



Keppel Telecommunications  
& Transportation Ltd  
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## **PRESS RELEASE**

### **Keppel Telecommunications & Transportation Ltd Unaudited Results for Full Year Ended 31 December 2007**

**28 January 2008**

The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the full year ended 31 December 2007.

The figures have not been audited.

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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)

## Full Year Financial Statement And Dividend Announcement

### 1 UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

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

#### 1(a) CONSOLIDATED PROFIT AND LOSS ACCOUNTS for the year ended 31 December 2007

	Group		
	2007 \$'000	2006 \$'000	+/(-)%
TURNOVER	103,123	93,016	10.9
Less operating expenses	<u>(94,969)</u>	<u>(81,284)</u>	16.8
OPERATING PROFIT	8,154	11,732	(30.5)
Interest income	2,756	2,551	8.0
Interest expense	(6,118)	(5,423)	12.8
Share of results of associated companies and jointly controlled entity	<u>56,964</u>	<u>45,962</u>	23.9
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	61,756	54,822	12.6
Exceptional items	<u>1,344</u>	<u>19</u>	6,973.7
PROFIT BEFORE TAXATION	63,100	54,841	15.1
Taxation	<u>(8,583)</u>	<u>(7,243)</u>	18.5
PROFIT FOR THE YEAR	<u>54,517</u>	<u>47,598</u>	14.5
Attributable to:			
Shareholders of the Company			
Profit before exceptional items	50,090	42,193	18.7
Exceptional items	<u>1,359</u>	<u>1,105</u>	23.0
	51,449	43,298	18.8
Minority interests	<u>3,068</u>	<u>4,300</u>	(28.7)
	<u>54,517</u>	<u>47,598</u>	14.5
Earnings per share			
Before exceptional items			
- basic	9.1 cts	7.7 cts	18.2
- diluted	9.1 cts	7.7 cts	18.2
After exceptional items			
- basic	9.3 cts	7.9 cts	17.7
- diluted	9.3 cts	7.9 cts	17.7

Notes to Group Profit and Loss Accounts

(i) Operating expenses comprise the following:

	Group		
	2007	2006	+ / (-)
	\$'000	\$'000	%
Purchase of goods and services	33,063	20,935	57.9
Staff costs	32,702	31,001	5.5
Defined contribution pension plans	2,901	2,582	12.4
Depreciation of fixed assets	6,315	6,724	(6.1)
Other operating expenses	19,988	20,042	(0.3)
	<u>94,969</u>	<u>81,284</u>	16.8

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

	Group		
	2007	2006	+ / (-)
	\$'000	\$'000	%
Share-based payment expenses	1,100	759	44.9
(Write-back of)/provision for doubtful debts and bad debts written off	(889)	622	n.m.
Provision/(write-back of provision) for stock obsolescence	2	(395)	n.m.
Foreign exchange loss	960	675	42.2
Profit on disposal of fixed assets	(602)	(26)	2,215.4
Fair value gain on forward contract	-	(676)	n.m.

n.m. – not meaningful

(iii) Taxation in 2007 included an over-provision of taxation of \$79,000 (2006: \$1,117,000), a write-back of deferred taxation of \$2,491,000 (2006: Nil) in respect of prior years and recognition of tax assets under the Group Relief System of \$2,815,000 (2006: \$6,396,000).

(iv) Exceptional items consist of:

	Group	
	2007	2006
	\$'000	\$'000
Gain on disposal of subsidiaries, associated companies and other investments	1,963	3,208
Provision for impairment in value of investments and equity advances	(1,054)	(1,820)
Write-back of/(provision for) staff compensation and restructuring of operations	435	(1,598)
Profit on disposal of properties	-	229
	<u>1,344</u>	<u>19</u>
Minority share of exceptional items	<u>15</u>	<u>1,086</u>
	<u>1,359</u>	<u>1,105</u>

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

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

	Group		Company	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
SHARE CAPITAL	72,112	70,006	72,112	70,006
RESERVES	174,377	157,331	94,697	102,213
SHARE CAPITAL AND RESERVES	246,489	227,337	166,809	172,219
MINORITY INTERESTS	34,498	32,371	-	-
<b>CAPITAL EMPLOYED</b>	<b>280,987</b>	<b>259,708</b>	<b>166,809</b>	<b>172,219</b>
Represented by:				
FIXED ASSETS	122,839	125,669	-	-
INVESTMENTS				
Subsidiaries	-	-	75,963	78,479
Associated companies and jointly controlled entity	250,884	188,240	6,621	6,673
Others	17,842	19,806	-	-
	268,726	208,046	82,584	85,152
LONG-TERM RECEIVABLES	-	26	-	-
CURRENT ASSETS				
Stocks and work-in-progress	2,344	3,130	-	-
Debtors	47,480	54,086	1,727	1,727
Amounts owing by holding and related companies	2,780	544	69,006	64,520
Amounts owing by associated companies	12,241	2,027	-	-
Fixed deposits	60,188	69,015	14,529	21,955
Bank balances and cash	7,161	7,949	61	68
	132,194	136,751	85,323	88,270
LESS: CURRENT LIABILITIES				
Creditors	42,918	50,510	800	783
Amounts owing to holding and related companies	789	529	92	53
Amounts owing to associated companies	421	333	-	82
Short-term borrowings	69,498	55,623	-	-
Taxation	1,675	1,405	206	285
	115,301	108,400	1,098	1,203
<b>NET CURRENT ASSETS</b>	<b>16,893</b>	<b>28,351</b>	<b>84,225</b>	<b>87,067</b>
NON-CURRENT LIABILITIES				
Long-term borrowings	126,750	101,500	-	-
Deferred taxation	721	884	-	-
	127,471	102,384	-	-
<b>NET ASSETS</b>	<b>280,987</b>	<b>259,708</b>	<b>166,809</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 Dec 2007		As at 31 Dec 2006	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	69,498	-	55,623

### Amount repayable after one year

As at 31 Dec 2007		As at 31 Dec 2006	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	126,750	-	101,500

### Details of any collateral

Not applicable

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

Investments in associated companies and jointly controlled entity increased to \$250.9 million at year end. The increase was due mainly to the acquisition of 50% equity interest in Premier Data Centres Limited, 30% equity stake in iCELL Network Pte Ltd and additional shares in MobileOne.

The Group's current assets decreased \$4.6 million to \$132.2 million. This was mainly due to reduction in debtors as a result of payment received and reduction in fixed deposit to fund investments during the year. Amounts owing by associated companies increased as loans were made to an associated company in China for business expansion.

The Group's current liabilities increased \$6.9 million to \$115.3 million as a result of reduction in creditors offset by higher short-term borrowings. The net increase in both short-term and long-term borrowings by \$13.9 million and \$25.2 million respectively was used for investments in associated companies.

**1(c) CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2007**

	2007 \$'000	2006 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating profit	8,154	11,732
Adjustments for non-cash items:		
Depreciation of fixed assets	6,315	6,724
Gain on sale of fixed assets	(602)	(26)
Share-based payment expense	1,100	759
Fair value gain on financial instruments	-	(676)
Gain on dilution of associated company	(674)	(803)
Translation of foreign companies	98	(2,040)
Operating profit before working capital changes	14,391	15,670
Working capital changes:		
Stocks	786	1,975
Debtors	7,662	40,667
Creditors	(6,633)	(13,703)
Cash from operations	16,206	44,609
Interest received	2,530	2,232
Interest paid	(5,872)	(5,688)
Income taxes paid	(2,089)	(2,968)
Proceeds from tax losses transferred under group relief system	1,377	625
Staff compensation and restructuring expenses	(240)	(134)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>11,912</u>	<u>38,676</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries (Note A)	24	-
Investment in associated companies	(83,602)	(71,140)
Proceeds from capital reduction and distributions from associated companies	47,037	-
Purchase of other investments	(2,269)	(403)
Proceeds from disposal of other investments	2,106	3,570
Return of capital from other investments	453	1,013
Acquisition of fixed assets	(4,464)	(3,428)
Proceeds from sale of fixed assets	1,022	2,605
Dividends received from investments	20,433	40,372
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(19,260)</u>	<u>(27,411)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from share issues	2,106	1,446
Proceeds from/(repayment of) short-term loans	13,875	(24,990)
Proceeds from long-term loans	25,250	40,250
Funds to holding and related companies	(2,332)	(128)
Funds to associated companies	(9,781)	(1,758)
Dividends paid to shareholders of the company	(30,270)	(21,966)
Dividends paid to minority shareholders of subsidiaries	(1,115)	(3,165)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(2,267)</u>	<u>(10,311)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(9,615)	954
Cash and cash equivalents as at 1 January	76,964	76,010
Cash and cash equivalents as at 31 December (Note B)	<u>67,349</u>	<u>76,964</u>

## 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:

	2007 \$'000	2006 \$'000
Fixed assets	72	-
Debtors and creditors	305	-
Bank balances and cash	1,106	-
Taxation	(1)	-
Minority interest	(285)	-
	<u>1,197</u>	<u>-</u>
Amount previously accounted for as associated companies	<u>(115)</u>	<u>-</u>
Purchase consideration	1,082	-
Less: Bank balances and cash acquired	<u>(1,106)</u>	<u>-</u>
Cash inflow on acquisition, net of cash acquired	<u>(24)</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:

	2007 \$'000	2006 \$'000
Fixed deposits	60,188	69,015
Bank balances and cash	<u>7,161</u>	<u>7,949</u>
	<u>67,349</u>	<u>76,964</u>

### 1(c)(i) Cashflow Analysis

The Group's net cash from operating activities was \$11.9 million compared to \$38.7 million in 2006. In the previous year, there was a significant reduction in debtors because of payment received from a customer with the completion of a major project.

Net cash used in investing activities was \$19.3 million compared to \$27.4 million in 2006. The Group spent \$83.6 million on investments in associated companies, including acquisition of 50% of Premier Data Centres, 30% of iCELL and additional shares in MobileOne. During the year, the Group received \$64.0 million from its investment in MobileOne, with \$46.7 million arising from capital reduction and \$17.3 million from dividends.

Net cash used in financing activities was \$2.3 million compared to \$10.3 million in 2006. The decrease was because there was net increase in loans, offset partially by higher dividend payment to shareholders and loans to associated companies.



**1(d)(i) STATEMENTS OF CHANGES IN EQUITY  
for the year ended 31 December 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
<b>The Group</b>								
Balance at								
1 January 2007	70,006	-	16,662	149,117	(8,448)	227,337	32,371	259,708
Issue of shares	2,106	-	-	-	-	2,106	-	2,106
Cost of share-based payment	-	-	848	-	-	848	-	848
Net fair value changes on available-for-sale financial assets	-	-	(1,417)	-	-	(1,417)	-	(1,417)
Net fair value changes on cash flow hedge	-	-	(31)	-	-	(31)	-	(31)
Transfer to profit and loss account	-	-	192	-	(852)	(660)	-	(660)
Transfer to capital reserves	-	-	865	(865)	-	-	-	-
Transfer to revenue reserves	-	-	(9,025)	9,025	-	-	-	-
Profit for the year	-	-	-	51,449	-	51,449	3,068	54,517
Dividend paid for 2006	-	-	-	(30,270)	-	(30,270)	-	(30,270)
Exchange differences arising on consolidation	-	-	-	-	(2,873)	(2,873)	(111)	(2,984)
Dividend paid to minority shareholders	-	-	-	-	-	-	(1,115)	(1,115)
Acquisition of subsidiaries	-	-	-	-	-	-	285	285
Balance at 31 December 2007	<b>72,112</b>	<b>-</b>	<b>8,094</b>	<b>178,456</b>	<b>(12,173)</b>	<b>246,489</b>	<b>34,498</b>	<b>280,987</b>
Balance at								
1 January 2006	54,822	13,738	15,518	128,158	(2,085)	210,151	32,401	242,552
Issue of shares	1,334	112	-	-	-	1,446	-	1,446
Transfer of share premium reserve to share capital account (Note 1)	13,850	(13,850)	-	-	-	-	-	-
Cost of share-based payment	-	-	588	-	-	588	-	588
Net fair value changes on available-for-sale financial assets	-	-	776	-	-	776	-	776
Net fair value changes on cash flow hedge	-	-	281	-	-	281	-	281
Transfer to profit and loss account	-	-	(874)	-	(751)	(1,625)	-	(1,625)
Transfer to capital reserves	-	-	373	(373)	-	-	-	-
Profit for the year	-	-	-	43,298	-	43,298	4,300	47,598
Dividend paid for 2005	-	-	-	(21,966)	-	(21,966)	-	(21,966)
Exchange differences arising on consolidation	-	-	-	-	(5,612)	(5,612)	(1,165)	(6,777)
Dividend paid to minority shareholders	-	-	-	-	-	-	(3,165)	(3,165)
Balance at 31 December 2006	<b>70,006</b>	<b>-</b>	<b>16,662</b>	<b>149,117</b>	<b>(8,448)</b>	<b>227,337</b>	<b>32,371</b>	<b>259,708</b>

	Share Capital \$'000	Share Premium \$'000	Capital Reserves \$'000	Revenue Reserves/ \$'000	Total \$'000
<u>The Company</u>					
Balance at 1 January 2007	70,006	-	9,809	92,404	172,219
Issue of shares	2,106	-	-	-	2,106
Cost of share-based payment	-	-	658	-	658
Transfer to revenue reserves	-	-	(9,025)	9,025	-
Profit for the year	-	-	-	22,096	22,096
Dividend paid for 2006	-	-	-	(30,270)	(30,270)
	<u>72,112</u>	<u>-</u>	<u>1,442</u>	<u>93,255</u>	<u>166,809</u>
Balance at 1 January 2006	54,822	13,738	9,485	61,503	139,548
Issue of shares	1,334	112	-	-	1,446
Transfer of share premium reserve to share capital account (Note 1)	13,850	(13,850)	-	-	-
Cost of share-based payment	-	-	324	-	324
Profit for the year	-	-	-	52,867	52,867
Dividend paid for 2005	-	-	-	(21,966)	(21,966)
	<u>70,006</u>	<u>-</u>	<u>9,809</u>	<u>92,404</u>	<u>172,219</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**

During the financial year, the Company issued 1,688,000 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 551,307,537 shares.

As at 31 December 2007, there were unexercised options for 2,051,000 (31 December 2006: 2,702,000) unissued shares under the Company’s Share Option Scheme.

**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 2006, except as describe 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). These disclosures will be incorporated in the Statutory Accounts and they do not have a financial impact to the Group.

## 6. EARNINGS PER ORDINARY SHARE

	GROUP		
	2007	2006	+/(-)%
Earnings per ordinary share of the Group for the financial year based on net profit attributable to shareholders:-			
(i) Based on the weighted average number of shares (cents)	9.3	7.9	17.7
- Weighted average number of shares ('000)	550,713	549,261	0.3
(ii) On a fully diluted basis (cents)	9.3	7.9	17.7
- Adjusted weighted average number of shares ('000)	551,804	549,906	0.3

## 7. NET ASSET VALUE

	GROUP			COMPANY		
	2007	2006	+/(-)%	2007	2006	+/(-)%
Net asset value per ordinary share based on issued share capital at the end of the financial year (\$)	0.45	0.41	9.8	0.30	0.31	(3.2)

## **8. REVIEW OF GROUP PERFORMANCE**

The Group performed satisfactorily in 2007.

Group turnover increased 10.9% in 2007 to \$103.1 million. This was mainly attributable to improved performance by Keppel Logistics.

Group profit before tax and exceptional items rose 12.6% to \$61.8 million on the back of significantly higher contributions from associated companies. Premier Data Centres Limited made its maiden contribution to the Group while Annto further improved on its 2006 performance. MobileOne continued to be a major contributor with a pre-tax contribution of \$36.1 million. The Group increased its effective equity holding in MobileOne during the year to 20%.

After taking into consideration taxation and exceptional items, the Group chalked up a growth of 14.5% in profit for the year to \$54.5 million. Profit attributable to shareholders also rose 18.8% to \$51.4 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 PROSPECTS STATEMENT**

There is no variance from the previous statement.

## **10. PROSPECTS**

Demand for top-tier data centres remains strong in Europe. Many banks and major corporations are looking to outsource their data centre requirements as their needs grow. With its data centre in Dublin fully occupied, the Group will be sourcing new sites to increase its data centre capacity in Europe to meet customers' needs.

After the recent period of growth, it is expected that the domestic logistics market will moderate in 2008. The Group will continue to manage cost and improve efficiency. Amidst concern of a slowing world economy, there will be opportunities available to actively source for growth in the region. China's domestic growth outlook remains strong and should continue to provide a good backdrop for the Group's logistics operations.

## 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 6.0 cents per share tax exempt one-tier (2006: 5.5 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2007 for approval by shareholders at the next Annual General Meeting to be convened.

Name of Dividend	Final
Dividend Type	Cash
Dividends per share (cents)	6.0
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
Dividends per share (cents)	5.5
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 23 April 2008, will be paid on 12 May 2008.

### (d) Books Closure Date

The Transfer Books and the Register of Members of the Company will be closed on 1 & 2 May 2008 for the preparation of dividend warrants. Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 3 Church Street #08-01 Samsung Hub, Singapore 049483, up to the close of business at 5.00 p.m. on 30 April 2008 will be registered to determine shareholders' entitlement to the proposed first and final dividend.

## 12. SEGMENT ANALYSIS

2007

### Business Segments

	Logistics \$'000	Network Engineering \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
Sales to third parties	71,799	30,656	668	-	103,123
Inter-segment sales	5,302	4,622	70	(9,994)	-
Consolidated sales	<u>77,101</u>	<u>35,278</u>	<u>738</u>	<u>(9,994)</u>	<u>103,123</u>
Operating profit/(loss)	8,073	1,911	(1,830)		8,154
Interest income	955	704	1,097		2,756
Interest expense	(1,095)	(9)	(5,014)		(6,118)
Share of results of associated companies and jointly controlled entity	7,073	9,136	40,755		56,964
Profit before tax and exceptional items	15,006	11,742	35,008		61,756
Exceptional items	79	(298)	1,563		1,344
Profit before taxation	15,085	11,444	36,571		63,100
Taxation	(367)	(2,496)	(5,720)		(8,583)
Profit for the year	<u>14,718</u>	<u>8,948</u>	<u>30,851</u>		<u>54,517</u>
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	13,031	7,722	29,337		50,090
Exceptional items	79	(283)	1,563		1,359
	<u>13,110</u>	<u>7,439</u>	<u>30,900</u>		<u>51,449</u>
Minority interests	1,608	1,509	(49)		3,068
	<u>14,718</u>	<u>8,948</u>	<u>30,851</u>		<u>54,517</u>
<u>Other Information</u>					
Segment assets	186,553	48,046	134,402	(96,126)	272,875
Investment in associated companies and jointly controlled entity	36,415	59,661	154,808	-	250,884
Total	<u>222,968</u>	<u>107,707</u>	<u>289,210</u>	<u>(96,126)</u>	<u>523,759</u>
Segment liabilities	116,413	63,809	156,280	(96,126)	240,376
Tax provision and deferred taxation	782	324	1,290	-	2,396
Total	<u>117,195</u>	<u>64,133</u>	<u>157,570</u>	<u>(96,126)</u>	<u>242,772</u>
Net assets	<u>105,773</u>	<u>43,574</u>	<u>131,640</u>	<u>-</u>	<u>280,987</u>
Capital expenditure	3,729	697	38		4,464
Depreciation	5,332	699	284		6,315

## By Geographical Location

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
Sales to third parties	58,689	34,411	10,023	103,123
Total assets	309,405	168,463	45,891	523,759
Capital expenditure	2,116	1,790	558	4,464

## 2006

### Business Segments

	Logistics \$'000	Network Engineering \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
Sales to third parties	61,099	30,484	1,433	-	93,016
Inter-segment sales	4,722	5,822	-	(10,544)	-
Consolidated sales	<u>65,821</u>	<u>36,306</u>	<u>1,433</u>	<u>(10,544)</u>	<u>93,016</u>
Operating profit/(loss)	8,556	5,737	(2,561)		11,732
Interest income	467	1,104	980		2,551
Interest expense	(1,213)	(189)	(4,021)		(5,423)
Share of results of associated companies and jointly controlled entity	7,396	3,470	35,096		45,962
Profit before tax and exceptional items	15,206	10,122	29,494		54,822
Exceptional items	(640)	(2,753)	3,412		19
Profit before taxation	14,566	7,369	32,906		54,841
Taxation	(1,741)	(1,587)	(3,915)		(7,243)
Profit for the year	<u>12,825</u>	<u>5,782</u>	<u>28,991</u>		<u>47,598</u>
Attributable to:					
Shareholders of the Company					
Profit before exceptional items	11,986	4,561	25,646		42,193
Exceptional items	(640)	(1,667)	3,412		1,105
	<u>11,346</u>	<u>2,894</u>	<u>29,058</u>		<u>43,298</u>
Minority interests	1,479	2,888	(67)		4,300
	<u>12,825</u>	<u>5,782</u>	<u>28,991</u>		<u>47,598</u>

	Logistics \$'000	Network Engineering \$'000	Investments \$'000	Adjustments/ Eliminations \$'000	Consolidated Total \$'000
<u>Other Information</u>					
Segment assets	164,261	70,318	103,345	(55,672)	282,252
Investment in associated companies and jointly controlled entity	32,473	28,928	126,839	-	188,240
Total	196,734	99,246	230,184	(55,672)	470,492
Segment liabilities	100,553	64,119	99,495	(55,672)	208,495
Tax provision and deferred taxation	809	223	1,257	-	2,289
Total	101,362	64,342	100,752	(55,672)	210,784
Net assets	95,372	34,904	129,432	-	259,708
Capital expenditure	2,998	385	45		3,428
Depreciation	5,630	823	271		6,724
Impairment losses	-	107	-		107

By Geographical Location

	Singapore \$'000	Far East and ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
Sales to third parties	48,658	38,541	5,817	93,016
Total assets	292,480	167,305	10,707	470,492
Capital expenditure	2,159	1,123	146	3,428

Notes:

- (a) Pricing of inter-segment sales is at fair market value.
- (b) 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 year.
- (c) Share of associated companies' results and investments in associated companies are included in the results and net assets employed in the appropriate segments.
- (d) Analysis by geographical location is based on the locations in which the Group's activities are carried out.



### 13. REVIEW OF SEGMENT PERFORMANCE

Logistics division's chalked up higher sales as a result of higher revenue from its Singapore operations and contributions from its recently acquired subsidiary, TradeOneAsia. The division's profit before tax and exceptional items was marginally lower at \$15.0 million. This was due to lower contribution from Asia Airfreight Terminal in Hong Kong, partially offset by improved performance in its associated company in China, Annto.

Network Engineering division saw profit before tax and exceptional items improving 16% over the previous year to \$11.7 million. The improvement came on the back of contribution from its associated company, Premier Data Centres Limited.

Investments division recorded higher profit before tax and exceptional items mainly due to higher contribution from MobileOne arising from increase in equity stake to 19.9% in 2007.

### 14. BREAKDOWN OF SALES

	GROUP		
	2007 \$'000	2006 \$'000	+ / (-) %
<b><u>First Half</u></b>			
Sales reported for first half year	44,660	47,227	(5.4)
Operating profit after tax before deducting minority interests reported for first half year	23,588	21,243	11.0
<b><u>Second Half</u></b>			
Sales reported for second half year	58,463	45,789	27.7
Operating profit after tax before deducting minority interests reported for second half year	30,929	26,355	17.4

**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.	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<u>General Transactions</u>				
Keppel Corporation Limited	-	-	3,553	-
Singapore Telecommunications Limited	-	-	1,039	1,871
<u>Treasury Transactions</u>				
Keppel Corporation Limited	-	-	60,091	50,184
<u>Management Services</u>				
Keppel Corporation Limited	-	-	500	500
<u>Investment Transactions</u>				
Keppel Corporation Limited	1,085	-	-	-
	1,085	-	65,183	52,555

**16. TOTAL ANNUAL DIVIDEND**

Total Annual Dividend amounted to:

	2007 \$'000	2006 \$'000
Ordinary	33,078	30,270
Preference	-	-
Total	33,078	30,270

**BY ORDER OF THE BOARD**

CAROLINE CHANG/LAURA LOW  
Company Secretaries  
28 January 2008