



Keppel Telecommunications  
& Transportation Ltd  
(Co Reg No. 196500115G)  
7 Gul Circle  
Singapore 629563

Tel : (65) 6897 7372  
Fax : (65) 6897 7872

## **PRESS RELEASE**

### **KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2007**

**24 April 2007**

The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the first quarter ended 31 March 2007.

These figures have not been audited.

#### **For more information, please contact:**

Mr Ang Lai Lee  
Senior Executive  
Group Corporate Communications  
Keppel Corporation Limited  
Tel: (65) 6413-6427  
Email: [lailee.ang@kepcorp.com](mailto:lailee.ang@kepcorp.com)

This press release is also available at [www.kepcorp.com](http://www.kepcorp.com) and  
[www.keppeltt.com.sg](http://www.keppeltt.com.sg)

# KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No. 196500115G)

## First Quarter Financial Statement

### 1 UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2007

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the first quarter ended 31 March 2007.

#### 1 (a) GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March 2007

	1Q 2007 \$'000	1Q 2006 \$'000	+/(-)%
TURNOVER	21,505	24,138	(10.9)
Less operating expenses	<u>(19,055)</u>	<u>(22,177)</u>	(14.1)
OPERATING PROFIT	2,450	1,961	24.9
Interest income	417	613	(32.0)
Interest expense	(1,599)	(1,309)	22.2
Share of results of associated companies and jointly controlled entity	<u>10,610</u>	<u>10,211</u>	3.9
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	11,878	11,476	3.5
Exceptional items	<u>58</u>	<u>112</u>	(48.2)
PROFIT BEFORE TAXATION	11,936	11,588	3.0
Taxation	<u>295</u>	<u>(845)</u>	n.m.
PROFIT FOR THE PERIOD	<u>12,231</u>	<u>10,743</u>	13.9
Attributable to:			
Shareholders of the Company			
Profit before exceptional items	11,820	9,781	20.8
Exceptional items	<u>58</u>	<u>112</u>	(48.2)
	11,878	9,893	20.1
Minority interests	<u>353</u>	<u>850</u>	(58.5)
	<u>12,231</u>	<u>10,743</u>	13.9
Earnings per share			
Before exceptional items			
- basic	2.1 cts	1.8 cts	16.7
- diluted	2.1 cts	1.8 cts	16.7
After exceptional items			
- basic	2.2 cts	1.8 cts	22.2
- diluted	2.2 cts	1.8 cts	22.2

n.m. – not meaningful

Notes to Group Profit and Loss Account

(i) Operating expenses comprise the following:

	1Q 2007 \$'000	1Q 2006 \$'000
Purchase of goods and services	6,060	7,321
Staff costs	7,998	7,702
Defined contribution pension plans	659	544
Depreciation of fixed assets	1,571	1,821
Other operating expenses	<u>2,767</u>	<u>4,789</u>
	<u><u>19,055</u></u>	<u><u>22,177</u></u>

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

	1Q 2007 \$'000	1Q 2006 \$'000	+ / (-) %
Share-based payment expenses	208	253	(17.8)
Write-back of provision for doubtful debts and bad debts recovered	(30)	(174)	(82.8)
Foreign exchange loss	123	400	(69.3)
Profit on sale of fixed assets	(68)	(2)	n.m.
Fair value gain on forward contract	-	(273)	(100.0)

(iii) Taxation for the period included an over-provision in taxation expense of \$35,000 (1Q 2006: \$107,000), a write-back of deferred taxation of \$2,225,000 (1Q 2006: Nil) and recognition of tax credit under the Group Relief System of \$1,033,000 (1Q 2006: \$2,298,000).

(iv) Exceptional items consist of:

	1Q 2007 \$'000	1Q 2006 \$'000
Provision for impairment in value of other investments	-	(327)
Gain on disposal of investments	<u>58</u>	<u>439</u>
	<u><u>58</u></u>	<u><u>112</u></u>

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

n.m. – not meaningful

**1(b)(i) BALANCE SHEETS as at 31 March 2007**

	Group		Company	
	31.3.2007 \$'000	31.12.2006 \$'000	31.3.2007 \$'000	31.12.2006 \$'000
SHARE CAPITAL	70,716	70,006	70,716	70,006
RESERVES	171,201	157,331	105,612	102,213
SHARE CAPITAL AND RESERVES	241,917	227,337	176,328	172,219
MINORITY INTERESTS	32,962	32,371	-	-
<b>CAPITAL EMPLOYED</b>	<b>274,879</b>	<b>259,708</b>	<b>176,328</b>	<b>172,219</b>
Represented by:				
FIXED ASSETS	124,482	125,669	-	-
INVESTMENTS				
Subsidiaries	-	-	76,173	78,479
Associated companies and jointly controlled entity	218,382	188,240	6,621	6,673
Others	20,397	19,806	-	-
	238,779	208,046	82,794	85,152
LONG-TERM RECEIVABLES	-	26	-	-
CURRENT ASSETS				
Stocks and work-in-progress	5,201	3,130	-	-
Debtors	38,668	54,086	1,829	1,727
Amounts owing by holding and related companies	1,499	544	88,648	64,520
Amounts owing by associated companies	18,561	2,027	353	-
Fixed deposits	51,587	69,015	3,891	21,955
Bank balances and cash	6,270	7,949	69	68
	121,786	136,751	94,790	88,270
LESS: CURRENT LIABILITIES				
Creditors	47,278	50,510	811	783
Amounts owing to holding and related companies	1,268	529	200	53
Amounts owing to associated companies	272	333	-	82
Short-term borrowings	58,716	55,623	-	-
Taxation	1,458	1,405	245	285
	108,992	108,400	1,256	1,203
<b>NET CURRENT ASSETS</b>	<b>12,794</b>	<b>28,351</b>	<b>93,534</b>	<b>87,067</b>
NON-CURRENT LIABILITIES				
Long-term borrowings	100,313	101,500	-	-
Deferred taxation	863	884	-	-
	101,176	102,384	-	-
<b>NET ASSETS</b>	<b>274,879</b>	<b>259,708</b>	<b>176,328</b>	<b>172,219</b>

## 1(b)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 31 Mar 2007		As at 31 Dec 2006	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	58,716	-	55,623

Amount repayable after one year

As at 31 Mar 2007		As at 31 Dec 2006	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	100,313	-	101,500

Details of any collateral

Not applicable

## 1(b)(iii) BALANCE SHEET ANALYSIS

Investment in associated companies and jointly controlled entity increased by \$30.2 million to \$218.4 million. During the quarter, the Group purchased additional shares in MobileOne and acquired 30% equity interests in iCELL Network Pte Ltd ("iCELL") and 50% in Premier Data Centres Limited ("PDC").

Current assets of the Group decreased \$15 million to \$121.8 million. This was largely due to receipts from debtors and utilisation of fixed deposits for investments. The increase in the amounts owing by associated companies relates to dividends receivable.

Non-current liabilities of the Group decreased to \$101.2 million as at 31 March 2007 due to repayment of long-term borrowings.

1(c) **CONSOLIDATED CASH FLOW STATEMENT**  
for the first quarter ended 31 March 2007

	1Q 2007 \$'000	1Q 2006 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating profit	2,450	1,961
Adjustments for non-cash items:		
Depreciation of fixed assets	1,571	1,821
Gain on disposal of fixed assets	(68)	(2)
Share-based payment expense	208	253
Fair value gain on financial instrument	-	(273)
Gain on dilution of associated companies	(182)	-
Translation of foreign companies	712	(965)
Operating profit before working capital changes	4,691	2,795
Working capital changes:		
Stocks	(2,071)	1,982
Debtors	15,583	38,887
Creditors	(7,026)	(13,769)
Cash from operations	11,177	29,895
Interest received	477	645
Interest paid	(1,258)	(1,399)
Income taxes paid	(426)	(767)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>9,970</b>	<b>28,374</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries (Note A)	(49)	-
Investment in associated companies	(27,406)	-
Purchase of other investments	(1,919)	-
Proceeds from disposal of other investment	702	166
Return of capital from other investments	334	-
Acquisition of fixed assets	(202)	(357)
Proceeds from sale of fixed assets	71	3
Dividends received from investments	-	991
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(28,469)</b>	<b>803</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from share issues	710	901
Proceeds/(repayment) of short-term loans	3,093	(8,225)
Repayment of long-term loans	(1,187)	-
Funds from holding and related companies	207	1,280
Funds (to)/from associated companies	(3,431)	1,001
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(608)</b>	<b>(5,043)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(19,107)</b>	<b>24,134</b>
Cash and cash equivalents as at 1 January	76,964	76,010
Cash and cash equivalents as at 31 March (Note B)	57,857	100,144

Notes to Consolidated Cash Flow Statement

**A. Acquisition of Subsidiaries**

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

	1Q 2007 \$'000	1Q 2006 \$'000
Fixed assets	4	-
Debtors and creditors	161	-
Bank balances and cash	112	-
Taxation	<u>(1)</u>	<u>-</u>
	276	-
Amount previously accounted for as associated companies	<u>(115)</u>	<u>-</u>
Purchase consideration	161	-
Less: Bank balances and cash required	<u>(112)</u>	<u>-</u>
Cash outflow on acquisition, net of cash acquired	<u>49</u>	<u>-</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 cash flow statement comprise the following balance sheet amounts:

	1Q 2007 \$'000	1Q 2006 \$'000
Fixed deposits	51,587	87,618
Bank balances and cash	<u>6,270</u>	<u>12,526</u>
	<u>57,857</u>	<u>100,144</u>

**1(c)(i) CASH FLOW ANALYSIS**

The Group's net cash from operating activities was lower than the corresponding quarter in the previous year. In 2006, net cash from operating activities benefited from a significant reduction in working capital as a result of payments received on completion of a major project.

Net cash used in investing activities amounted to \$28.5 million in the first quarter of 2007. This was mainly used for acquisitions of equity interests in iCELL, PDC and MobileOne.

Net cash used in financing activities in the first quarter of 2007 of \$0.6 million was largely due to a loan advanced to an associated company. In 2006, the net cash used in financing activities of \$5 million was mainly for repayment of loans.

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY  
for the first quarter ended 31 March 2007**

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Foreign Currency Translation Reserves \$'000	Share Capital & Reserves \$'000	Minority Interests \$'000	Capital Employed \$'000
<u>The Group</u>								
Balance at								
1 January 2007	70,006	-	16,662	149,117	(8,448)	227,337	32,371	259,708
Issue of shares	710	-	-	-	-	710	-	710
Cost of share-based payment	-	-	175	-	-	175	-	175
Net fair value changes on available-for-sale financial assets	-	-	(144)	-	-	(144)	-	(144)
Net fair value changes on cash flow hedge	-	-	9	-	-	9	-	9
Transfer to capital reserves	-	-	117	(117)	-	-	-	-
Profit for the period	-	-	-	11,878	-	11,878	353	12,231
Exchange differences arising on consolidation	-	-	-	-	1,952	1,952	238	2,190
Balance at 31 March 2007	<u>70,716</u>	<u>-</u>	<u>16,819</u>	<u>160,878</u>	<u>(6,496)</u>	<u>241,917</u>	<u>32,962</u>	<u>274,879</u>

<u>The Group</u>								
Balance at								
1 January 2006	54,822	13,738	15,518	128,158	(2,085)	210,151	32,401	242,552
Issue of shares	789	112	-	-	-	901	-	901
Transfer of share premium reserve to share capital account (Note1)	13,850	(13,850)	-	-	-	-	-	-
Cost of share-based payment	-	-	114	-	-	114	-	114
Net fair value changes on available-for-sale financial assets	-	-	(618)	-	-	(618)	-	(618)
Net fair value changes on cash flow hedge	-	-	177	-	-	177	-	177
Transfer to profit and loss account	-	-	318	-	-	318	-	318
Transfer to capital reserves	-	-	65	(65)	-	-	-	-
Profit for the period	-	-	-	9,893	-	9,893	850	10,743
Exchange differences arising on consolidation	-	-	-	-	(2,817)	(2,817)	(650)	(3,467)
Balance at 31 March 2006	<u>69,461</u>	<u>-</u>	<u>15,574</u>	<u>137,986</u>	<u>(4,902)</u>	<u>218,119</u>	<u>32,601</u>	<u>250,720</u>



	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Capital Employed \$'000
<u>The Company</u>					
Balance at 1 January 2007	70,006	-	9,809	92,404	172,219
Issue of shares	710	-	-	-	710
Cost of share-based payment	-	-	105	-	105
Profit for the period	-	-	-	3,294	3,294
	<u>70,716</u>	<u>-</u>	<u>9,914</u>	<u>95,698</u>	<u>176,328</u>
<u>The Company</u>					
Balance at 1 January 2006	54,822	13,738	9,485	61,503	139,548
Issue of shares	789	112	-	-	901
Transfer of share premium reserve to share capital account (Note 1)	13,850	(13,850)	-	-	-
Cost of share-based payment	-	-	88	-	88
Profit for the period	-	-	-	30,804	30,804
	<u>69,461</u>	<u>-</u>	<u>9,573</u>	<u>92,307</u>	<u>171,341</u>

Note 1:

With effect from 30 January 2006, the concepts of "par value" and "authorised capital" were abolished under the Companies (Amendment) Act 2005 and the amount standing to the credit of the Company's share premium account as at 30 January 2006 became part of the Company's share capital as at that date.

**1(d)(ii) SHARE CAPITAL**

Since the end of the previous period, the Company issued 716,000 shares upon the exercise of options granted under the Company's Share Option Scheme. The share capital of the Company as at the end of the financial period was 550,335,537 shares.

As at 31 March 2007, there were unexercised options for 2,481,000 (31 March 2006: 3,087,000) unissued shares under the Company's Share Option Scheme.

**2. AUDIT**

The figures have not been audited or reviewed.

**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 period compared with those of the audited financial statements as at 31 December 2006, except as described in paragraph 5.

**5. CHANGES IN ACCOUNTING POLICIES**

The Group has adopted all the new/revised Financial Reporting Standards (FRS) that became effective for accounting periods beginning on or after 1 January 2007. These FRS include FRS 107 Financial Instruments: Disclosures and the Amendments to FRS 1 Presentation of Financial Statements (Capital Disclosures).

**6. EARNINGS PER ORDINARY SHARE**

	<b>GROUP</b>		
	1Q 2007	1Q 2006	+/(-)%
Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:-			
(i) Based on the weighted average number of shares (cents)	2.2	1.8	22.2
- Weighted average number of shares ('000)	549,909	548,802	0.2
(ii) On a fully diluted basis (cents)	2.2	1.8	22.2
- Adjusted weighted average number of shares ('000)	550,413	549,396	0.19

**7. NET ASSET VALUE**

	<b>GROUP</b>			<b>COMPANY</b>		
	31.3.2007	31.12.2006	+/(-)%	31.3.2007	31.12.2006	+/(-)%
Net asset value per ordinary share based on issued share capital at the end of the financial period/ year (\$)	0.44	0.41	7.3	0.32	0.31	3.2

**8. REVIEW OF GROUP PERFORMANCE**

The Group's profit before tax and exceptional items improved 4% despite the lower turnover for the quarter compared with the previous year. MobileOne continues to be a significant contributor to the Group, contributing more than 60% of its pre-tax profits.

Profit after tax rose by 14% to \$12.2 million after taking into account deferred tax adjustments resulting from the change in Singapore corporate tax rate from 20% to 18%.

Overall, the Group closed its first quarter with a 21% growth in attributable profit before exceptional items to \$11.8 million.

In the opinion of the Directors, no factor has arisen between the end of the current period and the date of this report which would materially affect the results of the Group and of the Company for the period just ended.

**9. VARIANCE FROM PROSPECTS STATEMENT**

No variance from previous statement.

## 10. PROSPECTS

The Network Engineering Division continues to seek project management and engineering work in regional emerging markets. During the quarter, the Group acquired a 50% stake in an Irish data centre company. This acquisition provides a good entry into the expanding data storage market in Europe and the company is seeking additional data storage space to meet the growing demands.

In Logistics, operations in Singapore improved slightly as a result of the improvement in market conditions in the domestic economy. However, in Foshan, although throughput at the port is increasing, tariff rates remain competitive. The Group will intensify its efforts to diversify into non-port logistics activities to generate earnings growth. The recent acquisition in Wuhu Annto Logistics is a step in this direction to provide pan-China distribution and warehousing services.

## 11. DIVIDENDS

### (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

### (c) DATE PAYABLE

Not applicable

### (d) BOOKS CLOSURE DATE

Not applicable

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

No interim dividend has been declared for the quarter ended 31 March 2007 (31 March 2006:Nil).

For the year ended 31 December 2006, Directors have recommended a first and final dividend of 5.5 cents per share tax exempt one-tier, for approval by shareholders at the Annual General Meeting to be held on 25 April 2007. If approved, the dividend will be paid on 16 May 2007.

### 13. SEGMENT ANALYSIS

#### First Quarter ended 31 March 2007 Business Segments

	Network Engineering \$'000	Logistics \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
Sales to third parties	6,727	14,701	77	-	21,505
Inter-segment sales	1,318	1,067	-	(2,385)	-
<b>Consolidated sales</b>	<b>8,045</b>	<b>15,768</b>	<b>77</b>	<b>(2,385)</b>	<b>21,505</b>
Operating (loss)/profit	(762)	1,461	1,751		2,450
Interest income	148	100	169		417
Interest expense	(1)	(310)	(1,288)		(1,599)
Share of results of associated companies and jointly controlled entity	1,011	364	9,235		10,610
Profit before tax and exceptional items	396	1,615	9,867		11,878
Exceptional items	-	-	58		58
Profit before taxation	396	1,615	9,925		11,936
Taxation	(442)	926	(189)		295
<b>(Loss)/profit for the period</b>	<b>(46)</b>	<b>2,541</b>	<b>9,736</b>		<b>12,231</b>
Attributable to:					
Shareholders of the Company					
(Loss)/profit before exceptional items	(218)	2,346	9,692		11,820
Exceptional items	-	-	58		58
	(218)	2,346	9,750		11,878
Minority interests	172	195	(14)		353
	(46)	2,541	9,736		12,231
<u>Other Information</u>					
Segment assets	31,963	166,330	162,552	(94,180)	266,665
Investment in associated companies and jointly controlled entity	56,977	32,257	129,148	-	218,382
<b>Total</b>	<b>88,940</b>	<b>198,587</b>	<b>291,700</b>	<b>(94,180)</b>	<b>485,047</b>
Segment liabilities	49,178	100,405	152,444	(94,180)	207,847
Tax provision and deferred taxation	279	649	1,393	-	2,321
<b>Total</b>	<b>49,457</b>	<b>101,054</b>	<b>153,837</b>	<b>(94,180)</b>	<b>210,168</b>
<b>Net assets</b>	<b>39,483</b>	<b>97,533</b>	<b>137,863</b>	<b>-</b>	<b>274,879</b>
Capital expenditure	9	189	4		202
Depreciation	167	1,335	69		1,571
Impairment losses	-	-	-		-

By Geographical Location

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
Sales to third parties	11,631	8,228	1,646	21,505
Total assets	307,799	166,250	10,998	485,047
Capital expenditure	129	71	2	202

First Quarter ended 31 March 2006Business Segments

	Network Engineering \$'000	Logistics \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
Sales to third parties	9,261	14,476	401	-	24,138
Inter-segment sales	1,327	1,160	-	(2,487)	-
Consolidated sales	<u>10,588</u>	<u>15,636</u>	<u>401</u>	<u>(2,487)</u>	<u>24,138</u>
Operating profit/(loss)	1,382	1,617	(1,038)		1,961
Interest income	124	121	368		613
Interest expense	(96)	(218)	(995)		(1,309)
Share of results of associated companies and jointly controlled entity	882	1,181	8,148		10,211
Profit before tax and exceptional items	2,292	2,701	6,483		11,476
Exceptional items	-	-	112		112
Profit before taxation	2,292	2,701	6,595		11,588
Taxation	652	273	(1,770)		(845)
Profit for the period	<u>2,944</u>	<u>2,974</u>	<u>4,825</u>		<u>10,743</u>
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	2,358	2,714	4,709		9,781
Exceptional items	-	-	112		112
	<u>2,358</u>	<u>2,714</u>	<u>4,821</u>		<u>9,893</u>
Minority interests	586	260	4		850
	<u>2,944</u>	<u>2,974</u>	<u>4,825</u>		<u>10,743</u>

	Network Engineering \$'000	Logistics \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Other Information</u>					
Segment assets	95,610	159,223	155,084	(65,240)	344,677
Investment in associated companies and jointly controlled entity	27,438	18,884	52,164	-	98,486
Total	123,048	178,107	207,248	(65,240)	443,163
Segment liabilities	85,644	44,381	124,026	(65,240)	188,811
Tax provision and deferred taxation	1,705	622	1,305	-	3,632
Total	87,349	45,003	125,331	(65,240)	192,443
Net assets	35,699	133,104	81,917	-	250,720
Capital expenditure	129	210	18		357
Depreciation	235	1,518	68		1,821
Impairment losses	-	-	327		327

By Geographical Location

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
Sales to third parties	11,214	11,039	1,885	24,138
Total assets	255,470	177,684	10,009	443,163
Capital expenditure	172	93	92	357

Notes:

- Pricing of inter-segment sales is at fair market value.
- Net assets employed by segments are those identifiable assets less liabilities that are used in the operation of each segment as at the end of the financial period.
- Share of associated companies' results and investments in associated companies are included in the results and net assets employed in the appropriate segments.
- Analysis by geographical location is based on the locations in which the Group's activities are carried out.

**14. REVIEW OF SEGMENT PERFORMANCE**

Network Engineering Division turned in a lower pre-tax profit compared to the corresponding quarter in 2006 because of lower revenue achieved in Malaysia. Newly acquired associated company Premier Data Centres Limited made its first contribution to the Division during the period.

Logistics Division recorded a marginally higher turnover of \$14.7 million on the back of improved warehousing capacity utilisation in Singapore while the Division's pre-tax profit was impacted by lower contribution from associated company, Asia Airfreight Terminal.

MobileOne remains a major contributor to the Investments Division. The Division's earnings were augmented by sundry income of subsidiaries and tax adjustments arising from the downward revision of Singapore's corporate tax rate from 20% to 18%.

**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.	
	1Q 2007 \$'000	1Q 2006 \$'000	1Q 2007 \$'000	1Q 2006 \$'000
<u>General Transactions</u> Singapore Telecommunications Limited	-	-	294	-
<u>Treasury Transactions</u> Keppel Corporation Limited	-	-	35,251	42,943
<u>Management Services</u> Keppel Corporation Limited	-	-	500	500
	-	-	36,045	43,443

**16. ANNUAL DIVIDEND**

Not applicable

**BY ORDER OF THE BOARD**

CAROLINE CHANG/LAURA LOW  
Company Secretaries  
24 April 2007

**Confirmation by the Board**

We, TEO SOON HOE and LAM KWOK CHONG being two directors of Keppel Telecommunications & Transportation Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the 1Q 2007 financial results to be false or misleading.

On behalf of the board of directors

  
TEO SOON HOE  
Chairman

Singapore, 24 April 2007

  
LAM KWOK CHONG  
Managing Director