance is presented as gross amount due to customers on construction work-in-progress on the face of balance sheet.

Investment in financial assets

(a) Classification

The Group classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, where applicable. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

(i) Financial assets, fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date. As at 31 December 2008, the Group has $24,177 financial assets at fair value through profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables on the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. As at 31 December 2008, the Group has no held-to-maturity investments.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment in financial assets (cont'd)

(a) Classification (cont'd)

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the income statement. Any amount in the fair value reserve relating to that asset is also taken to the income statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognized in the income statement.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' investment category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for- sale are recognised in the fair value reserve within equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity are included in the income statement.

(e) Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted. The amount of the allowance is recognised in the income statement.

Bad debts are written off when known and specific provisions are made for those debts considered to be doubtful.

Receivables include trade and non-trade balances with third parties and related companies.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Financial liabilities

The Company's and the Group's financial liabilities include trade and other payables, finance lease liabilities and related company balances. Financial liabilities are recognised when the Company and the Group becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance cost" in the income statement.

Borrowings

Interest-bearing loans are recognised initially at fair value, less attributable transaction costs, if any. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost which is the initial fair value less any principal repayments. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

Finance leases

(a) Finance leases

Leases of property, plant and equipment where the Company and the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the income statement over the leased period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the useful life of the asset.

(b) Operating leases

(i) Where the Group and the Company are the lessees

Rental expenses on operating leases are charged to the profit and loss account on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the total lease rentals. Penalty payments on early termination, if any, are recognised in the profit and loss account when incurred. There are no contingent rentals.

(ii) Where the Group and the Company are the lessors

Rental income from leasing of commercial premises is recognised on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the total lease rentals. Penalty payments on early termination, if any, are recognised in the profit and loss account when incurred. There are no contingent rentals.

Payables

Payables 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 and the Group.

Payables include trade and non-trade balances with third parties and related companies.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary companies. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiary companies fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs.

Financial guarantee contracts are subsequently amortised to the income statement over the period of the subsidiary companies' borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Provisions

Provisions are recognised when the Company and the Group have 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.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

Employee benefits

Pension obligations

The Company and the Group contribute to the Central Provident Fund ("CPF") or equivalent fund, a defined contribution plan regulated and managed by the Government of Singapore or other authorities, which applies to the majority of the employees. The Company's and the Group's contributions to CPF or equivalent are charged to the income statement in the period to which the contributions relate.

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the entity are considered key management personnel.

Income taxes

The liability method of tax effect accounting is adopted by the Company and the Group. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.)

The statutory tax rates enacted at the balance sheet date are used to determine deferred income tax.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is defined as the higher of value in use and net selling price.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Revenue recognition

(a) Manufacturing revenue relates to revenue generated from the manufacture, supply, installation and maintenance of stainless steel ducts, ETFE-coated ducts which will be integrated with third-party equipment such as fume-hoods, scrubbers and fans for a complete environment-control system.

Manufacturing revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to survey of work performed.

(b) Distribution revenue relates to sale from the distribution of the Metu-System, a ducting joint system for the installation and fitting of exhaust systems in Singapore and Malaysia; Phoneix Controls System, a critical airflow control system in Singapore, Malaysia and Taiwan; ClorDisys Chlorine Dioxide Decontamination Systems and Individual Ventilated Caging Systems to laboratories, animal facilities and research centre.

Distribution revenue is recognised upon passage of title to customer which generally coincides with their delivery and acceptance.

(c) Interest income is recognised using the effective interest method.

(d) Rental income from operating leases on property, plant and equipment is recognised on a straight-line basis over the lease term.

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity ("the functional currency"). The consolidated financial statements of the Group and the balance sheet of the Company are presented in Singapore dollars, which is also the functional currency of the Company.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Conversion of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the income statement in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rates as the date when the fair value was determined.

Assets and liabilities of the foreign subsidiaries are translated at the rates of exchange ruling at the balance sheet date. The income statement of the foreign subsidiaries are translated at the average monthly rates. Foreign currency translation adjustments arising are recorded directly in exchange fluctuation reserve.

Segment reporting

A segment is a distinguishable component of the Group within a particular economic environment (geographical segment) and to a particular industry (business segment) which is subject to risks, and rewards that are different from those of other segments.

Inter-segment pricing is determined on an arm's length basis. 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, liabilities and expenses including taxation that are not directly attributable to a segment or those that cannot be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure. In presenting information on the basis of business segments, segment revenue and segment assets are based on the nature of the products or services provided by the Group. Information for geographical segments is based on the location of customers and assets respectively.

Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, fixed deposits, trade and other receivables, financial assets, fair value through profit or loss, trade and other payables, finance leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management are provided in Note 29.

Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grants relates to an expense item, it is recognised in the income statement over the period necessary to match it on a systematic basis to the costs that it is intended to compensate. Grants related to income are deducted in reporting the related expenses.

3 REVENUE

Significant categories of revenue, excluding inter-company transactions and applicable goods and services tax, are detailed as follows:

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	$
The Group		
Distribution	**2,986,865**	1,947,887
Manufacturing	**78,953,722**	67,383,637
	81,940,587	69,331,524

4 GOODWILL

	31.12.2008	31.12.2007
	$	$
The Group		
Balance at beginning	**132,472**	132,472
Goodwill on acquisition of subsidiary (Note b of consolidated cash flow statement)	**969,054**	-
Balance at end	**1,101,526**	132,472
Allowance for impairment loss	**(132,472)**	-
	969,054	132,472

The goodwill represents the excess of the cost of business over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. For the purpose of impairment testing, the above goodwill is allocated to the Group's operation which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

During the financial year, an impairment loss was recognised to write-down the goodwill in relation to past acquisition of a subsidiary (Shanghai XianDa Industrial Equipment Co., Ltd) due to a decline in operation of the subsidiary. Accordingly, the carrying value of the investment in the subsidiary has been fully impaired at Company level (Note 7).

For the current year acquisition of subsidiary, the goodwill arising from acquisition of the subsidiary has been determined according to provisional amount because the fair values of the acquiree's identifiable assets, particularly intangible assets as disclosed in note 6 to the financial statements, can be determined only provisionally.

5 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings	Plant and machinery	Renovations	Motor vehicles	Leasehold property	Computers and office equipment	Total
	$	$	$	$	$	$	$
The Company							
Cost							
At 1.10.2006	27,629	3,800	118,409	93,150	599,520	136,280	978,788
Additions	37,164	299,698	172,978	-	-	42,086	551,926
Disposals	(313)	(222,657)	-	-	-	(32,736)	(255,706)
At 31.12.2007	64,480	80,841	291,387	93,150	599,520	145,630	1,275,008
Additions	380	1,170,590	26,000	193,888	-	10,341	1,401,199
At 31.12.2008	**64,860**	**1,251,431**	**317,387**	**287,038**	**599,520**	**155,971**	**2,676,207**
Accumulated depreciation							
At 1.10.2006	21,980	3,800	47,364	72,290	99,520	120,552	365,506
Depreciation for the period	17,082	25,680	64,198	13,038	11,249	27,030	158,277
Disposals	(313)	-	-	-	-	(32,736)	(33,049)
At 31.12.2007	38,749	29,480	111,562	85,328	110,769	114,846	490,734
Depreciation for the year	13,471	415,877	63,477	46,600	9,000	20,201	568,626
At 31.12.2008	**52,220**	**445,357**	**175,039**	**131,928**	**119,769**	**135,047**	**1,059,360**
Net book value							
At 31.12.2008	**12,640**	**806,074**	**142,348**	**155,110**	**479,751**	**20,924**	**1,616,847**
At 31.12.2007	25,731	51,361	179,825	7,822	488,751	30,784	784,274

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture and fittings	Plant and machinery	Renovations	Motor vehicles	Freehold property	Leasehold property	Construction in progress	Computers and office equipment	Total
	$	$	$	$	$	$	$	$	$
The Group									
Cost									
At 1.10.2006	95,951	5,083,025	339,095	330,007	-	599,520	70,060	302,035	6,819,693
Additions	39,605	3,001,512	172,978	16,000	-	225,208	-	163,611	3,618,914
Disposals	(9,122)	(751,390)	(8,037)	-	-	-	-	(42,215)	(810,764)
Exchange fluctuation difference	(1,754)	(11,175)	244	(2,233)	-	-	(1,324)	(1,516)	(17,758)
Reclassification	-	68,736	-	-	-	-	(68,736)	-	-
At 31.12.2007	124,680	7,390,708	504,280	343,774	-	824,728	-	421,915	9,610,085
Arising from acquisition of subsidiary	19,096	96,201	-	369,047	702,176	-	-	-	1,186,520
Additions	63,322	1,422,265	26,000	254,700	-	-	23,057	38,428	1,827,772
Disposals	-	(215,530)	-	(126,500)	-	-	-	(5,565)	(347,595)
Exchange fluctuation difference	(1,488)	132,272	(6,706)	8,226	-	19,354	-	11,471	163,129
Reclassification	-	11,024	-	-	-	12,033	(23,057)	-	-
At 31.12.2008	**205,610**	**8,836,940**	**523,574**	**849,247**	**702,176**	**856,115**	**-**	**466,249**	**12,439,911**
Accumulated depreciation									
At 1.10.2006	63,219	1,052,713	159,077	140,805	-	99,520	-	196,426	1,711,760
Depreciation for the period	28,043	1,023,529	79,730	69,961	-	41,277	-	95,979	1,338,519
Disposals	(4,223)	(211,693)	(1,715)	-	-	-	-	(35,831)	(253,462)
Exchange fluctuation difference	(1,017)	2,967	372	(183)	-	-	-	(658)	1,481
At 31.12.2007	86,022	1,867,516	237,464	210,583	-	140,797	-	255,916	2,798,298
Arising from acquisition of subsidiary	16,719	75,887	-	275,138	186,554	-	-	-	554,298
Depreciation for the year	27,267	1,267,480	81,717	134,304	21,066	111,740	-	69,224	1,712,798
Disposals	-	(102,658)	-	(76,242)	-	-	-	(5,565)	(184,465)
Exchange fluctuation difference	(926)	11,488	(3,430)	2,828	-	5,313	-	4,235	19,508
At 31.12.2008	**129,082**	**3,119,713**	**315,751**	**546,611**	**207,620**	**257,850**	**-**	**323,810**	**4,900,437**
Net book value									
At 31.12.2008	**76,528**	**5,717,227**	**207,823**	**302,636**	**494,556**	**598,265**	**-**	**142,439**	**7,539,474**
At 31.12.2007	38,658	5,523,192	266,816	133,191	-	683,931	-	165,999	6,811,787

The Company and the Group had motor vehicles and machinery under finance leases with net book value of $690,001 (2007 - $7,823) and $2,956,334 (2007 - $2,292,286) respectively.

The leasehold property is pledged for bank loan facilities granted to the Company (Note 17).

The freehold property is pledged for bank facilities granted to a subsidiary (Note 28).

6 OTHER INTANGIBLE ASSETS

	31.12.2008	31.12.2007
	$	$
The Group		
BCA L6 license		
Addition	**3,543,046**	-
Balance at end of year	**3,543,046**	-

Further to note 4 to the financial statements, the fair value of the license is determined provisionally and will be adjusted in accordance with provisions of FRS 103 when new information are obtained within the measurement period.

7 INVESTMENT IN SUBSIDIARIES

	31.12.2008	31.12.2007
	$	$
The Company		
Unquoted equity investments, at cost	**17,536,012**	10,121,654
Allowance for impairment loss	**(1,599,630)**	(718,000)
	15,936,382	9,403,654

The subsidiaries as at 31 December 2008 are:

Name of subsidiary	Country of incorporation/ Place of business	Cost of investment		Percentage of equity held		Principal activities
		31.12.2008 $	31.12.2007 $	**31.12.2008**	31.12.2007	
Linair Technologies (M) Sdn. Bhd. (1)	Malaysia	**268,563**	268,563	**100%**	100%	Manufacture of air related ducts and accessories
Linair Engineering Pte. Ltd. (3)	Singapore	**130,880**	130,880	**100%**	100%	Construction of clean rooms and laboratory and installation of environment-control exhaust systems
Linair Bio-Science Pte. Ltd. (3)	Singapore	**500,000**	500,000	**100%**	100%	Mechanical engineering works including design, installation, testing and commission and maintenance of airflow control systems, provide laboratory equipping, decontamination, indoor air quality evaluation and certification

7 INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation/ Place of business	Cost of investment		Percentage of equity held		Principal activities
		31.12.2008 $	31.12.2007 $	**31.12.2008**	31.12.2007	
Linair Technologies (Suzhou) Co., Ltd.(2)	People's Republic of China	**8,253,461**	8,253,461	**100%**	100%	Manufacture of air related ducts and accessories
Linair Bio-Energy Pte Ltd.(3)	Singapore	**10,000**	10,000	**100%**	100%	Construction of bio-fuel production equipment, production of bio-fuel feedstock and bio-diesel
Shanghai XianDa Industrial Equipment Co., Ltd (2)	People's Republic of China	**750,750**	750,750	**70%**	70%	Provision of connections for chemical and waste water management system, manufacturer for NIKKISO chemical dosing and sampling equipment
Linair Technologies (Taiwan) Co., Ltd (4)	Republic of China (Taiwan)	**208,000**	208,000	**100%**	100%	Mechanical engineering works including design, installation, testing and commission and maintenance of airflow control systems, provide laboratory equipping, decontamination, indoor air quality evaluation and certification
Air System Technology (S) Pte Ltd (3)	Singapore	**7,414,358**	-	**100%**	-	General contractors for building construction, plumping and air-conditioning
		17,536,012	10,121,654			

(1) Audited by PKF Malaysia

(2) Audited by PKF International Accountants Co., Ltd

(3) Audited by PKF-CAP LLP

(4) Audited by PKF Taiwan

8 INVESTMENT IN ASSOCIATED COMPANIES

	The Company		The Group	
	31.12.2008	31.12.2007	**31.12.2008**	31.12.2007 (Restated)
	$	$	**$**	**$**
Costs of investment	**784,265**	692,233	**784,265**	692,233
Impairment loss	**(120,363)**	(120,363)	**-**	-
Share of associated companies' loss	**-**	-	**(501,456)**	(349,309)
	663,902	571,870	**282,809**	342,924

During the financial year, the Company increased its equity interest in Linair-Yingta Technologies (Beijing)Co., Ltd from 40% to 49%. The total consideration paid for the additional 9% equity amounted to $92,032.

The associated companies as at 31 December 2008 are as follows:-

Name of associated company	Place of business/ Country of incorporation	Percentage of equity held		Principal activities
		2008	2007	
Linair-Yingta Technologies (Beijing) Co., Ltd [(1)]	People's Republic of China	**49%**	40%	Manufacturing of airducts and related products
Metal Technologies LLC [(2)]	Dubai	**24%**	24%	Manufacturing of galvanized steel ventilation ductwork and accessories

(1) Audited by Zhong Jia, Beijing

(2) Audited by Abdul Majid Hamadeh & Co., Dubai

Summary of financial information of associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2008	2007
	$	**$**
Total assets	**4,264,164**	3,430,823
Total liabilities	**3,834,284**	3,403,398
Revenue	**1,360,268**	396,877
Loss after taxation for the year/period	**(187,091)**	(1,389,590)

9 INVENTORIES

	The Company		The Group	
	31.12.2008 $	31.12.2007 $	**31.12.2008 $**	31.12.2007 $
Work-in-progress	**-**	-	**48,034**	179,519
Raw materials	**656,509**	-	**4,223,325**	2,406,935
Finished goods	**150,228**	110,387	**1,761,914**	845,757
	806,737	110,387	**6,033,273**	3,432,211

Included in raw materials, there was an amount of $224,370 (2007:$107,885) for goods in transit. There was a provision for stock obsolescence of $152,699 (2007:$232,340) at the balance sheet date.

The cost of inventories recognised as expense and included in "Cost of sales" in the income statement amounted to $56,559,104 (2007: 45,611,778).

10 GROSS AMOUNT DUE FROM CUSTOMERS FOR CONTRACT WORK-IN-PROGRESS

	The Company		The Group	
	31.12.2008 $	31.12.2007 $	**31.12.2008 $**	31.12.2007 $
Costs incurred	**3,721,304**	7,904,427	**21,058,481**	15,765,697
Attributable profit	**1,092,394**	2,065,085	**1,309,730**	2,371,406
	4,813,698	9,969,512	**22,368,211**	18,137,103
Progress billings	**(4,793,146)**	(9,181,766)	**(17,907,227)**	(14,615,965)
Gross amount due from customers for contract work-in-progress	**20,552**	787,746	**4,460,984**	3,521,138

11 TRADE AND OTHER RECEIVABLES

	The Company		The Group	
	31.12.2008	31.12.2007	**31.12.2008**	31.12.2007 (Restated)
	$	$	**$**	**$**
Trade receivables				
- Others	**3,283,395**	10,804,411	**14,809,335**	16,031,371
- Subsidiaries	**1,029,508**	750,585	**-**	-
	4,312,903	11,554,996	**14,809,335**	16,031,371
Allowance for impairment loss	**(18,234)**	(29,690)	**(1,272,526)**	(147,186)
Trade receivables, net	**4,294,669**	11,525,306	**13,536,809**	15,884,185
Advance to suppliers	**-**	-	**1,800,679**	607,065
Allowance for impairment loss	**-**	-	**(246,429)**	-
Advance to suppliers, net	**-**	-	**1,554,250**	607,065
Trade receivables, net	**4,294,669**	11,525,306	**13,536,809**	15,884,185
Advance to suppliers, net	**-**	-	**1,554,250**	607,065
Deposits	**52,033**	116,464	**290,358**	354,849
Amount owing by subsidiaries - non-trade	**4,754,834**	3,510,433	**-**	-
Amount owing by associates - non-trade	**558,577**	-	**558,577**	-
Retention sum	**176,445**	2,566,605	**1,504,917**	2,566,605
Unbilled revenue	**283,179**	-	**1,236,121**	-
Others	**622,814**	1,053,249	**1,053,295**	1,593,987
	10,742,551	18,772,057	**19,734,327**	21,006,691

Trade receivables are normally due within 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	31.12.2008	31.12.2007	**31.12.2008**	31.12.2007
	$	$	**$**	**$**
Singapore dollars	**8,713,190**	12,231,414	**13,083,636**	8,431,964
United States dollars	**779,788**	5,235,455	**1,282,925**	5,253,042
Taiwan dollars	**-**	-	**234,615**	343,478
Malaysia Ringgit	**1,249,573**	1,305,188	**1,377,893**	1,358,714
Renminbi	**-**	-	**3,755,258**	5,619,493
	10,742,551	18,772,057	**19,734,327**	21,006,691

The amount owing by subsidiaries and associates, non-trade in nature, is unsecured, interest-free and repayable on demand.

12 FIXED DEPOSITS PLEDGED

The Company

The fixed deposits earn interest at the rate of 2.04% (2007 – 3.01%) per annum and have been pledged with a bank for banking facilities granted to the Company (Note 17).

The Group

Fixed deposits of $14,541 (2007 - $15,217) is pledged as a guarantee for public utilities.

The fixed deposits earn interest at the rate of 0.83% - 2.04% (2007 – 1.00% - 3.01%) per annum and have been pledged to various banks for banking facilities granted to the Group (Note 28).

The carrying amounts of fixed deposits pledged approximate their fair value.

Fixed deposits pledged are denominated in the following currencies:

	The Company		The Group	
	31.12.2008	31.12.2007	**31.12.2008**	31.12.2007
	$	$	**$**	$
Singapore dollars	**719,654**	614,501	**2,585,927**	824,671
Malaysia Ringgit	**-**	-	**56,086**	15,217
Renminbi	**-**	-	**-**	636,985
	719,654	614,501	**2,642,013**	1,476,873

13 FINANCIAL ASSET, FAIR VALUE THROUGH PROFIT OR LOSS

	31.12.2008	31.12.2007
	$	$
The Group		
Quoted investment, at cost	**250,000**	-
Less: Disposal/maturity of investment	**(100,000)**	-
	150,000	-
Less: Fair value adjustment	**(125,823)**	-
	24,177	-
Market value of quoted investment	**24,177**	-

The quoted investment has been pledged with a bank for banking facility granted to a subsidiary (Note 28).

14 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	31.12.2008 $	31.12.2007 $	**31.12.2008 $**	31.12.2007 $
Cash and bank balances	**1,254,422**	707,293	**5,051,497**	2,822,231
Fixed deposits (short term)	**-**	527,433	**-**	527,433
	1,254,422	1,234,726	**5,051,497**	3,349,664

Cash and cash equivalents approximate their value.

Cash and cash equivalents are denominated in the following currencies:

	The Company		The Group	
	31.12.2008 $	31.12.2007 $	**31.12.2008 $**	31.12.2007 $
Singapore dollars	**1,210,901**	1,075,981	**3,546,810**	1,222,490
United States dollars	**39,390**	155,218	**43,777**	218,727
Taiwan dollars	**-**	-	**187,700**	43,164
Malaysia Ringgit	**-**	-	**225,264**	370,335
Renminbi	**-**	-	**1,043,815**	1,488,329
Euro	**4,131**	3,527	**4,131**	6,619
	1,254,422	1,234,726	**5,051,497**	3,349,664

15 TRADE AND OTHER PAYABLES

	The Company		The Group	
	31.12.2008 $	31.12.2007 $	**31.12.2008 $**	31.12.2007 $
Trade payables	**1,361,160**	1,111,437	**10,111,528**	5,681,662
Amount owing to subsidiaries	**3,794,130**	2,554,270	**-**	-
Amount owing to the vendor of a subsidiary cum substantial shareholder(a)	**4,908,000**	-	**4,908,000**	-
Amount owing to a substantial shareholder(b)	**2,500,000**	-	**2,500,000**	-
Advance payments received	**-**	-	**5,473,667**	-
Accruals	**847,544**	6,043,896	**3,528,722**	6,835,358
Provision for warranty	**174,345**	859,456	**274,345**	859,456
Other payables	**31,724**	61,577	**1,667,225**	61,577
	13,616,903	10,630,636	**28,463,487**	13,438,053

(a) The amount owing to the vendor of a subsidiary cum substantial shareholder represents the balance payable for the purchase of equity interest in the subsidiary. It is unsecured and interest free. $4,000,000 is repayable by 1 May 2009 and the balance is due within the next twelve months.

(b) The amount owing to substantial shareholder is unsecured, repayable within the next twelve months and bears interest at 6% per annum.

15 TRADE AND OTHER PAYABLES (CONT'D)

Provision for warranty

	The Company		The Group	
	31.12.2008 **$**	31.12.2007 $	**31.12.2008** **$**	31.12.2007 $
Balance at beginning	**859,456**	1,059,375	**859,456**	1,059,375
Arising from acquisition of subsidiary	**-**	-	**100,000**	-
Provision write back for warranty no longer required (Note 20)	**(685,111)**	(199,919)	**(685,111)**	(199,919)
Balance at end	**174,345**	859,456	**274,345**	859,456

Trade payables are normally on 30 to 60 days credit terms. The carrying amounts of the trade payables approximate their fair value.

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	31.12.2008 **$**	31.12.2007 $	**31.12.2008** **$**	31.12.2007 $
Singapore dollars	**12,798,617**	9,870,458	**22,001,540**	10,203,087
United States dollars	**354,322**	223,148	**366,877**	391,249
Taiwan dollars	**383,477**	532,342	**783,374**	610,729
Malaysia Ringgit	**-**	3,215	**394,246**	527,827
Renminbi	**80,487**	-	**4,917,450**	1,703,688
Others	**-**	1,473	**-**	1,473
	13,616,903	10,630,636	**28,463,487**	13,438,053

16 OBLIGATIONS UNDER FINANCE LEASES

	The Company		The Group	
	31.12.2008 **$**	31.12.2007 $	**31.12.2008** **$**	31.12.2007 $
Minimum lease payments payable:				
Due not later than one year	**976,660**	924,758	**989,440**	937,538
Due later than one year and not later than five years	**955,653**	1,096,824	**964,582**	1,118,533
Due later than five years	**-**	-	**-**	-
	1,932,313	2,021,582	**1,954,022**	2,056,071
Finance charges allocated to future periods	**(174,244)**	(187,403)	**(177,945)**	(193,271)
Present value of minimum lease payments	**1,758,069**	1,834,179	**1,776,077**	1,862,800

16 OBLIGATIONS UNDER FINANCE LEASES (CONT'D)

	The Company		The Group	
	31.12.2008 $	31.12.2007 $	**31.12.2008 $**	31.12.2007 $
Present value of minimum lease payments:				
Due not later than one year	**887,661**	1,023,751	**898,275**	1,034,364
Due later than one year and not later than five years	**870,408**	810,428	**877,802**	828,436
Due later than five years	**-**	-	**-**	-
	1,758,069	1,834,179	**1,776,077**	1,862,800

The effective interest rates for the Company and the Group are 2.58% (2007 – 3.70%) and 2.60% (2007 – 3.75%) respectively.

The amount payable after one year is shown under non-current liabilities whilst the amount payable within one year is shown under current liabilities.

Obligations under finance lease are denominated in Singapore dollars.

17 BANK BORROWINGS

	The Company		The Group	
	31.12.2008 $	31.12.2007 $	**31.12.2008 $**	31.12.2007 $
Trust receipts	**207,411**	643,158	**207,411**	643,158
Short term bank loan I	**-**	2,030,000	**-**	2,030,000
Short term bank loan II	**-**	-	**-**	1,259,595
Short term bank loan III	**-**	-	**843,882**	787,247
	207,411	2,673,158	**1,051,293**	4,720,000

Bank borrowings are denominated in the following currencies:

	The Company		The Group	
	31.12.2008 $	31.12.2007 $	**31.12.2008 $**	31.12.2007 $
Singapore dollars	**207,411**	540,196	**207,411**	540,196
United States dollars	**-**	2,132,962	**-**	2,132,962
Renminbi	**-**	-	**843,882**	2,046,842
	207,411	2,673,158	**1,051,293**	4,720,000

17 BANK BORROWINGS (CONT'D)

Trust receipts are secured by fixed deposits pledged to the bank [Note 12]. The trust receipts have an effective interest rate of 6.00% (2007 – 5.56%) per annum.

Short term bank loan I was secured by a first legal mortgage over the Company's leasehold building (Note 5) and fixed deposits pledged to the bank [Note 12] and the effective interest is at the rate of 2.00% per annum over Singapore Inter Bank Offer Rate (SIBOR). The loan was repaid during the financial year.

Short term bank loan II is secured by fixed deposits of $636,985 and corporate guarantee given by the Company. The loan was repaid during the financial year and the effective interest is at the rate of 7.45% per annum.

Short-term bank loan III carried interest at a rate of 7.29% and is secured by a corporate guarantee from the Company.

18 DEFERRED TAX LIABILITIES

	31.12.2008	31.12.2007
	$	**$**
The Group		
Balance at beginning	**244,217**	171,546
On acquisition of subsidiary	**7,000**	-
Transfer (to)/from income statement (Note 23)	**(34,669)**	70,870
Exchange difference on translation	**(8,796)**	1,801
Balance at end	**207,752**	244,217
The balance comprises tax on:		
Excess of net book value over tax written down value of property, plant and equipment	**207,752**	244,217

19 SHARE CAPITAL

	No. of shares	**$**
Issued share capital		
Balance as at 31 December 2007 and 2008	**115,987,400**	10,802,968

(a) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meeting. All shares rank equally with regard to the Company's residual assets.

(b) On 19 July 2007, the Company allotted 14,397,767 warrants at an issue price of $0.13 for each warrant. Each warrant entitles the warrant holder to subscribe for one (1) new ordinary share. The warrants have an exercise period of 3 years from 19 January 2007 to 18 January 2010. During the financial year, there is no conversion of warrants and the outstanding number of warrant is 13,592,767 as at 31 December 2008.

20 OTHER OPERATING INCOME

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	$
Interest received	**41,211**	68,518
Rental income	**58,250**	22,400
Gain on disposal of fixed assets	**28,465**	-
Provision write back for warranty no longer required (Note 15)	**685,111**	199,919
Profit guarantee	**-**	303,696
Other income	**54,953**	78,360
	867,990	672,893

21(a) EMPLOYEE BENEFITS

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	$
The Group (including director's remuneration)		
Salary and related costs	**4,878,946**	4,043,777
Central provident fund contributions	**365,401**	306,673
	5,244,347	4,350,450

21(b) OTHER OPERATING EXPENSES

Included in the other operating expenses are depreciation of $839,123 (2007: $576,183), write back of inventories obsolescence of $79,641 (2007: Provision for inventories obsolescence of $232,340) and impairment loss on trade receivables of $1,371,769 (2007: $147,186).

21(c) FINANCE COSTS

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	$
The Group		
Obligation under finance leases	**112,497**	138,815
Trust receipts	**30,631**	11,346
Bank loans	**216,571**	84,260
Amount owing to a substantial shareholder	**12,500**	-
Others	**-**	2,209
	372,199	236,630

21(d) PROFIT BEFORE TAXATION

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	**$**
The Group		
Profit before taxation has been arrived at after charging/(crediting):		
Bad debts written off	**16,117**	43,815
Directors' fees	**85,000**	104,000
Directors' remuneration	**546,257**	617,239
Depreciation of property, plant and equipment	**1,712,798**	1,338,519
Foreign exchange loss	**67,810**	169,797
Operating lease rentals	**692,290**	479,713
Interest expense	**372,199**	234,421
(Gain)/loss on disposal of property, plant and equipment	**(28,465)**	103,270
Impairment of goodwill	**132,472**	-
Loss on disposal of financial asset, fair value through profit or loss	**23,866**	-
Allowances for impairment loss on receivables		
- trade	**1,125,340**	147,186
- other	**246,429**	-
Provision write back for warranty no longer required	**(685,111)**	(199,919)
Interest income	**(41,211)**	(68,518)
Gain on disposal of club membership	**-**	(1,365)
Fair value adjustment on financial asset, fair value through profit or loss	**(1,594)**	-
(Write-back)/provision of inventories obsolescence	**(79,641)**	232,340

22 KEY MANAGEMENT PERSONNEL COMPENSATION

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	**$**
The Group		
Short-term benefits	**726,386**	919,705

23 TAXATION

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	**$**
The Group		
Current taxation	**557,300**	952,671
Deferred taxation (Note 18)	**(34,669)**	70,870
	522,631	1,023,541
Under provision of current taxation in respect of prior years	**24,842**	54,670
	547,473	1,078,211

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's profits as a result of the following:

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	**$**
Profit before taxation	**1,001,895**	5,013,355
Tax at statutory income tax rate of 18%	**180,341**	902,404
Tax effect on non-deductible expenses	**353,529**	219,990
Tax effect on non-taxable income	**(126,330)**	(19,975)
Statutory stepped income exemption	**(82,350)**	(130,991)
Difference in foreign tax rates	**49,439**	224,593
Deferred tax benefit not recognised in prior year now recognised	**-**	(280,998)
Utilisation of reinvestment allowances	**(7,954)**	(15,265)
Deferred tax benefit not recognised	**155,956**	123,783
Over provision of current taxation	**(22,120)**	-
Under provision of current taxation	**46,962**	54,670
Income tax expenses recognised in the income statement	**547,473**	1,078,211

The Group

As at balance sheet date, the Group has tax losses of approximately $2,677,648 (2007 - $943,700) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognized due to uncertainty of its recoverability. The use of these tax losses is subject to the arrangement of the tax authorities and compliance with the certain provisions of the tax legislation of the respective countries in which the companies operate.

Subject to agreement with the relevant tax authority, the Company has applied a Group relief of $71,067 (2007:$125,932) from its Singapore subsidiary.

24 EARNINGS PER SHARE

The Group

The calculation of earnings per share for the financial year ended 31 December 2008 is based on the Group's profit after taxation and minority interests of $726,805 (2007 - $3,780,118) divided by the number of shares in issue of 115,987,400 ordinary shares (2007 - 111,185,839) during the financial year.

Diluted earnings per share of $0.63 for the year ended 31 December 2008 was calculated on the Group's profit after taxation and minority interest of $726,805 (2007 - $3,780,118) divided by 115,987,400 (2007 – 115,249,656). For the purpose of calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the dilutive warrants with the potential shares weighted for the period outstanding.

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with the related parties at agreed rates:

	Year ended 31.12.2008	Period from 1.10.2006 to 31.12.2007
	$	**$**
Purchases from subsidiaries	**6,396,298**	11,478,193
Sales to subsidiaries	**2,487,054**	6,771,188
Sales of equipment to a subsidiary	**-**	231,943
Interest on loan to a substantial shareholder	**12,500**	-

26 OPERATING LEASE COMMITMENTS (NON-CANCELLABLE)

At the balance sheet date, the Company and the Group were committed to making the following lease rental payments under non-cancellable operating leases for office equipment and office premises:

	The Company		**The Group**	
	31.12.2008	31.12.2007	**31.12.2008**	31.12.2007
	$	$	**$**	$
Not later than one year	**331,010**	178,128	**908,354**	434,629
Later than one year and not later than five years	**116,089**	250,595	**409,311**	550,381

Operating lease payments represent rental payables by the Group and the Company for certain of its office properties. Leases are negotiated for an average term of one to four years.

27 CAPITAL COMMITMENT

	The Company		The Group	
	31.12.2008 **$**	31.12.2007 $	**31.12.2008** **$**	31.12.2007 **$**
Capital expenditure not provided for in the financial statements in respect of:				
- Purchase of land	**-**	-	**714,552**	-
- Purchase of plant and equipment	**-**	194,000	**7,384**	194,000

28 CONTINGENT LIABILITIES

The Company

The Company has given letters of financial support in proportion to its shareholdings for certain subsidiary companies to continue to operate as going concern and to meet their respective obligations as and when they fall due.

The Company and the Group

The Company in the normal course of business, issued letters of indemnities to various customers for warranty on the exhaust systems installed.

The Company have given guarantee to banks for subsidiaries in connection with bank loans and bank facilities granted to subsidiaries.

A subsidiary has provided banker's guarantee amounting to $2,158,252(2007: Nil) to third parties for performance of contracts at the balance sheet date. The above facility is secured by the subsidiary's freehold property, fixed deposits and quoted investments and it is also secured by a director's personal guarantee and his personal property.

29 FINANCIAL RISK MANAGEMENT

The Group and the Company is exposed to credit risk, foreign currency risk, liquidity risk and other market risks arising in the normal course of business. The management continually monitors the Group's risk management process to ensure the appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

29.1 Credit risk

Credit risk is the risk of a financial loss on outstanding financial instruments should a counter-party default on its obligation.

For trade and other receivables, the Group's policy is to deal with creditworthy counterparties and/or obtaining sufficient rental deposits or bankers' guarantees, where appropriate, to mitigate credit risk. In addition, these receivables are monitored closely on an ongoing basis. The Group is not exposed to any significant concentration of credit risk.

Cash and fixed deposits are placed with financial institutions which are regulated and reputable.

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the balance sheet.

29 FINANCIAL RISK MANAGEMENT (CONT'D)

29.1 Credit risk (cont'd)

(i) Financial assets that are past due but not impaired

The aging analysis of trade receivables past due but not impaired is as follows:

	2008	2007
	$	$
The Group		
Trade receivables past due:		
One month or less	**2,836,981**	2,317,350
More than one but less than two months	**2,221,610**	1,052,494
More than two but less than three months	**1,159,493**	905,670
More than three months	**3,738,755**	1,054,776

(ii) Financial assets that are past due and impaired

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	2008	2007
	$	$
The Group		
Gross amount	**14,809,335**	16,031,371
Less: Allowance for impairment	**(1,272,526)**	(147,186)
	13,536,809	15,884,185
Movement in allowance for impairment:		
At beginning of the year	**147,186**	-
Current year allowance	**1,204,659**	147,186
Exchange differences	**46,779**	-
Allowance written back	**(126,098)**	-
At end of year	**1,272,526**	147,186

29.2 Foreign exchange risk

The Group transacts business in various foreign currencies, including the United States dollar, Renminbi, Malaysia Ringgit and Taiwan dollar and therefore is exposed to foreign exchange risk. The Group does not have a foreign currency hedging policy. However management monitors foreign exchange exposure and will consider hedging significant foreign exchange risk should the need arises.

29 FINANCIAL RISK MANAGEMENT (CONT'D)

29.2 Foreign exchange risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible change in the United States dollar ("USD"), Taiwan dollar ("NTD"), and Malaysia Ringgit ("RM") exchange rates against the respective functional currencies of the Group entities, with all other variable held constant.

		2008	2007
		\$ **Profit**	\$ Profit
USD/SGD	– strengthened 5% (2007: 5%)	**2,585**	254,026
	– weakened 5% (2007: 5%)	**(2,585)**	(254,026)
NTD/SGD	– strengthened 5% (2007: 5%)	**19,042**	21,633
	– weakened 5% (2007: 5%)	**(19,042)**	(21,633)
RM/SGD	– strengthened 5% (2007: 5%)	**67,331**	65,099
	– weakened 5% (2007: 5%)	**(67,331)**	(65,099)

29.3 Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's policy is to minimize interest rate risk exposures while obtaining sufficient funds for business expansion and working capital needs. To achieve this, the Group regularly assesses and monitors its cash with reference to its business plans and day-to-day operations.

The Group's exposure to interest rate risk arises primarily from its interest-bearing deposits and borrowings from financial institutions.

The Group manages its interest cost by using a mix of fixed and variable rate borrowings, and medium term notes.

Sensitivity analysis for interest rate risk

At the balance sheet date, if SGD interest rates had been 75 basis points lower/higher with all other variables held constant, the Group's profit and loss would have been \$7,884 lower/higher, arising mainly as a result of lower/higher interest expense on floating loans and borrowings.

In respect of interest-bearing financial assets the following table indicates their effective interest rates at balance sheet:

	Note	**Effective interest rate**	**Total**	**Less than 1 year**	**1 to 5 years**
		%	**\$'000**	**\$'000**	**\$'000**
The Company and the Group					
31 December 2008 **Financial liabilities** Bank borrowings	**17**	**6.00 to 7.29**	**1,051**	**1,051**	**-**
31 December 2007 **Financial liabilities** Bank borrowings	17	5.56 to 7.45	4,720	4,720	-

29 FINANCIAL RISK MANAGEMENT (CONT'D)

29.4 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate due to change in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Group's market risk is insignificant.

29.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group and the Company monitors its liquidity needs by closely monitoring scheduled debt servicing payments for financial liabilities and its cash outflows due to day-to-day operations, as well as ensuring the availability of funding through an adequate amount of credit facilities, both committed and uncommitted.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year	Between 2 and 5 years	Over 5 years	Total
	$	$	$	$
The Group				
As at 31 December 2008				
Trade and other payables	**28,583,850**	**-**	**-**	**28,583,850**
Borrowings	**1,949,568**	**877,802**	**-**	**2,827,370**
As at 31 December 2007				
Trade and other payables	13,438,053	-	-	13,438,053
Borrowings	5,754,364	828,436	-	6,582,800
The Company				
As at 31 December 2008				
Trade and other payables	**13,616,903**	**-**	**-**	**13,616,903**
Borrowings	**1,095,072**	**870,408**	**-**	**1,965,480**
As at 31 December 2007				
Trade and other payables	10,630,636	-	-	10,630,636
Borrowings	3,696,909	810,428	-	4,507,337

30 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain a strong credit rating and healthy capital ratios to support the Group's business operations and to maximise shareholder value.

The Group manages the capital structure and makes adjustments to it accordingly to changes in economic conditions and the risk characteristics of the underlying assets.

There were no changes in the Group's approach to capital management during the financial year.

Management monitors capital based on gearing ratio. The Group's policy is to keep the gearing ratio to not more than 70%.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2008 **$**	2007 $
The Group		
Net debt	**24,583,646**	14,808,389
Total equity	**18,555,102**	18,885,451
Total Capital	**43,138,748**	33,693,840
Gearing ratio	**57%**	44%

The Group and Company are in compliance with all loan covenants for the financial year ended 31 December 2008.

31 STATEMENT OF OPERATIONS BY SEGMENTS

Segment information is provided as follows:

<u>Distribution</u>

Distribution relates to revenue generated from the distribution of the Metu-System, a ducting joint system for the installation and fitting of exhaust systems in Singapore and Malaysia; Phoneix Controls System, a critical airflow control system in Singapore, Malaysia and Taiwan; ClorDisys Chlorine Dioxide Decontamination Systems and Individual Ventilated Caging Systems to laboratories, animal facilities and research centres.

<u>Manufacturing</u>

Manufacturing relates to revenue generated from the manufacture, supply, installation and maintenance of stainless steel ducts, ETFE-coated ducts which will be integrated with third-party equipment such as fume-hoods, scrubbers and fans for a complete environment-control system.

31 STATEMENT OF OPERATIONS BY SEGMENTS (CONT'D)

31.1 (a) Business segments

Financial year ended 31 December 2008

	Distribution	Manufacturing	Total
	$	$	$
REVENUE			
External sales	2,986,865	78,953,722	81,940,587
RESULTS			
Segment results	(672,593)	2,175,019	1,502,426
Finance costs	(2,390)	(254,308)	(256,698)
Unallocated finance costs	-	-	(115,501)
Share of associated companies' results	-	-	(128,332)
Taxation	-	-	(547,473)
Minority interest	-	272,383	272,383
Net profit attributable to shareholders			726,805

Financial year ended 31 December 2008

	Distribution	Manufacturing	Total
	$	$	$
ASSETS			
Segment assets	2,627,996	46,091,583	48,719,579
Unallocated corporate assets			1,974,076
Total assets			50,693,655
LIABILITIES			
Segment liabilities	6,347,827	25,063,393	31,411,220
Unallocated corporate liabilities			727,333
Total liabilities			32,138,553
OTHER INFORMATION			
Capital expenditure	66,248	1,761,524	1,827,772
Depreciation	248,790	1,464,008	1,712,798
Gain on disposal of property, plant and equipment	-	(28,465)	(28,465)
Allowance for impairment loss on goodwill	-	132,472	132,472
Allowance for impairment loss on trade and other receivables and bad debts written off	46,606	1,341,280	1,387,886

31 STATEMENT OF OPERATIONS BY SEGMENTS (CONT'D)

31.1 (a) Business segments (cont'd)

Financial period from 1 October 2006 to 31 December 2007

	Distribution	Manufacturing	Total
	$	$	$
REVENUE			
External sales	1,947,887	67,383,637	69,331,524
RESULTS			
Segment results	(1,371,859)	6,971,153	5,599,294
Finance costs	(6,928)	(212,782)	(219,710)
Unallocated finance costs	-	-	(16,920)
Share of associated companies' results	-	-	(349,309)
Taxation	-	-	(1,078,211)
Minority interest	-	(155,026)	(155,026)
Net profit attributable to shareholders			3,780,118

Financial period from 1 October 2006 to 31 December 2007

	Distribution	Manufacturing	Total
	$	$	$
ASSETS			
Segment assets	3,525,753	34,929,867	38,455,620
Unallocated corporate assets			1,849,229
Total assets			40,304,849
LIABILITIES			
Segment liabilities	1,704,685	17,721,667	19,426,352
Unallocated corporate liabilities			1,993,046
Total liabilities			21,419,398
OTHER INFORMATION			
Capital expenditure	640,773	2,978,141	3,618,914
Depreciation	260,286	1,078,233	1,338,519
Loss on disposal of property, plant and equipment	-	103,270	103,270
Allowance for impairment loss on trade and other receivables and bad debts written off	-	191,001	191,001

31 STATEMENT OF OPERATIONS BY SEGMENTS (CONT'D)

31.1 (b) Geographical segments

	2008	2007
	$	$
Revenue		
Singapore	**23,223,785**	14,334,233
Malaysia	**4,681,042**	9,045,658
People's Republic of China	**52,039,517**	45,253,341
Republic of China (Taiwan)	**1,996,243**	698,292
	81,940,587	69,331,524

The following table shows the assets by geographical area as at 31 December 2008:

	2008	2007
		(Restated)
	$	$
Total assets		
Singapore	**33,716,443**	22,049,873
Malaysia	**4,207,212**	4,475,631
People's Republic of China	**12,260,931**	13,208,504
Republic of China (Taiwan)	**509,069**	570,841
	50,693,655	40,304,849

32 ACQUISITION OF SUBSIDIARY

During the financial year, the Group acquired 100% of Air System technology (S) Pte Ltd. The transaction was accounted for by the purchase method of accounting.

The net assets acquired and the related fair values are disclosed on page 35 of the financial statements.

The contributions from the subsidiary for the period between the date of acquisition and the balance sheet date were as follows:

	2008	2007
	$	$
Revenue	**16,693,252**	-
Profit before taxation	**969,018**	-

The goodwill arising on the acquisition of the subsidiaries is attributable to the anticipated profitability and future operating synergies from the combination.

33 FINANCIAL INSTRUMENTS

Fair value

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.

The Group does not anticipate that the carrying amounts recorded at the balance sheet date for financial assets with a maturity of more than one year to be significantly different from the values that would eventually be received.

34 DIVIDENDS

	2008	2007
	$'000	**$'000**
The Company		
Final ordinary dividend of 0.25 cent per share(tax exempt) paid in respect of financial year ended 30 September 2006	**-**	215,964
Final ordinary dividend of 1 cent per share(tax exempt) paid in respect of financial year ended 31 December 2007	**1,159,874**	-

35 PRIOR YEAR ADJUSTMENT AND COMPARATIVES

(i) Sales amounting to $281,622 were incorrectly included twice in the income statement of FY2006.
(ii) Pre-operation expenses of an associate amounting to $228,946 was not written off to the income statement in FY2007.

The financial statements of 2007 have been restated to correct these errors. The effect of the restatement on those financial statements is summarised below:

	As previously reported	Effect of prior year adjustment	As restated
	$	$	$
The Group			
Financial year ended 30 September 2006			
- Retained earning	4,595,588	(281,622)	4,313,966
Financial year ended 31 December 2007			
- Share of associated companies' result	(120,363)	(228,946)	(349,309)
- Net profit for the year/ Total recognised income and expense for the year	4,009,064	(228,946)	3,780,118

36 COMPARATIVE FIGURES

The financial statements for the financial year ended 31 December 2007 were audited by another auditor whose report dated 28 February 2008 expressed an unqualified opinion on those financial statements.

Certain comparative figures have been reclassified to conform to current year's presentation as follow:-

	The Company		The Group	
	As previously reported	As restated	As previously reported	As restated
	$	$	$	$
Balance sheet				
- Investment in associate companies	-	-	571,870	342,924
- Trade and other receivables	19,064,872	18,772,057	21,519,402	21,006,691
- Prepaid operating expenses	-	11,193	-	231,089
- Retained earnings	6,025,923	5,744,301	8,388,688	7,878,120
Income statement				
- Other operating income	-	-	676,258	672,893
- Administrative expenses	-	-	(4,912,163)	(4,610,079)
- Other operating expenses	-	-	(3,034,590)	(3,331,100)
- Finance costs	-	-	(234,421)	(236,630)
Consolidated cash flow statement				
- Allowance for impairment on receivables	-	-	-	147,186
- Decrease/(increase) in operating receivables	-	-	(12,317,921)	(12,465,107)
Inventories (Note 9)				
- Raw materials	-	-	2,294,031	2,406,935
- Goods-in-transit	-	-	112,904	-
Gross amount due from customers for contract work-in-progress (Note 10)				
- Cost incurred	5,540,004	7,904,427	13,401,273	15,765,697
- Attributable profit	1,450,917	2,065,085	1,811,906	2,371,406
- Progress billings	(6,203,175)	(9,181,766)	(11,692,041)	(14,615,965)

37 EVENT OCCURRING AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date, the management had decided not to continue with the contract to purchase the land as described in Note 27 with a committed amount payable of $714,552. The down payment of $79,300 is subsequently taken into the income statement.

Shareholdings Statistics
As at 16 March 2009

Total no. of shares	:	115,987,400
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS AS AT 16 MARCH 2009

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	34	6.10	2,051	0.00
1,000 - 10,000	209	37.52	1,120,666	0.97
10,001 - 1,000,000	295	59.96	25,300,930	21.81
1,000,001 and above	19	3.41	89,563,753	77.22
Total:	**557**	**100.00**	**115,987,400**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 16 MARCH 2009
(As shown in the Company's Register of Substantial Shareholders)

Name of Substantial Shareholders	Shareholdings registered in the name of the substantial shareholders	Shareholdings held by the substantial shareholders in the name of nominees	Shareholdings in which the substantial shareholders are deemed to be interested	Total	Percentage of issued shares
Ho Ta-Huang	-	-	14,761,000 (1)	14,761,000	12.73%
Ong Peng Kwang Jemme	6,702,240	-	-	6,702,240	5.78%
Chern Dar Enterprise Pte Ltd	-	14,761,000	-	14,761,000	12.73%
Linair Holdings Pte Ltd	20,152,774	9,600,000	-	29,752,774	25.65%
Ho-Xu Choon Mi	-	-	14,761,000 (1)	14,761,000	12.73%
Oh Boon Hua	922,000	-	29,752,774 (2)	30,674,774	26.45%

Notes:

(1) Mr Ho Ta-Huang and his spouse, Mdm Ho-Xu Choon Mi are deemed interested in the shareholdings of Chern Dar Enterprise Co. Ltd.

(2) Mr Oh Boon Hua is deemed interested in the shareholdings of Linair Holdings Pte Ltd.

Shareholdings Statistics
As at 16 March 2009

LIST OF 20 LARGEST SHAREHOLDERS AS AT 16 MARCH 2009

No.	Name	No. of Shares	%
1	LINAIR HOLDINGS PTE LTD	20,152,774	17.37
2	WESTCOMB SECURITIES PTE LTD	15,630,000	13.48
3	MAYBAN NOMINEES (S) PTE LTD	9,651,000	8.32
4	ONG PENG KWANG JIMMY	6,702,240	5.78
5	LOH TOH YONG	5,900,000	5.09
6	SENG SOON HIANG	5,761,247	4.97
7	DBS NOMINEES PTE LTD	5,544,000	4.78
8	CITIBANK NOMINEES S'PORE PTE LTD	3,000,000	2.59
9	HUANG LING JUNG	2,428,000	2.09
10	YUEN CHEE KIN	2,079,826	1.79
11	DAIWA SECURITIES SMBC SPORE	2,000,000	1.72
12	CHANG CHEN YU	1,748,000	1.51
13	TAN CHOW KHONG	1,664,000	1.43
14	LAW CHWEE KIAT	1,492,000	1.29
15	CHAN KWOK WENG	1,270,000	1.09
16	UNITED OVERSEAS BANK NOMINEES	1,180,000	1.02
17	OCBC SECURITIES PRIVATE LTD	1,141,000	0.98
18	LEE SIEW KHIM	1,136,000	0.98
19	KIM ENG SECURITIES PTE. LTD.	1,083,666	0.93
20	OH BOON HUA	922,000	0.79
	Total	**90,485,753**	**78.01**

PUBLIC FLOAT

As at 16 March 2009, the percentage of shareholdings held in the hands of the public was 52.61%. Hence, Rule 723 of the Listing Manual is complied with.

Warrant Statistics
As at 16 March 2009

DISTRIBUTION OF WARRANT HOLDINGS AS AT 16 MARCH 2009

Size of Warrant holdings	No. of Warrant holders	%	No. of Warrants	%
1 - 999	57	25.11	30,415	0.22
1,000 - 10,000	115	50.66	400,059	2.94
10,001 - 1,000,000	52	22.91	5,956,134	43.82
1,000,001 and above	3	1.32	7,206,159	53.01
Total	**227**	**100.00**	**13,592,767**	**100.00**

LIST OF 20 LARGEST WARRANT HOLDERS AS AT 16 MARCH 2009

No.	Name	No. of Warrants	%
1	LINAIR HOLDINGS PTE LTD	4,153,759	30.56
2	WESTCOMB SECURITIES PTE LTD	1,845,370	13.58
3	MISA CAPITALS PTE LTD	1,207,030	8.88
4	NG CHOR HUA	653,000	4.80
5	SENG SOON HIANG	507,603	3.73
6	LOH YIH	434,000	3.19
7	CITIBANK NOMINEES S'PORE PTE LTD	300,000	2.21
8	YUEN CHEE KIN	298,241	2.19
9	RAMESH S/O PRITAMDAS	288,000	2.12
10	PHILLIP SECURITIES PTE LTD	254,032	1.87
11	CHENG WA SING	241,000	1.77
12	CHUA HWEE CHENG	205,946	1.52
13	LAW CHWEE KIAT	186,500	1.37
14	KOH CHEOH LIANG VINCENT	185,000	1.36
15	HENG HWA HENG	177,000	1.30
16	NARESH NANUBHAI DESAI	166,500	1.22
17	RAFFLES NOMINEES PTE LTD	121,832	0.90
18	HSBC (SINGAPORE) NOMINEES PTE LTD	116,666	0.86
19	ONG TECK HUNG	113,500	0.84
20	ANG TEE LOON	100,000	0.74
	Total	**11,554,979**	**85.01**

Notice of Annual General Meeting

LINAIR TECHNOLOGIES LIMTIED
Registration No. 199505699D
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Orchid Country Club, 1 Orchid Club Road, Sapphire 1 & 2, Singapore 769162 on Thursday, 30 April 2009 at 10.00 a.m., to transact the following business: -

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2008 together with the reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To re-elect Mr Jemme Ong Peng Kwang who is retiring under Article 89 of the Articles of Association. **(Resolution 2)**

3. To re-elect BG (Ret) Law Chwee Kiat who is retiring under Article 89 of the Articles of Association. **(Resolution 3)**

   BG (Ret) Law Chwee Kiat, will upon re-election as Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain the Chairman of the Nominating Committee and a member of the Remuneration Committee.

4. To approve payment of Directors' Fees of S$85,000 for 2008 (2007: S$104,000). **(Resolution 4)**

5. To re-appoint PKF-CAP LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without amendment:

6. **Authority to allot and issue shares**

   (a) "That pursuant to Section 161 of the Companies Act, and the listing rules of the SGX-ST, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that subject to any applicable regulations as may be prescribed by the SGX-ST,

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 100% of the total number of issued shares excluding treasury shares, of which:

(aa) the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares, and

(bb) the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued on a pro rata but non-renounceable basis to shareholders of the Company does not exceed 50% of the total number of issued shares excluding treasury shares, and

for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:

(1) new shares arising from the conversion or exercise of convertible securities, or

(2) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(3) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 6)
(See Explanatory Note 1)

7. **Authority to issue shares at a discount**

"That for the duration of the authority to issue Shares granted pursuant to Resolution 6 and subject to the listing rules of SGX-ST, approval be and is hereby given to the Directors of the Company at any time to issue shares by way of placement to such persons and upon such terms as the directors of the Company may in their absolute discretion deem fit provided that such issue of shares shall not be priced at more than 20% discount to the weighted average price for trades done on the SGX-ST for the Shares for the full market day on which the placement or subscription agreement is signed and where the trading in the Shares is not available for a full market day on the date of the signing of the placement or subscription agreement, the weighted average price will be based on the trades done on the SGX-ST for the shares on the preceding market day up to the time the placement or subscription agreement is signed."

(Resolution 7)
(See Explanatory Note 2)

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8. **Renewal of the Share Buy Back Mandate**

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX- ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the "Share Buy Back Mandate");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM of the Company is held or is required by law to be held;

(ii) the date on which the share buy back is carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked;

(d) for purposes of this Resolution:

"Prescribed Limit" means 10% of the issued ordinary share capital of the Company as at the date of passing of this Resolution (excluding any treasury shares that may be held by the Company from time to time);

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:-

(i) in the case of a Market Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off- Market Purchase; and

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(e) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution."

(Resolution 8)
(See Explanatory Note 3)

9. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

Wong Siew Hong
Secretary
Singapore, 15 April 2009

Explanatory Notes on Special Business to be transacted: -

Explanatory Note 1:-

The Ordinary Resolution 6 in item 6 is to authorise the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100% of the total number of issued shares excluding treasury shares of the Company of which (a) the aggregate number of shares (including shares to be issued in pursuance of convertible securities granted) to be issued on a pro rata but non-renounceable basis to shareholders of the Company does not exceed 50% of the total number of issued shares excluding treasury shares, and (b) the aggregate number of shares (including shares to be issued in pursuance of convertible securities granted) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares.

Explanatory Note 2:-

The Ordinary Resolution 7 in item 7 is to authorise the Directors of the Company to issue shares by way of placement at an issue price at not more than 20% discount to the weighted average price for trades done on the SGX-ST.

Explanatory Note 3:-

The proposed Resolution 8 in item 8, if passed, will empower the Directors of the Company, from the date of the Annual General Meeting until the date the next annual general meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10 per cent. of the total number of issued Shares excluding any Shares which are held as treasury shares of the Company at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy Back Mandate are set out in greater detail in the Addendum accompanying this Notice.

Notes:

1. A Depositor's name must appear on the Depository Register not less than 48 hours before the time of the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and any such proxy need not be a member of the Company.
3. The instrument appointing a proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting.

Proxy Form

LINAIR TECHNOLOGIES LIMTIED
Registration No. 199505699D
(Incorporated in the Republic of Singapore)

IMPORTANT
1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy Form is, therefore, not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____ *(Name)*

of ____ *(Address)*

being a member/members of LINAIR TECHNOLOGIES LIMITED hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Orchid Country Club, 1 Orchid Club Road, Sapphire 1 & 2, Singapore 769162 on Thursday, 30 April 2009 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	For*	Against*
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2008 together with the reports of the Directors and the Auditors thereon.		
2.	To re-elect Mr Jemme Ong Peng Kwang, a Director retiring under Article 89 of the Articles of Association.		
3.	To re-elect BG (Ret) Law Chwee Kiat, a Director retiring under Article 89 of the Articles of Association.		
4.	To approve the payment of Directors' Fees of S$85,000 for 2008.		
5.	To re-appoint PKF-CAP LLP as Auditors of the Company and to authorise Directors to fix their remuneration.		
	Special Business		
6.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.		
7.	To authorize Directors to issue placement shares at an issue price of up to a maximum discount of 20% to the market price of the shares.		
8.	To renew the mandate authorizing Directors to purchase the Company's ordinary shares.		

* *Please indicate your vote "For" or "Against" with a "√" within the box provided.*

Dated this ____________ day of ____________ 2009

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

Proxy Form

Notes

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If the number of shares is not inserted, this proxy form will be deemed to relate to the entire number of ordinary shares in the Company registered in your name(s).

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding or the number of shares to be represented by each proxy. If no such proportion or number is specified, the first-named proxy may be treated as representing 100 per cent of the shareholding and any second-named proxy as alternate to the first-named.

4. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the Registered Office at No. 2 Woodlands Sector 1, #01-08 Woodlands Spectrum 1, Singapore 738068, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

5. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing; or if such member is a corporation shall be given under its common seal, or signed on its behalf by an attorney duly authorised in writing or duly authorised officer of the corporation. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

7. Please indicate with a "√" in the appropriate space how you wish your proxy to vote. If this proxy form is returned without any indication as to how your proxy shall vote, he will vote or abstain from voting as he thinks fit.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or when the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Corporate Information

Board of Directors

BG (Ret) Law Chwee Kiat (Independent/ Non-Executive Chairman)
Jemme Ong Peng Kwang (Group CEO)
Wong Kok Chye (CEO, Linair Duct)
Ho Ta-Huang (Non-Executive Director)
Ong Chin Lin (Independent Director)

Executive Committe

Jemme Ong Peng Kwang (Chairman)
Raymond Loh
Wong Kok Chye
Wong Siew Hong
Anthony Sum Yew Wah
Lai Mun Yow
Chang Cheng Yu

Audit Committee

Ong Chin Lin (Chairman)
BG (Ret) Law Chwee Kiat
Ho Ta-Huang

Nominating Committee

BG (Ret) Law Chwee Kiat (Chairman)
Jemme Ong Peng Kwang
Ong Chin Lin

Remuneration Committee

BG (Ret) Law Chwee Kiat (Chairman)
Ho Ta-Huang
Ong Chin Lin

Company Secretary

Wong Siew Hong

Share & Warrant Registrar and Share Transfer Office

KCK CorpServe Pte. Ltd.
333 North Bridge Road
#08-00 KH KEA Building
Singapore 188721

Auditors

PKF-CAP LLP
146 Robinson Road
#08-01
Singapore 068909

Partner-In-Charge

Mr Lee Eng Kian
(Appointed with effect from 28 April 2008)

Principal Bankers

United Overseas Bank Limited
Malayan Banking Berhad

Registered Office

No.2 Woodlands Sector 1,
#01-08 Woodlands Spectrum 1,
Singapore 738068
Telephone: (65) 6757 5310
Facsimile: (65) 6757 5319
Registration No: 199505699D
Corporate Website:
http://www.linair.com.sg

Linair Technologies Limited
No.2 Woodlands Sector 1,
#01-08 Woodlands Spectrum 1,
Singapore 738068

Tel : (65) 6757 5310
Fax : (65) 6757 5319

Website : www.linair.com.sg