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PRESS RELEASE

Keppel Telecommunications & Transportation Ltd Unaudited Results for the Year ended 31 December 2010

SINGAPORE, 20 January 2011 – The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the year ended 31 December 2010.

These figures have not been audited.

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KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

FULL YEAR 2010 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

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KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

Full Year Financial Statements And Dividend Announcement

1 UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the year ended 31 December 2010.

1(a) GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 2010

	Group		
	2010 \$'000	2009 \$'000	+/(-)%
REVENUE	107,762	113,336	(4.9)
Less operating expenses	<u>(95,377)</u>	<u>(105,027)</u>	(9.2)
OPERATING PROFIT	12,385	8,309	49.1
Interest income	1,225	1,430	(14.3)
Interest expense	(2,950)	(3,007)	(1.9)
Share of results of associated companies and jointly controlled entities	<u>64,382</u>	<u>58,523</u>	10.0
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	75,042	65,255	15.0
Exceptional items	<u>(4,573)</u>	<u>(8,596)</u>	(46.8)
PROFIT BEFORE TAXATION	70,469	56,659	24.4
Taxation	<u>(9,736)</u>	<u>(8,994)</u>	8.2
PROFIT FOR THE YEAR	<u><u>60,733</u></u>	<u><u>47,665</u></u>	27.4
Attributable to:			
Shareholders of the Company			
Profit before exceptional items	62,132	52,915	17.4
Exceptional items	<u>(4,537)</u>	<u>(8,307)</u>	(45.4)
	57,595	44,608	29.1
Non-controlling interests	<u>3,138</u>	<u>3,057</u>	2.6
	<u><u>60,733</u></u>	<u><u>47,665</u></u>	27.4
Earnings per share			
Before exceptional items			
- basic	11.2 cts	9.6 cts	16.7
- diluted	11.2 cts	9.6 cts	16.7
After exceptional items			
- basic	10.4 cts	8.1 cts	28.4
- diluted	10.4 cts	8.1 cts	28.4

Notes to Group Profit and Loss Account

(i) Operating expenses comprise the following:

	Group		
	2010	2009	+ / (-)
	\$'000	\$'000	%
Purchase of goods and services	30,953	39,781	(22.2)
Staff costs	32,086	34,128	(6.0)
Share-based payment expenses	389	1,276	(69.5)
Depreciation of fixed assets	7,309	6,328	15.5
Other operating expenses	<u>27,758</u>	<u>25,540</u>	8.7
	98,495	107,053	(8.0)
Other income	<u>(3,118)</u>	<u>(2,026)</u>	53.9
	<u>95,377</u>	<u>105,027</u>	(9.2)

(ii) Operating profit is arrived at after charging/(crediting) the following:

	Group		
	2010	2009	+ / (-)
	\$'000	\$'000	%
Provision for doubtful debts	653	175	273.1
Bad debts written off/(recovered)	4	(50)	n.m.
Provision for obsolete stocks	249	219	13.7
Foreign exchange loss	689	200	244.5
Gain on disposal of fixed assets	(64)	(10)	540.0

(iii) Taxation in 2010 included an under-provision for taxation of \$28,000 (2009: write-back of provision of \$286,000) in respect of prior years and tax assets of \$558,000 (2009: \$875,000) recognised under the Group Relief System. In 2009, there was also a write-back of provision for deferred taxation of \$1,440,000.

(iv) Exceptional items consist of:

	Group		
	2010	2009	+ / (-)
	\$'000	\$'000	%
Gain/(loss) on disposal of subsidiaries, associated company and other investments	2,105	(515)	n.m.
Impairment loss on other investments	(6,661)	(4,092)	62.8
Impairment (loss)/write-back on associated companies	(1,544)	56	n.m.
Write-back of provision for equity advance to an associated company	-	27	n.m.
Impairment write-back/(loss) on fixed assets	1,300	(700)	n.m.
Write-back of/(provision for) restructuring expenses	<u>227</u>	<u>(3,372)</u>	n.m.
	(4,573)	(8,596)	(46.8)
Share of non-controlling interests	<u>36</u>	<u>289</u>	(87.5)
	<u>(4,537)</u>	<u>(8,307)</u>	(45.4)

(v) There was no extraordinary item during the year.

n.m. – not meaningful

1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	2010 \$'000	2009 \$'000	+ / (-) %
Profit for the year	<u>60,733</u>	<u>47,665</u>	27.4
Available-for-sale financial assets			
- Fair value changes	(1,041)	(3,718)	(72.0)
- Fair value loss realised and transferred to profit & loss account	790	3,887	(79.7)
Foreign currency translation			
- Exchange differences arising on consolidation	4,351	(11,941)	n.m.
- Realised and transferred to profit & loss account	(733)	1,539	n.m.
Share of other comprehensive income of associated companies	<u>39</u>	<u>439</u>	(91.1)
Other comprehensive income for the year, net of tax	<u>3,406</u>	<u>(9,794)</u>	n.m.
Total comprehensive income for the year	<u><u>64,139</u></u>	<u><u>37,871</u></u>	69.4
Attributable to:			
Shareholders of the Company	61,429	34,889	76.1
Non-controlling interests	<u>2,710</u>	<u>2,982</u>	(9.1)
	<u><u>64,139</u></u>	<u><u>37,871</u></u>	69.4

n.m. – not meaningful

1(c)(i) BALANCE SHEETS as at 31 December 2010

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
SHARE CAPITAL	73,750	73,673	73,750	73,673
RESERVES	267,966	222,234	50,874	60,757
SHARE CAPITAL AND RESERVES	341,716	295,907	124,624	134,430
NON-CONTROLLING INTERESTS	26,946	26,090	-	-
CAPITAL EMPLOYED	368,662	321,997	124,624	134,430
Represented by:				
FIXED ASSETS	153,715	146,456	-	-
INVESTMENTS				
Subsidiaries	-	-	73,317	68,677
Associated companies and jointly controlled entities	329,355	303,383	6,621	6,621
Others	4,553	10,327	-	-
	333,908	313,710	79,938	75,298
LONG-TERM RECEIVABLE	-	-	43,274	-
CURRENT ASSETS				
Stocks and work-in-progress	2,295	2,264	-	-
Debtors	24,998	24,330	108	107
Amounts owing by holding and related companies	661	2,211	30,474	48,257
Amounts owing by associated companies	4,575	13,251	-	-
Fixed deposits	52,289	63,102	7,594	11,287
Bank balances and cash	9,180	7,911	36	21
	93,998	113,069	38,212	59,672
LESS: CURRENT LIABILITIES				
Creditors	40,095	42,455	502	495
Amounts owing to holding and related companies	320	517	52	37
Amounts owing to associated companies	165	188	-	-
Short-term borrowings	22,506	58,399	10,029	-
Taxation	1,047	822	3	8
	64,133	102,381	10,586	540
NET CURRENT ASSETS	29,865	10,688	27,626	59,132
NON-CURRENT LIABILITIES				
Long-term borrowings	147,214	148,000	26,214	-
Deferred taxation	1,612	857	-	-
	148,826	148,857	26,214	-
NET ASSETS	368,662	321,997	124,624	134,430

1(c)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 31 Dec 2010		As at 31 Dec 2009	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	22,506	-	58,399

Amount repayable after one year

As at 31 Dec 2010		As at 31 Dec 2009	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	147,214	-	148,000

Details of any collateral

Not applicable.

1(c)(iii) BALANCE SHEET ANALYSIS

Group share capital and reserves increased by \$45.8 million to \$341.7 million as at 31 December 2010. The increase was due mainly to attributable profits for the year and foreign currency translation reserve, partly offset by payment of dividend in respect of financial year 2009.

Group total assets of \$581.6 million was higher by \$8.4 million as at 31 December 2010. Fixed assets increased \$7.3 million due mainly to capex for construction of a distribution centre in China, reduced partly by depreciation charges. Investments in associated companies and jointly controlled entities increased by \$26.0 million to \$329.4 million due mainly to equity accounting for share of profits partly offset by dividends received. Other investments decreased by \$5.8 million to \$4.6 million due to impairment of investments made during the year. Current assets decreased \$19.1 million to \$94.0 million largely because of repayment of loan from an associated company and reduction in amount due from related companies and fixed deposits.

Group total liabilities decreased \$38.3 million to \$213.0 million due mainly to repayment of borrowings and reduction in creditors. Total borrowings decreased \$36.7 million to \$169.7 million as at 31 December 2010.

1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2010

	2010	2009
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit	12,385	8,309
Adjustments for non-cash items:		
Depreciation of fixed assets	7,309	6,328
Gain on disposal of fixed assets	(64)	(10)
Share-based payment expenses	389	1,276
Gain on dilution of associated companies	(1,787)	(38)
Translation of foreign companies	(189)	(1,871)
Operating cash flows before changes in working capital	<u>18,043</u>	<u>13,994</u>
Working capital changes:		
Stocks and work-in-progress	(31)	1,445
Debtors	1,525	22,779
Creditors	(692)	(8,472)
Cash flows from operations	<u>18,845</u>	<u>29,746</u>
Interest received	1,414	1,310
Interest paid	(3,223)	(3,066)
Income taxes refunded/(paid), net	2,472	(1,739)
Proceeds from tax losses transferred under group relief system	558	602
Staff compensation and restructuring expenses	(623)	(699)
NET CASH FROM OPERATING ACTIVITIES	<u><u>19,443</u></u>	<u><u>26,154</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of a subsidiary (Note A)	-	(585)
Acquisition of further shares in a subsidiary	-	(150)
Purchase of other investments	(2,102)	(230)
Investment in associated companies	(1,810)	(2,646)
Proceeds from capital reduction in an associated company	1,241	-
Capital distribution from other investments	903	-
Proceeds from disposal of fixed assets and other investments	825	170
Purchase of fixed assets	(14,578)	(29,759)
Dividends received from investments	33,379	28,210
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	<u><u>17,858</u></u>	<u><u>(4,990)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from share issues	77	22
(Repayment of)/proceeds from short-term loans	(35,893)	5,330
(Repayment of)/proceeds from long-term loans	(786)	14,000
Funds from/(to) associated companies	8,159	(1,311)
Dividends paid to shareholders of the company	(16,570)	(16,568)
Dividends paid to non-controlling shareholders of subsidiaries	(1,832)	(4,617)
NET CASH USED IN FINANCING ACTIVITIES	<u><u>(46,845)</u></u>	<u><u>(3,144)</u></u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u><u>(9,544)</u></u>	<u><u>18,020</u></u>
Cash and cash equivalents as at 1 January	<u>71,013</u>	<u>52,993</u>
Cash and cash equivalents as at 31 December (Note B)	<u><u>61,469</u></u>	<u><u>71,013</u></u>

Notes to Consolidated Statement of Cash Flows

A. Disposal of Subsidiaries

During the financial year, the fair values of net assets and liabilities of subsidiaries disposed were as follows:

	2010 \$'000	2009 \$'000
Fixed assets	(38)	(84)
Stocks, debtors and creditors	38	(444)
Bank balances and cash	-	(585)
Exchange equalisation	777	(772)
Non-controlling interests	25	1,370
	<u>802</u>	<u>(515)</u>
Net (gain)/loss on disposal	(802)	515
Sale proceeds	-	-
	<u>-</u>	<u>585</u>
Add: Bank balances and cash disposed	-	585
	<u>-</u>	<u>585</u>
Net cash outflow on disposal, net of cash disposed	<u>-</u>	<u>585</u>

B. Cash and Cash Equivalents

Cash and cash equivalents consist of fixed deposits, bank balances and cash. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	2010 \$'000	2009 \$'000
Fixed deposits	52,289	63,102
Bank balances and cash	9,180	7,911
	<u>61,469</u>	<u>71,013</u>

1(d)(ii) CASH FLOW ANALYSIS

The Group's net cash from operating activities for the year was \$19.4 million due to cash generated from operations and refund of income tax. During the year, the Group received a tax refund of \$5.1 million in respect of prior years' taxes deducted at source. In the previous year, net cash from operating activities at \$26.2 million was higher as there was a significant improvement in working capital changes due to payments received from debtors.

Net cash from investing activities for the year was \$17.9 million. Dividends received from investments were partly offset by cash used in acquisitions of fixed assets, associated companies and other investments. In the previous year, the Group's net cash used for investing activities was \$5.0 million due to higher purchase of fixed assets to fit-out the data centre at Tampines and lower dividends received from associated companies.

Net cash used in financing activities for the year was \$46.8 million due mainly to repayment of term loans, payment of dividends to the shareholders of the company and non-controlling shareholders of subsidiaries partly offset by settlement of loan due from an associated company.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2010**

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Reserve \$'000	Share Capital & Reserves \$'000	Non- controlling Interests \$'000	Capital Employed \$'000
<u>The Group</u>							
Balance at 1 January 2010	73,673	10,126	225,398	(13,290)	295,907	26,090	321,997
Total comprehensive income for the year							
Profit for the year	-	-	57,595	-	57,595	3,138	60,733
Other comprehensive income for the year	-	(212)	-	4,046	3,834	(428)	3,406
Total comprehensive income for the year	-	(212)	57,595	4,046	61,429	2,710	64,139
Transactions with equity holders, recorded directly in equity							
Issue of shares	77	-	-	-	77	-	77
Cost of share-based payment	-	873	-	-	873	-	873
Transfer from revenue reserve to capital reserves	-	704	(704)	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(1,832)	(1,832)
Acquisition of additional interest in a subsidiary	-	-	-	-	-	3	3
Disposal of subsidiary	-	-	-	-	-	(25)	(25)
Dividend paid for 2009	-	-	(16,570)	-	(16,570)	-	(16,570)
Total transactions with equity holders	77	1,577	(17,274)	-	(15,620)	(1,854)	(17,474)
Balance at 31 December 2010	73,750	11,491	265,719	(9,244)	341,716	26,946	368,662
Balance at 1 January 2009	73,651	9,375	196,653	(2,963)	276,716	29,357	306,073
Total comprehensive income for the year							
Profit for the year	-	-	44,608	-	44,608	3,057	47,665
Other comprehensive income for the year	-	608	-	(10,327)	(9,719)	(75)	(9,794)
Total comprehensive income for the year	-	608	44,608	(10,327)	34,889	2,982	37,871
Transactions with equity holders, recorded directly in equity							
Issue of shares	22	-	-	-	22	-	22
Cost of share-based payment	-	848	-	-	848	-	848
Transfer from capital reserves to revenue reserve	-	(1,299)	1,299	-	-	-	-
Transfer from revenue reserve to capital reserves	-	594	(594)	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(4,617)	(4,617)
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(262)	(262)
Disposal of subsidiaries	-	-	-	-	-	(1,370)	(1,370)
Dividend paid for 2008	-	-	(16,568)	-	(16,568)	-	(16,568)
Total transactions with equity holders	22	143	(15,863)	-	(15,698)	(6,249)	(21,947)
Balance at 31 December 2009	73,673	10,126	225,398	(13,290)	295,907	26,090	321,997

	Share Capital \$'000	Capital Reserve \$'000	Revenue Reserve \$'000	Total \$'000
<u>The Company</u>				
Balance at 1 January 2010	73,673	3,477	57,280	134,430
Total comprehensive income for the year				
Profit for the year	-	-	5,814	5,814
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>5,814</u>	<u>5,814</u>
Transactions with equity holders, recorded directly in equity				
Issue of shares	77	-	-	77
Cost of share-based payment	-	873	-	873
Dividend paid for 2009	-	-	(16,570)	(16,570)
Total transactions with equity holders	<u>77</u>	<u>873</u>	<u>(16,570)</u>	<u>(15,620)</u>
Balance at 31 December 2010	<u>73,750</u>	<u>4,350</u>	<u>46,524</u>	<u>124,624</u>
Balance at 1 January 2009	73,651	2,629	65,576	141,856
Total comprehensive income for the year				
Profit for the year	-	-	8,272	8,272
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>8,272</u>	<u>8,272</u>
Transactions with equity holders, recorded directly in equity				
Issue of shares	22	-	-	22
Cost of share-based payment	-	848	-	848
Dividend paid for 2008	-	-	(16,568)	(16,568)
Total transactions with equity holders	<u>22</u>	<u>848</u>	<u>(16,568)</u>	<u>(15,698)</u>
Balance at 31 December 2009	<u>73,673</u>	<u>3,477</u>	<u>57,280</u>	<u>134,430</u>

1(e)(ii) SHARE CAPITAL

During the financial year, the Company issued 105,000 ordinary shares upon the exercise of share options granted under the Company's Share Option Scheme. The share capital of the Company as at the end of the financial year was 552,382,537 (2009: 552,277,537) shares.

At the Extraordinary General Meeting of the Company held on 21 April 2010, the Company's shareholders approved the adoption of two new share plans, namely, the KTT Restricted Share Plan ("KT&T RSP") and the KTT Performance Share Plan ("KT&T PSP") with effect from the date of termination of the KTT Share Option Scheme. The KTT Share Option Scheme was terminated on 2 July 2010. Options granted and outstanding prior to the termination will continue to be valid and subject to the terms and conditions of the KTT Share Option Scheme.

As at 31 December 2010, there were unexercised options for 1,822,000 (2009: 2,806,000) of unissued ordinary shares under the Company's Share Option Scheme.

As at 31 December 2010, the number of contingent shares granted and not released were 180,000 for KT&T PSP and 553,500 for KT&T RSP. Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 270,000 and 553,500 ordinary shares of the Company for KT&T PSP and KT&T RSP respectively.

As at 31 December 2010, the Company is not holding any treasury shares (2009: Nil).

2. AUDIT

The financial statements have not been audited nor reviewed by our auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2009, except as disclosed in paragraph 5 below.

5. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010.

The following are the new and revised FRS that are relevant to the Group:

FRS 27 – Consolidated and Separate Financial Statements (revised)
FRS 103 – Business Combinations (revised)

The adoption of these new and revised FRS did not have any significant impact on the financial performance or position of the Group.

6. EARNINGS PER ORDINARY SHARE

	GROUP		
	2010	2009	+/(-)%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on the weighted average number of shares (cents)	10.4	8.1	28.4
- Weighted average number of shares ('000)	552,368	552,258	*
(ii) On a fully diluted basis (cents)	10.4	8.1	28.4
- Adjusted weighted average number of shares ('000)	553,234	552,391	0.2

* Denotes less than 0.1%

7. NET ASSET VALUE

	GROUP			COMPANY		
	2010	2009	+/(-)%	2010	2009	+/(-)%
Net asset value per ordinary share based on issued share capital at the end of the financial year (\$)	0.62	0.54	14.8	0.23	0.24	(4.2)

8. REVIEW OF GROUP PERFORMANCE

Group revenue decreased 5% in 2010 to \$107.8 million due mainly to the winding down of non-core businesses and lower logistics revenue in Singapore partly offset by revenue from data centre business.

Operating profit improved significantly by 49% to \$12.4 million due to additional contribution from the data centre business and better operating margins as a result of cost control measures.

Profit before tax and exceptional items rose 15% at \$75.0 million. The improvement was contributed by higher operating profit and share of profits from associated companies.

Exceptional items of \$4.6 million comprised mainly of impairment in value of other investments.

After taking into account taxation expenses and exceptional items, the Group's attributable profit improved 29% to \$57.6 million.

In the opinion of the Directors, no factors have arisen between the end of the financial year and the date of this report which would materially affect the results of the Group and the Company for the year just ended.

9. VARIANCE FROM FORECAST STATEMENT

No forecast for the full year ended 31 December 2010 was previously provided.

10. PROSPECTS

For logistics, the Group continues to experience stable warehouse occupancy and growing demand for 3PL services. The Group is pursuing opportunities to expand into new customer segments and warehouse locations. The Group is also actively looking to grow overseas, especially in China, where its port in the Pearl River Delta continues to operate at full capacity, as well as Vietnam.

The strong demand for high-end data centres services has seen the Group's data centres in Singapore and Ireland experiencing full occupancy in its current facilities, which are fitted out for MNC companies backed by long-term contracts. Thus, the Group is aiming to expand the current facilities to meet the high demand. In addition, the Group's data centre fund continues to seek good quality data centre assets for investment.

11. DIVIDENDS

(a) Current Financial Period Reported On

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

Directors are pleased to recommend a first and final dividend of 3.5 cents per share tax exempt one-tier (2009: 3.0 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2010 for approval by shareholders at the next Annual General Meeting to be convened.

Name of Dividend	Final
Dividend Type	Cash
Dividend per share (cents)	3.5
Tax rate	Tax-exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Final
Dividend Type	Cash
Dividend per share (cents)	3.0
Tax rate	Tax-exempt (one-tier)

(c) Date Payable

The proposed first and final dividend if approved at the Annual General Meeting, tentatively scheduled to be held on 19 April 2011, will be paid on 6 May 2011.

(d) Books Closure Date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 27 April 2011 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 26 April 2011 will be registered to determine members' entitlement to the proposed first and final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 26 April 2011 will be entitled to the proposed first and final dividend.

12. SEGMENT ANALYSIS

2010

Business Segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	85,738	6,885	15,139	-	107,762
Inter-segment sales	3,990	-	89	(4,079)	-
Total	89,728	6,885	15,228	(4,079)	107,762
<u>Segment results</u>					
Operating profit/(loss)	14,438	1,234	(3,287)		12,385
Interest income	1,105	4	116		1,225
Interest expense	(495)	(8)	(2,447)		(2,950)
Share of results of associated companies and jointly controlled entities	12,172	4,495	47,715		64,382
Profit before tax and exceptional items	27,220	5,725	42,097		75,042
Exceptional items	43	-	(4,616)		(4,573)
Profit before taxation	27,263	5,725	37,481		70,469
Taxation	(3,936)	4,571	(10,371)		(9,736)
Profit for the year	23,327	10,296	27,110		60,733
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	20,679	10,296	31,157		62,132
Exceptional items	43	-	(4,580)		(4,537)
	20,722	10,296	26,577		57,595
Non-controlling interests	2,605	-	533		3,138
	23,327	10,296	27,110		60,733
<u>Other Information</u>					
Segment assets	248,789	96,872	369,532	(133,572)	581,621
Segment liabilities	(104,214)	(64,286)	(178,031)	133,572	(212,959)
Net assets	144,575	32,586	191,501	-	368,662
Investment in associated companies and jointly controlled entities					
	59,269	51,655	218,431		329,355
Additions to non-current assets	13,392	3,478	1,620		18,490
Depreciation	5,703	1,141	465		7,309
Impairment losses	-	-	6,905		6,905

Geographical Information

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	68,930	36,601	2,231	107,762
Non-current assets	291,144	131,771	64,708	487,623

2009

Business Segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	92,003	-	21,333	-	113,336
Inter-segment sales	3,780	-	209	(3,989)	-
Total	95,783	-	21,542	(3,989)	113,336
<u>Segment results</u>					
Operating profit/(loss)	12,964	(155)	(4,500)		8,309
Interest income	1,270	-	160		1,430
Interest expense	(752)	-	(2,255)		(3,007)
Share of results of associated companies and jointly controlled entity	10,462	5,252	42,809		58,523
Profit before tax and exceptional items	23,944	5,097	36,214		65,255
Exceptional items	(1,159)	-	(7,437)		(8,596)
Profit before taxation	22,785	5,097	28,777		56,659
Taxation	(2,172)	(219)	(6,603)		(8,994)
Profit for the year	20,613	4,878	22,174		47,665
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	19,047	4,878	28,990		52,915
Exceptional items	(870)	-	(7,437)		(8,307)
	18,177	4,878	21,553		44,608
Non-controlling interests	2,436	-	621		3,057
	20,613	4,878	22,174		47,665
<u>Other Information</u>					
Segment assets	265,042	41,024	391,505	(124,336)	573,235
Segment liabilities	(125,819)	(24,648)	(225,107)	124,336	(251,238)
Net assets	139,223	16,376	166,398	-	321,997
Investment in associated companies and jointly controlled entity	56,874	40,912	205,597		303,383
Additions to non-current assets	7,654	-	24,981		32,635
Depreciation	5,660	-	668		6,328
Impairment losses	344	-	4,392		4,736

Geographical Information

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	69,248	37,384	6,704	113,336
Non-current assets	285,398	122,923	51,845	460,166

Notes:

- (a) The Group is organised into business units based on their products and services, and has three reportable operating segments namely Logistics, Data Centre and Investments. The Logistics division provides warehousing, distribution, container storage and freight forwarding services. The Data Centre division provides data centre facilities and co-location services. The Investments division is the investment holding arm for various entities not within the Logistics and Data Centre divisions.
- (b) Pricing of inter-segment sales is at fair market value.
- (c) Segment assets and liabilities are those used in the operation of each segment.

13. REVIEW OF SEGMENT PERFORMANCE

Revenue from Logistics Division stood at \$89.7 million. Operating profit improved 11% owing to better operating margins and lower overheads. Profit before tax and exceptional items improved 14% attributed to higher share of profits from its associated companies. After taking into account exceptional items and higher taxation expense, the division's attributable profit increased 14% to \$20.7 million.

Data Centre Division's revenue in Singapore was \$6.9 million. Profit before tax and exceptional items of the Division was 12% higher at \$5.7 million due mainly to the data centre operations. The division's attributable profit at \$10.3 million was higher due to tax refund of \$5.1 million in respect of prior years' taxes deducted at source.

Investments Division revenue was 29% lower at \$15.2 million due to the winding down of non-core businesses during the year. Profit before tax and exceptional items rose 16% to \$42.1 million due mainly to higher contributions from associated companies. Attributable profit for the division improved 23% to \$26.6 million after accounting for higher taxation expense and lower exceptional loss. In the previous year, taxation expense had included a deferred tax write-back of \$1.1 million.

14. **BREAKDOWN OF SALES**

	GROUP		
	2010 \$'000	2009 \$'000	+ / (-) %
<u>First Half</u>			
Sales reported for first half year	52,651	59,047	(10.8)
Operating profit after tax and exceptional items before deducting non-controlling interests reported for first half year	28,171	21,507	31.0
<u>Second Half</u>			
Sales reported for second half year	55,111	54,289	1.5
Operating profit after tax and exceptional items before deducting non-controlling interests reported for second half year	32,562	26,158	24.5

15. **INTERESTED PERSON TRANSACTIONS**

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<u>General Transactions</u>				
Keppel Corporation Limited	-	-	2,623	12,076
Singapore Telecommunications Limited	-	-	2,313	2,417
<u>Treasury Transactions</u>				
Keppel Corporation Limited	-	-	46,716	46,640
<u>Management Services</u>				
Keppel Corporation Limited	-	-	500	500
	-	-	52,152	61,633

16. TOTAL ANNUAL DIVIDEND

Total Annual Dividend amounted to:

	2010 \$'000	2009 \$'000
Ordinary	16,570	16,568
Preference	-	-
Total	16,570	16,568

BY ORDER OF THE BOARD

CAROLINE CHANG/LAURA LOW
Company Secretaries
20 January 2011