Keppel Corporation

KEPPEL CORPORATION LIMITED

Co. Reg. No. 196800351N
(Incorporated in the Republic of Singapore)

SECOND QUARTER 2007 FINANCIAL STATEMENT & DIVIDEND ANNOUNCEMENT

TABLE OF CONTENTS

KEPPEL CORPORATION LIMITED

Executive Chairman's Remarks

SECOND QUARTER ENDED 30 JUNE 2007

Good evening and welcome to our second quarter 2007 results presentation.

Financial Performance

On behalf of Keppel Corporation's Board and management, I am pleased to deliver to you another strong set of results. For second quarter 2007, we achieved a PATMI of $258m, a 32% growth compared to the same quarter in 2006. This brings our first half PATMI to $510m, an increase of 39% compared to the same period last year, with increased contributions from Offshore & Marine, Property and Infrastructure as well as SPC.

Correspondingly, our EVA for first half 2007 was strong. EVA rose 90% from the same period last year to $365m, on the back of ROE rising to an annualized 20.5% from 19.1% a year ago.

Building Enduring Businesses

The Group's strong financial performance is a result of initiatives that we have undertaken over the past few years amidst the prevailing favourable business conditions. We shall continue to enhance our capabilities and expand our geographic reach to build our businesses for the long-term. Allow me to describe some of our recent efforts.

In Offshore & Marine, through our R&D programmes and partnerships, we have today a premium suite of deepwater and production solutions, ranging from FPSOs, production and drilling semis, TLPs and SPARS to accommodation floatels. Keppel Offshore & Marine (KOM) recently clinched a US$305m contract to build a new generation floatel, marking the first accommodation platform for the harsh environment of the North Sea in over 20 years. And just some two weeks ago, we reinforced our footing in the drillship market by providing installation and integration of equipment packages.

KOM with its broad range of competencies stand ready to tap the anticipated increase in demand for deepwater and production solutions. KOM's strength in the various offshore sectors and its impeccable "on-time, on-budget delivery" track record has enabled it to grow and broaden its net orderbook to $11.3bn as at end first half 2007 with deliveries stretching into 2010.

Similarly, in Property, as a result of its early regionalization efforts, Keppel Land now stands ready to benefit from the favourable economic growth, rapid urbanization and growing affluence in Asia. At the same time, we see an increasing pool of aspirants for high-end lifestyle homes particularly those integrating golf courses and marinas, including waterfront units. Keppel Land's two-pronged efforts to capitalize on these trends are now taking shape. In essence, it will continue to focus on its large-scale townships and integrated lifestyle communities as it seeks new locations for development. Since it started its township strategy in earnest in 2003, Keppel Land has grown a strong portfolio of township projects in Asia, potentially exceeding 150 million square feet of gross floor area (GFA). At the same time its integrated lifestyle communities are making good progress in China and the Middle-East.

Keppel Land has further entrenched its pole position in Vietnam. In the last few months Keppel Land has entered into agreements for six projects in Ho Chi Minh City, Hanoi and Dong Nai, the last being a new location for Keppel Land's Vietnam operations.

In Infrastructure, building upon our S$1.7b contract in Qatar for an integrated waste management facility, Keppel Integrated Engineering (KIE) is pursuing a few large projects in the Middle East and Europe.

In my last quarter's address, I had shared with you how we augment and harness synergies collectively as a Group. I feel it is worthwhile for me to reiterate our competencies in sharing resources and tapping on collective networks, as this know-how and human capital form part of the Group's valuable assets and brand equity.

As examples, in the Middle East, following KOM's and KIE's activities, Keppel Land is poised to enter the market with Heads of Agreement signed with ALDAR, the Abu Dhabi Real Estate listed entity, to jointly develop two prime waterfront projects in Abu Dhabi. In Vietnam, where Keppel Land has a strong market position and PetroVietnam is KOM's longstanding customer, SPC has acquired E&P acreages and KIE is also exploring opportunities. There will also be possibilities for KIE's participation in infrastructure development as Keppel Land rolls out its large-scale townships and integrated communities in the region.

Overall, the challenge for us is ceaseless. It is for us to continuously evaluate the investment and business climate and take swift and measured steps to execute our growth initiatives. With our skill sets and competencies in place, I am confident we can respond positively to ever-changing market conditions and continue to build resilient businesses with sustainable long term earnings. Our strong balance sheet and cash-generative capacity will continue to place our businesses in good stead to capture growth opportunities as they arise.

On this note, I shall hand over to our Group Finance Director, Teo Soon Hoe, to update you on the financial and business performance for 1H 2007.

Thank you.

KEPPEL CORPORATION LIMITED

Second Quarter 2007 Financial Statement and Dividend Announcement

UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2007

The Directors of **Keppel Corporation Limited** advise the following unaudited results of the Group for the second quarter and half year ended 30 June 2007.

1. GROUP PROFIT AND LOSS ACCOUNT
for the second quarter and half year ended 30 June 2007

	Second Quarter			Half Year		
	30.6.2007 $'000	30.6.2006 $'000	+/(-) %	**30.6.2007 $'000**	30.6.2006 $'000	+/(-) %
Revenue	**2,453,648**	1,646,043	+49.1	**4,481,865**	3,189,686	+40.5
Materials & subcontract costs	**(1,881,528)**	(1,166,374)	+61.3	**(3,371,829)**	(2,268,973)	+48.6
Staff costs	**(272,319)**	(242,236)	+12.4	**(505,826)**	(447,922)	+12.9
Depreciation & amortisation	**(31,106)**	(31,231)	-0.4	**(57,964)**	(62,259)	-6.9
Other operating expenses	**(16,545)**	(20,477)	-19.2	**(52,564)**	(49,283)	+6.7
Operating profit	**252,150**	185,725	+35.8	**493,682**	361,249	+36.7
Investment income	**1,388**	3,257	-57.4	**1,390**	3,272	-57.5
Interest income	**24,086**	17,549	+37.2	**44,975**	36,711	+22.5
Interest expenses	**(17,138)**	(3,251)	+427.2	**(32,830)**	(6,378)	+414.7
Share of results of associated companies	**120,949**	128,910	-6.2	**233,900**	191,917	+21.9
Profit before taxation	**381,435**	332,190	+14.8	**741,117**	586,771	+26.3
Taxation	**(77,342)**	(92,389)	-16.3	**(142,600)**	(140,789)	+1.3
Profit for the period	**304,093**	239,801	+26.8	**598,517**	445,982	+34.2
Attributable to:						
Shareholders of the Company	**258,393**	195,717	+32.0	**510,012**	365,542	+39.5
Minority interests	**45,700**	44,084	+3.7	**88,505**	80,440	+10.0
	304,093	239,801	+26.8	**598,517**	445,982	+34.2
Earnings per ordinary share *						
- basic	**16.4 cts**	12.4 cts	+32.3	**32.3 cts**	23.2 cts	+39.2
- diluted	**16.3 cts**	12.4 cts	+31.5	**32.1 cts**	23.1 cts	+39.0
Return on equity	**n.a.**	n.a.	n.a.	**20.5%**	18.5%	+10.8
Economic value added	**205,000**	118,000	+73.7	**365,000**	193,000	+89.1

* *Comparative figures for EPS have been adjusted for the sub-division of shares*

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

1a. Pre-tax profit of the Group is arrived at after charging/(crediting) the following:

	Second Quarter			Half Year		
	30.6.2007	30.6.2006	+/(-)	**30.6.2007**	30.6.2006	+/(-)
	$'000	$'000	%	**$'000**	$'000	%
Share-based payment expenses	**5,649**	4,193	+34.7	**10,345**	8,403	+23.1
Profit on sale of fixed assets	**(3,925)**	(182)	+2,056.6	**(5,240)**	(4,341)	+20.7
Profit on sale of investments	**(8,253)**	(10,371)	-20.4	**(26,764)**	(19,854)	+34.8
(Write-back)/provision						
- stocks & work-in-progress	**(15,970)**	(6,830)	+133.8	**(25,002)**	(16,219)	+54.2
- doubtful debts	**(2,329)**	7,574	NM	**(3,017)**	8,306	NM
Bad debts (recovered)/written off	**(153)**	2,240	NM	**(353)**	2,217	NM
Stocks written off	**(5)**	1,304	NM	**17**	1,304	-98.7
Fair value (gain)/loss						
- Assets at fair value through P&L	**(6,426)**	4,352	NM	**(15,586)**	(1,988)	+684.0
- Forward contracts	**(6,054)**	7,287	NM	**3,975**	11,131	-64.3
- Financial derivatives	**2,259**	(407)	NM	**5,665**	(8,991)	NM
Foreign exchange gain	**(14,853)**	(4,122)	+260.3	**(10,039)**	(2,176)	+361.4

NM - Not Meaningful

1b. The Group's tax charge included a write-back of provision for deferred tax amounting to $18 million resulting from the reduction in Singapore corporate tax rate from 20% to 18%.

1c. There was no exceptional item for the period.

1d. Earnings per ordinary share

	Second Quarter			Half Year		
	30.6.2007	30.6.2006	+/(-)%	**30.6.2007**	30.6.2006	+/(-)%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-						
(i) Based on weighted average number of shares *	**16.4 cts**	12.4 cts	+32.3	**32.3 cts**	23.2 cts	+39.2
- Weighted average number of shares ('000)	**1,579,596**	1,572,818	+0.4	**1,579,596**	1,572,818	+0.4
(ii) On a fully diluted basis *	**16.3 cts**	12.4 cts	+31.5	**32.1 cts**	23.1 cts	+39.0
- Adjusted weighted average number of shares ('000)	**1,588,486**	1,582,033	+0.4	**1,588,486**	1,582,033	+0.4

* *Comparative figures for EPS have been adjusted for the sub-division of shares*

1e. There was no extraordinary item during the period.

2. BALANCE SHEETS as at 30 June 2007

	Group		Company	
	30.6.2007	31.12.2006	**30.6.2007**	31.12.2006
	$'000	$'000	**$'000**	$'000
Share capital	**769,009**	972,926	**769,009**	972,926
Reserves	**3,708,929**	3,232,170	**2,489,489**	2,332,232
Share capital & reserves	**4,477,938**	4,205,096	**3,258,498**	3,305,158
Minority interests	**1,421,242**	1,392,591	**-**	-
Capital employed	**5,899,180**	5,597,687	**3,258,498**	3,305,158
Represented by:				
Fixed assets	**1,749,305**	1,740,808	**5,648**	5,680
Investment properties	**2,264,873**	2,249,216	**-**	-
Development properties	**207,001**	197,080	**-**	-
Subsidiaries	**-**	-	**3,080,847**	3,080,896
Associated companies	**2,840,162**	2,410,716	**3,074**	3,074
Investments	**432,316**	275,892	**-**	-
Long term receivables	**142,315**	160,720	**301,173**	300,977
Intangibles	**143,379**	135,058	**-**	-
	7,779,351	7,169,490	**3,390,742**	3,390,627
Current assets				
Stocks & work-in-progress in excess of related billings	**2,734,173**	2,777,217	**-**	-
Amounts due from:				
- subsidiaries	**-**	-	**471,731**	410,092
- associated companies	**289,426**	307,968	**83**	87
Debtors	**1,483,769**	1,516,259	**54,140**	82,013
Short term investments	**550,464**	426,714	**-**	-
Bank balances, deposits & cash	**1,686,426**	1,618,558	**23,882**	520
	6,744,258	6,646,716	**549,836**	492,712
Current liabilities				
Creditors	**2,719,522**	2,380,657	**82,777**	58,885
Billings on work-in-progress in excess of related costs	**2,362,056**	2,325,319	**-**	-
Provisions	**37,565**	29,961	**-**	-
Amounts due to:				
- subsidiaries	**-**	-	**185,741**	194,718
- associated companies	**308,420**	93,620	**9**	11
Term loans	**480,910**	681,635	**84,381**	-
Taxation	**282,346**	273,883	**15,359**	10,182
Bank overdrafts	**81**	3,351	**-**	-
	6,190,900	5,788,426	**368,267**	263,796
Net current assets	**553,358**	858,290	**181,569**	228,916
Non-current liabilities				
Term loans	**2,177,852**	2,272,152	**300,000**	300,000
Deferred taxation	**255,677**	157,941	**13,813**	14,385
	2,433,529	2,430,093	**313,813**	314,385
Net assets	**5,899,180**	5,597,687	**3,258,498**	3,305,158
Group net borrowings	***972,417***	*1,338,580*	***n.a.***	*n.a.*
Group net gearing (times)	***0.16x***	*0.24x*	***n.a.***	*n.a.*

NOTES TO BALANCE SHEETS

2a. Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

As at 30.6.2007		As at 31.12.2006	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
64,754	416,237	404,723	280,263

(ii) Amount repayable after one year

As at 30.6.2007		As at 31.12.2006	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
852,043	1,325,809	1,422,696	849,456

(iii) Details of any collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The net book value of properties and other assets pledged/mortgaged to financial institutions amounted to $2,003,052,000 (31 December 2006: $1,908,005,000).

2b. Net asset value

	Group			**Company**		
	30.6.2007	31.12.2006	+/(-)%	**30.6.2007**	31.12.2006	+/(-)%
Net asset value per ordinary share *	**$2.83**	$2.67	+6.0	**$2.06**	$2.10	-1.9
Net tangible asset per ordinary share *	**$2.74**	$2.58	+6.2	**$2.06**	$2.10	-1.9

* Based on share capital of 1,580,755,514 ordinary shares as at the end of the period (31 December 2006: 1,575,985,848 sub-divided ordinary shares). The comparative figures for net asset value per share and net tangible asset per share have been adjusted for the sub-division of shares.

2c. Group shareholders' funds increased from $4.21 billion at 31 December 2006 to $4.48 billion at 30 June 2007. The increase was mainly attributable to retained profits for the period and fair value adjustments of financial assets. This was partly offset by payment of final dividend of $0.08 per share less tax and capital distribution of $0.14 per share amounting to $325 million in respect of financial year 2006.

Group total assets of $14.52 billion at 30 June 2007 were $707 million or 5.1% higher than the previous year-end. The increase in associated companies was attributed to equity accounting for share of profits and further investments in Marina Bay Financial Centre, MobileOne and Premier Data Centres. Investments rose as a result of fair value adjustments of financial assets and purchases in the current period.

Group total liabilities of $8.62 billion at 30 June 2007 were $406 million or 4.9% higher than the previous year-end. Creditors were higher because of the higher level of activities in Offshore & Marine Division. Amounts due to associated companies were higher because of increased advances.

Group net borrowings at $0.97 billion were a reduction of $366 million from $1.34 billion at the previous year-end because of strong operational cash flow.

3. CONSOLIDATED CASHFLOW STATEMENT
for the second quarter and half year ended 30 June 2007

		Second Quarter		Half Year	
		30.6.2007	30.6.2006	**30.6.2007**	30.6.2006
	Note	**$'000**	$'000	**$'000**	$'000
OPERATING ACTIVITIES					
Operating profit		**252,150**	185,725	**493,682**	361,249
Adjustments:					
Depreciation and amortisation		**31,106**	31,231	**57,964**	62,259
Share-based payment expenses		**5,649**	4,193	**10,345**	8,403
Profit on sale of fixed assets		**(3,925)**	(182)	**(5,240)**	(4,341)
Others		**-**	-	**(14,266)**	-
Operational cash flow before changes in working capital		**284,980**	220,967	**542,485**	427,570
Working capital changes:					
Stocks & work-in-progress		**285,179**	493,773	**119,569**	447,555
Debtors		**(42,833)**	141,112	**(14,693)**	43,668
Creditors		**389,103**	(104,612)	**360,403**	139,418
Investments in bonds and shares		**(19,652)**	(10,910)	**(78,091)**	10,384
Advances to associated companies		**(315,100)**	(128,960)	**233,342**	(168,914)
Translation of foreign subsidiaries		**(2,251)**	11,529	**(2,061)**	13,361
		579,426	622,899	**1,160,954**	913,042
Interest received		**24,086**	17,549	**44,975**	36,711
Interest paid		**(17,138)**	(3,251)	**(32,830)**	(6,378)
Income taxes paid		**(51,177)**	(24,144)	**(95,054)**	(50,347)
Net cash from operating activities		**535,197**	613,053	**1,078,045**	893,028
INVESTING ACTIVITIES					
Acquisition of subsidiaries	3a	**-**	-	**180**	10,840
Acquisition of additional shares in subsidiaries		**-**	(13,530)	**-**	(23,584)
Acquisition and further investment in associated companies		**(60,327)**	(61,826)	**(437,794)**	(121,528)
Acquisition of fixed assets and investment properties		**(68,456)**	(131,443)	**(110,614)**	(260,075)
Expenditure on development properties		**(5,031)**	(3,013)	**(17,855)**	(3,013)
Proceeds from disposal of associated companies		**-**	-	**14,266**	-
Proceeds from disposal of fixed assets		**5,737**	1,461	**11,876**	29,099
Dividends received from investments and associated companies		**140,689**	107,971	**158,319**	116,604
Net cash from/(used in) investing activities		**12,612**	(100,380)	**(381,622)**	(251,657)
FINANCING ACTIVITIES					
Proceeds from share issues		**5,040**	3,403	**17,296**	13,419
Proceeds from minority shareholders of subsidiaries		**1,360**	3,686	**6,861**	7,243
Proceeds from term loans		**102,120**	537,388	**275,158**	638,576
Capital distribution		**(221,213)**	(181,040)	**(221,213)**	(181,040)
Repayment of term loans		**(254,256)**	(763,186)	**(570,183)**	(997,664)
Dividend paid to shareholders of the Company		**(103,640)**	(81,809)	**(103,640)**	(81,809)
Dividend paid to minority shareholders of subsidiaries		**(27,214)**	(25,122)	**(29,564)**	(30,345)
Net cash used in financing activities		**(497,803)**	(506,680)	**(625,285)**	(631,620)
Net increase in cash and cash equivalents		**50,006**	5,993	**71,138**	9,751
Cash and cash equivalents as at beginning of period		**1,636,339**	1,397,792	**1,615,207**	1,394,034
Cash and cash equivalents as at end of period	3b	**1,686,345**	1,403,785	**1,686,345**	1,403,785
Free cashflow		***547,809***	*512,673*	***696,423***	*641,371*

NOTES TO CONSOLIDATED CASHFLOW STATEMENT

	Second Quarter		Half Year	
	30.6.2007	30.6.2006	**30.6.2007**	30.6.2006
	$'000	$'000	**$'000**	$'000

3a. Acquisition of subsidiaries

The fair values of net assets and liabilities of subsidiaries acquired were as follows:

	Second Quarter 30.6.2007 $'000	Second Quarter 30.6.2006 $'000	Half Year 30.6.2007 $'000	Half Year 30.6.2006 $'000
Investments	**-**	-	**8,286**	16,024
Debtors	**-**	-	**3**	15
Bank balances and cash	**-**	-	**941**	12,903
Creditors	**-**	-	**(23)**	(8)
Current & deferred tax	**-**	-	**(22)**	-
Minority interests	**-**	-	**(4,490)**	(12,829)
	-	-	**4,695**	16,105
Amount previously accounted for as associated companies	**-**	-	**(3,934)**	(14,042)
Purchase consideration	**-**	-	**761**	2,063
Less: Bank balances and cash acquired	**-**	-	**(941)**	(12,903)
Cash flow on acquisition net of cash acquired	**-**	-	**(180)**	(10,840)

3b. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the consolidated cashflow statement comprise the following balance sheet amounts:

	Second Quarter 30.6.2007 $'000	Second Quarter 30.6.2006 $'000	Half Year 30.6.2007 $'000	Half Year 30.6.2006 $'000
Bank balances, deposits and cash	**1,686,426**	1,449,196	**1,686,426**	1,449,196
Bank overdrafts	**(81)**	(45,411)	**(81)**	(45,411)
	1,686,345	1,403,785	**1,686,345**	1,403,785

3c. Cashflow analysis

(i) Second Quarter

Net cash from operating activities of $535 million was lower than that of the corresponding quarter in the previous year. This was mainly due to lower progress payments received for contracts and advances to associated companies, partly offset by the increased operating profit in the current quarter.

Net cash from investing activities for the quarter was $13 million. The Group spent $134 million on acquisitions and operational capex. Divestment and dividend received amounted to $147 million.

Free cashflow for the quarter of $548 million was $35 million higher than that of the corresponding quarter last year.

(ii) Half Year

Net cash from operating activities for the half year was $1,078 million compared to $893 million for the corresponding period last year. This was because of the increased operating profit in the current first half and advances from associated companies.

Net cash used in investing activities for the half year was $382 million. The Group spent $566 million on acquisitions and operational capex. This comprised principally further investments in Marina Bay Financial Centre, capital expenditure on the co-gen plant and other operational capex. Divestment and dividend income totaled $184 million.

Free cashflow for the half year was $696 million compared to $641 million for the first half last year.

4. STATEMENTS OF CHANGES IN EQUITY
for the second quarter and half year ended 30 June 2007

4a. Statement of changes in equity of the Group

	Attributable to equity holders of the Company						
	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Minority Interests $'000	Capital Employed $'000
2007							
As at 1 January							
As previously reported	**972,926**	**493,230**	**2,797,896**	**(58,956)**	**4,205,096**	**1,392,591**	**5,597,687**
Effect of FRS 40	**-**	**(11,975)**	**11,975**	**-**	**-**	**-**	**-**
Deferred tax adjustment for investment properties	**-**	**-**	**(55,235)**	**-**	**(55,235)**	**(60,566)**	**(115,801)**
As restated	**972,926**	**481,255**	**2,754,636**	**(58,956)**	**4,149,861**	**1,332,025**	**5,481,886**
Fair value changes on available-for-sale assets	**-**	**51,534**	**-**	**-**	**51,534**	**1,432**	**52,966**
Fair value changes on cashflow hedges	**-**	**(13,325)**	**-**	**-**	**(13,325)**	**(329)**	**(13,654)**
Currency translation (gain)/loss	**-**	**-**	**-**	**(2,712)**	**(2,712)**	**3,234**	**522**
Gain/(loss) not recognised in profit & loss account	**-**	**38,209**	**-**	**(2,712)**	**35,497**	**4,337**	**39,834**
Net profit for the 1st quarter	**-**	**-**	**251,619**	**-**	**251,619**	**42,805**	**294,424**
Share-based payment	**-**	**2,439**	**-**	**-**	**2,439**	**237**	**2,676**
Transfer of statutory, capital and other reserves to revenue reserves	**-**	**94**	**(435)**	**341**	**-**	**-**	**-**
Dividend paid to minority shareholders	**-**	**-**	**-**	**-**	**-**	**(2,350)**	**(2,350)**
Cash subscribed by minority shareholders	**-**	**-**	**-**	**-**	**-**	**5,501**	**5,501**
Acquisition of subsidiaries	**-**	**-**	**-**	**-**	**-**	**4,490**	**4,490**
Shares issued	**12,256**	**-**	**-**	**-**	**12,256**	**-**	**12,256**
As at 31 March	**985,182**	**521,997**	**3,005,820**	**(61,327)**	**4,451,672**	**1,387,045**	**5,838,717**
Fair value changes on available-for-sale assets	**-**	**119,166**	**-**	**-**	**119,166**	**1,279**	**120,445**
Fair value changes on cashflow hedges	**-**	**(51,881)**	**-**	**-**	**(51,881)**	**107**	**(51,774)**
Currency translation gain	**-**	**-**	**-**	**14,330**	**14,330**	**12,204**	**26,534**
Gain not recognised in profit & loss account	**-**	**67,285**	**-**	**14,330**	**81,615**	**13,590**	**95,205**
Net profit for the 2nd quarter	**-**	**-**	**258,393**	**-**	**258,393**	**45,700**	**304,093**
Dividend paid	**-**	**-**	**(103,640)**	**-**	**(103,640)**	**-**	**(103,640)**
Share-based payment	**-**	**5,429**	**-**	**-**	**5,429**	**410**	**5,839**
Deferred tax adjustment for equity component of convertible bond issued by a subsidiary	**-**	**394**	**-**	**-**	**394**	**351**	**745**
Transfer of statutory, capital and other reserves to revenue reserves	**-**	**220**	**(220)**	**-**	**-**	**-**	**-**
Dividend paid to minority shareholders	**-**	**-**	**-**	**-**	**-**	**(27,214)**	**(27,214)**
Cash subscribed by minority shareholders	**-**	**-**	**-**	**-**	**-**	**1,360**	**1,360**
Other adjustments	**-**	**-**	**248**	**-**	**248**	**-**	**248**
Shares issued	**5,040**	**-**	**-**	**-**	**5,040**	**-**	**5,040**
Capital distribution	**(221,213)**	**-**	**-**	**-**	**(221,213)**	**-**	**(221,213)**
As at 30 June	**769,009**	**595,325**	**3,160,601**	**(46,997)**	**4,477,938**	**1,421,242**	**5,899,180**

4a. Statement of changes in equity of the Group (cont'd)

	Attributable to equity holders of the Company							
	Share Capital $'000	Share Premium Account $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Minority Interests $'000	Capital Employed $'000
2006								
As at 1 January	391,903	720,229	345,761	2,192,117	(3,934)	3,646,076	1,288,566	4,934,642
Fair value changes on available-for-sale assets	-	-	25,034	-	-	25,034	(3,606)	21,428
Fair value changes on cashflow hedges	-	-	72,762	-	-	72,762	44	72,806
Currency translation loss	-	-	-	-	(30,032)	(30,032)	(12,097)	(42,129)
Gain/(loss) not recognised in profit & loss account	-	-	97,796	-	(30,032)	67,764	(15,659)	52,105
Net profit for the 1st quarter	-	-	-	169,825	-	169,825	36,356	206,181
Share-based payment	-	-	4,804	-	-	4,804	157	4,961
Transfer of statutory, capital and other reserves to revenue reserves	-	-	51	(51)	-	-	-	-
Share of capital reserves of an associated company	-	-	(849)	-	-	(849)	-	(849)
Dividend paid to minority shareholders	-	-	-	-	-	-	(5,223)	(5,223)
Cash subscribed by minority shareholders	-	-	-	-	-	-	3,557	3,557
Acquisition of subsidiaries	-	-	-	-	-	-	12,829	12,829
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	(10,054)	(10,054)
Set off against advance from minority shareholders	-	-	-	-	-	-	65,498	65,498
Other adjustments	-	-	-	-	142	142	-	142
Shares issued	7,252	2,764	-	-	-	10,016	-	10,016
Reclassification arising from abolition of par value *	745,757	(722,993)	(22,764)	-	-	-	-	-
As at 31 March	1,144,912	-	424,799	2,361,891	(33,824)	3,897,778	1,376,027	5,273,805
Fair value changes on available-for-sale assets	-	-	(44,808)	-	-	(44,808)	(2,174)	(46,982)
Fair value changes on cashflow hedges	-	-	16,067	-	-	16,067	19	16,086
Currency translation loss	-	-	-	-	(27,370)	(27,370)	(11,676)	(39,046)
Loss not recognised in profit & loss account	-	-	(28,741)	-	(27,370)	(56,111)	(13,831)	(69,942)
Net profit for the 2nd quarter	-	-	-	195,717	-	195,717	44,084	239,801
Dividend paid	-	-	-	(81,809)	-	(81,809)	-	(81,809)
Share-based payment	-	-	4,830	-	-	4,830	160	4,990
Equity component of convertible bond issued by a subsidiary	-	-	16,946	-	-	16,946	14,970	31,916
Transfer of statutory, capital and other reserves to revenue reserves	-	-	(13,222)	13,222	-	-	-	-
Revaluation loss on investment properties	-	-	(1,897)	-	-	(1,897)	(3,038)	(4,935)
Revaluation deficit realised and transferred to profit & loss account on disposal of property	-	-	8,305	-	-	8,305	-	8,305
Currency translation loss realised and transferred to profit & loss account on disposal of subsidiaries	-	-	-	-	6,056	6,056	-	6,056
Dividend paid to minority shareholders	-	-	-	-	-	-	(25,122)	(25,122)
Cash subscribed by minority shareholders	-	-	-	-	-	-	3,686	3,686
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	(15,363)	(15,363)
Other adjustments	-	-	(4)	-	-	(4)	(1,020)	(1,024)
Shares issued	3,403	-	-	-	-	3,403	-	3,403
Capital distribution	(181,040)	-	-	-	-	(181,040)	-	(181,040)
As at 30 June	967,275	-	411,016	2,489,021	(55,138)	3,812,174	1,380,553	5,192,727

4b. Statement of changes in equity of the Company

	Share Capital $'000	Share Premium Account $'000	Capital Reserves $'000	Revenue Reserves $'000	Total $'000
2007					
As at 1 January	**972,926**	**-**	**29,577**	**2,302,655**	**3,305,158**
Net profit for the 1st quarter	**-**	**-**	**-**	**5,672**	**5,672**
Share-based payment	**-**	**-**	**4,160**	**-**	**4,160**
Shares issued	**12,256**	**-**	**-**	**-**	**12,256**
As at 31 March	**985,182**	**-**	**33,737**	**2,308,327**	**3,327,246**
Net profit for the 2nd quarter	**-**	**-**	**-**	**246,340**	**246,340**
Dividend paid	**-**	**-**	**-**	**(103,640)**	**(103,640)**
Share-based payment	**-**	**-**	**4,725**	**-**	**4,725**
Shares issued	**5,040**	**-**	**-**	**-**	**5,040**
Capital distribution	**(221,213)**		**-**	**-**	**(221,213)**
As at 30 June	**769,009**	**-**	**38,462**	**2,451,027**	**3,258,498**
2006					
As at 1 January	391,903	720,229	37,057	1,732,855	2,882,044
Net profit for the 1st quarter	-	-	-	9,667	9,667
Share-based payment	-	-	6,035	-	6,035
Shares issued	7,252	2,764	-	-	10,016
Reclassification arising from abolition of par value *	745,757	(722,993)	(22,764)	-	-
As at 31 March	1,144,912	-	20,328	1,742,522	2,907,762
Net profit for the 2nd quarter	-	-	-	314,537	314,537
Dividend paid	-	-	-	(81,809)	(81,809)
Share-based payment	-	-	3,834	-	3,834
Shares issued	3,403	-	-	-	3,403
Capital distribution	(181,040)	-	-	-	(181,040)
As at 30 June	967,275	-	24,162	1,975,250	2,966,687

* *Pursuant to The Companies (Amendment) Act 2005 effective 30 January 2006, the concept of authorised share capital and par value has been abolished. Amount standing to the credit of share premium account and capital redemption reserve has been transferred to the share capital account as at that date.*

4c. Share capital

From 1 April 2007 to 7 May 2007, the Company issued 187,000 ordinary shares upon the exercise of options granted under the KCL Share Options Scheme to employees. The share capital of the Company as at 7 May 2007 was 789,942,257 ordinary shares. On that date, each ordinary share of the Company was sub-divided into two ordinary shares. This resulted in 1,579,884,514 sub-divided shares as at 7 May 2007. The sub-division of shares was effected pursuant to the approval of shareholders at an Extraordinary General Meeting held on 27 April 2007.

Since 7 May 2007, the Company issued 871,000 ordinary shares upon the exercise of options granted under the KCL Share Options Scheme to employees. The share capital of the Company as at the end of the period was 1,580,755,514 ordinary shares.

As at 30 June 2007, there were unexercised options for 34,416,666 of unissued ordinary shares (30 June 2006: sub-divided 27,416,332 ordinary shares) under the KCL Share Options Scheme. The unexercised options have been adjusted for the sub-division of shares.

5. AUDIT

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

6. AUDITORS' REPORT

Not applicable

7. ACCOUNTING POLICIES

Except as disclosed in paragraph 8 below, 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.

8. CHANGES IN THE ACCOUNTING POLICIES

With effect from 1 January 2007, the Group has adopted FRS 40 Investment Property.

Prior to the adoption of FRS 40, investment properties are accounted for as long term investments and stated at valuations made each year. Surpluses arising on revaluation are credited directly to capital reserves. Revaluation deficits are taken to the profit & loss account in the absence of or to the extent that they exceed any surpluses held in reserves relating to previous revaluations of the same class of assets. Revaluation of the Group's investment properties will be carried out at the financial year-end.

On adoption of FRS 40, changes in fair values of investment properties are included in the profit & loss account. This change in accounting policy has been accounted for prospectively in accordance with the transitional provisions and has resulted in a decrease in capital reserves of $11,975,000 with a corresponding increase in revenue reserves as at 1 January 2007.

The Group's share of deferred tax adjustment on the revaluation surplus for the investment properties amounted to $55,235,000. This has also been adjusted against the revenue reserves as at 1 January 2007.

Apart from FRS 40, the Group has also adopted FRS 107 Financial Instruments: Disclosures and the various new or revised FRS and INT FRS that are applicable from 1 January 2007. These do not have a significant financial impact on the Group.

9. REVIEW OF GROUP PERFORMANCE

The Group continued to scale new heights with another record first half attributable profit of $510 million and earnings per share of 32.3 cents. Annualised return on equity exceeded 20% for the first time to reach 20.5%. Economic Value Added of $365 million was 89% higher than that of first half 2006.

Group revenue in the second quarter of $2,454 million was 49% above that of the corresponding quarter in 2006. Higher revenues were reported by all divisions. Group attributable profit of $258 million was the highest achieved in a quarter and 32% above the same quarter in the previous year.

For the half year, Group revenue of $4,482 million was $1,292 million or 41% above that of the corresponding period in 2006. Revenue from Offshore & Marine Division of $3,259 million was 35% higher. The increase was due to higher progressive revenue recognition for the work done on the orders on hand. In the first half, the division completed and delivered five jackups and several conversion and repair contracts. Revenue from Property Division of $847 million was 85% above that of the previous year. The increased revenue was due to sales of recent projects launched including Reflections at Keppel Bay and Sixth Avenue Residences in Singapore, and Villa Riviera in Shanghai. Higher revenue also came from the current property trading projects in Singapore, China, Vietnam and India. Rental income from investment properties also increased due to higher rental rates and occupancy. Revenue from Infrastructure Division was 24% higher with new source of revenue from the recently commissioned cogen power plant and NEWater plant.

Group profit before taxation of $741million was 26% higher than the first half last year with increased contributions from Offshore & Marine, Property and Infrastructure. Offshore & Marine Division continued to deliver strong earnings growth with higher profit of $363 million, 38% above the previous year. Profit from Property Division increased significantly by 47% to $203 million. Maiden profits were recognised for the recently launched Reflections at Keppel Bay and Villa Riviera and the sold out Sixth Avenue Residences and Marina Bay Residences. Higher profits were also recognised for the current property trading projects. Infrastructure Division contributed $23 million or 3% to Group pre-tax profit, benefiting from the operation of the power barges, cogen power plant and NEWater plant. Profit from SPC was higher with strong refining margins and demand for refined products. However, the Group's other investment income were lower as the previous year benefited from the sale of Gasco by k1 Ventures and higher investment gains.

The income tax expenses of the Group included a write-back of $18 million for deferred tax as a result of the reduction in Singapore corporate tax rate from 20% to 18%. After taking into account minority share of profit, the resultant profit attributable to shareholders of $510 million was $144 million or 39.5% higher than the corresponding period in 2006. Offshore & Marine Division remains the largest contributor to attributable earnings with 56%, followed by Investments with 23%, Property Division with 18% and Infrastructure Division with 3%.

In the opinion of the Directors, no factor has arisen between 30 June 2007 and the date of this report which would materially affect the results of the Group and the Company for the period just ended.

10. VARIANCE FROM PROSPECT STATEMENT

No variance from previous statement.

11. PROSPECTS

With the strong performance in the first half, the Group is on track to achieve its earnings target of a double-digit average growth rate for the current year.

Offshore & Marine Division is expected to execute its orderbook efficiently and will continue to be the main contributor to Group profit. Its record net orderbook of over $11 billion has created further earnings visibility into 2010. The fundamental of the industry remains robust underpinned by firm crude oil prices and high exploration and production capital expenditure to replenish global oil reserves. The division is expected to benefit from these strong market fundamentals.

The iconic waterfront development, Reflections at Keppel Bay continued to attract good demand. Sales have exceeded 95% of the 500 units launched. The region is witnessing healthy growth in housing demand, supported by rising income from sustained economic growth. The Group's housing projects in the region continue to achieve good sales. The financial performance of the Property Division will be boosted by the revenue and profit recognition of these projects. The Property Division with its significant portfolio of office buildings in the Central Business District in Singapore is expected to benefit from increasing rental rate and higher occupancy.

The Keppel Merlimau cogen plant and the NEWater plant have commenced operation. The waste management facility project in Qatar is making steady progress. These new projects are expected to increase the Infrastructure Division's contribution to Group's profitability.

12. DIVIDEND

12a. Current Financial Period Reported On

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

Name of Dividend	Interim (Franked)	Interim (One-tier)	Total
Dividend type Dividend per share (cents) Tax rate	Cash 1.5 cts 18%	Cash 7.5 cts Tax exempt	Cash 9.0 cts (Franked and one-tier)

With the record earning of $510 million in the first half, the Directors are pleased to declare a higher interim dividend of 9.0 cents per share comprising 1.5 cents per share less tax and 7.5 cents per share one-tier tax exempt (2006: 6.0 cents per share less tax). The dividend will be payable to shareholders on 22 August 2007.

With this distribution, the Company will use up all its Section 44A tax credit and henceforth, dividend payments will be based on the new one-tier system.

12b. Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim
Dividend type Dividend per share (cents) * Tax rate	Cash 6.0 cts 20%

* *Dividend per share has been adjusted for sub-division of shares*

12c. Date Payable

22 August 2007

12d. Books Closure Date

Notice is hereby given that, the Share Transfer Books and Register of Members of the Company will be closed on 14 August 2007 to determine shareholders' entitlement to the interim dividend. Duly completed transfer received by the Company's Registrar, B.A.C.S Private Limited, at 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 13 August 2007 will be registered to determine shareholders' entitlement to the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd (CDP), the interim dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to shareholders.

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

Dividend has been declared, please see paragraph 12a.

13. SEGMENT ANALYSIS

Half year ended 30 June 2007

BUSINESS SEGMENT

	Offshore & Marine $'000	Property $'000	Infra-structure $'000	Invest-ments $'000	Elimina-tion $'000	Total $'000
Revenue						
External sales	**3,259,185**	**846,315**	**347,164**	**29,201**	**-**	**4,481,865**
Inter-segment sales	**-**	**12,180**	**45,674**	**27,649**	**(85,503)**	**-**
Total	**3,259,185**	**858,495**	**392,838**	**56,850**	**(85,503)**	**4,481,865**
Results						
Operating profit	**309,253**	**172,452**	**2,444**	**9,533**	**-**	**493,682**
Net investment income & interest income	**46,812**	**(16,916)**	**(1,180)**	**(15,181)**	**-**	**13,535**
Share of results of associated companies	**7,164**	**47,474**	**21,412**	**157,850**	**-**	**233,900**
Profit before taxation	**363,229**	**203,010**	**22,676**	**152,202**	**-**	**741,117**
Taxation	**(73,482)**	**(33,054)**	**(5,917)**	**(30,147)**	**-**	**(142,600)**
Profit for the period	**289,747**	**169,956**	**16,759**	**122,055**	**-**	**598,517**
Attributable to:						
Shareholders of Company	**282,493**	**94,199**	**14,121**	**119,199**	**-**	**510,012**
Minority interests	**7,254**	**75,757**	**2,638**	**2,856**	**-**	**88,505**
	289,747	**169,956**	**16,759**	**122,055**	**-**	**598,517**
Other information						
Segment assets	**5,480,095**	**6,348,845**	**1,411,274**	**4,644,911**	**(6,201,678)**	**11,683,447**
Investment in associated companies	**70,974**	**1,533,522**	**186,249**	**1,049,417**	**-**	**2,840,162**
Total	**5,551,069**	**7,882,367**	**1,597,523**	**5,694,328**	**(6,201,678)**	**14,523,609**
Segment liabilities	**3,991,882**	**5,438,739**	**1,007,993**	**3,849,470**	**(6,201,678)**	**8,086,406**
Net tax provision & deferred taxation	**264,943**	**227,230**	**3,027**	**42,823**	**-**	**538,023**
Total	**4,256,825**	**5,665,969**	**1,011,020**	**3,892,293**	**(6,201,678)**	**8,624,429**
Net assets	**1,294,244**	**2,216,398**	**586,503**	**1,802,035**	**-**	**5,899,180**
Capital expenditure	**78,072**	**7,583**	**24,856**	**103**	**-**	**110,614**
Depreciation and amortisation	**36,855**	**6,894**	**13,974**	**241**	**-**	**57,964**

GEOGRAPHICAL SEGMENT

	Singapore $'000	Far East & Other ASEAN Countries $'000	America $'000	Other Countries $'000	Elimination $'000	Total $'000
External sales	**3,158,909**	**432,080**	**644,019**	**246,857**	**-**	**4,481,865**
Segment assets	**8,058,890**	**2,808,122**	**1,006,786**	**426,802**	**(617,153)**	**11,683,447**
Capital expenditure	**81,254**	**18,184**	**11,176**	**-**	**-**	**110,614**

Half year ended 30 June 2006

BUSINESS SEGMENT

	Offshore & Marine $'000	Property $'000	Infra-structure $'000	Invest-ments $'000	Elimina-tion $'000	Total $'000
Revenue						
External sales	2,411,705	456,812	280,272	40,897	-	3,189,686
Inter-segment sales	-	4,836	35,195	23,555	(63,586)	-
Total	2,411,705	461,648	315,467	64,452	(63,586)	3,189,686
Results						
Operating profit	223,631	136,985	(35,764)	36,397	-	361,249
Net investment income & interest income	36,477	(6,547)	663	3,012	-	33,605
Share of results of associated companies	2,841	7,334	17,956	163,786	-	191,917
Profit before taxation	262,949	137,772	(17,145)	203,195	-	586,771
Taxation	(70,336)	(30,460)	(3,864)	(36,129)	-	(140,789)
Profit for the period	192,613	107,312	(21,009)	167,066	-	445,982
Attributable to:						
Shareholders of Company	173,741	54,682	(25,138)	162,257	-	365,542
Minority interests	18,872	52,630	4,129	4,809	-	80,440
	192,613	107,312	(21,009)	167,066	-	445,982
Other information						
Segment assets	4,530,421	6,483,075	880,050	3,896,780	(4,935,691)	10,854,635
Investment in associated companies	51,885	1,132,411	104,639	992,234	-	2,281,169
Total	4,582,306	7,615,486	984,689	4,889,014	(4,935,691)	13,135,804
Segment liabilities	3,486,687	5,428,227	791,887	2,764,778	(4,935,691)	7,535,888
Net tax provision & deferred taxation	225,785	150,541	4,244	26,619	-	407,189
Total	3,712,472	5,578,768	796,131	2,791,397	(4,935,691)	7,943,077
Net assets	869,834	2,036,718	188,558	2,097,617	-	5,192,727
Capital expenditure	69,123	5,168	184,648	1,136	-	260,075
Depreciation and amortisation	30,294	7,419	24,360	186	-	62,259

GEOGRAPHICAL SEGMENT

	Singapore $'000	Far East & Other ASEAN Countries $'000	America $'000	Other Countries $'000	Elimination $'000	Total $'000
External sales	2,236,900	405,166	389,603	158,017	-	3,189,686
Segment assets	8,339,962	2,533,307	1,055,429	232,653	(1,306,716)	10,854,635
Capital expenditure	234,078	13,807	12,190	-	-	260,075

NOTES TO SEGMENT ANALYSIS

13a. Business segment

The Group's businesses are grouped into four divisions: Offshore & Marine, Property, Infrastructure and Investments. The Investments division consists mainly of the Group's investments in SPC, k1 Ventures Ltd and MobileOne Ltd. These four divisions are the basis on which the Group reports its primary segment information. Pricing of inter-segment goods and services is at fair market value. Segment assets and liabilities are those used in the operation of each division.

13b. Geographical segment

The Group operates in about 33 countries. Secondary segment information is provided by geographical segment in accordance to the above table.

14. REVIEW OF SEGMENT PERFORMANCE

14a. Revenue by Segments

Group revenue of $4,482 million was $1,292 million or 41% above that of 1H 2006. Revenue from Offshore & Marine Division of $3,259 million was $847 million or 35% higher than 1H 2006. It continues to be the largest generator of Group revenue with 72% share. Revenue was higher because of progressive revenue recognition for the work done on orders on hand. Revenue from Property Division of $847 million was $390 million or 85% higher than 1H 2006. This represents 19% of Group revenue, an increase from the 14% of previous year. New revenue streams came from trading projects in Singapore (Reflections at Keppel Bay and Sixth Avenue Residences) and China (Villa Riviera, Shanghai), as well as higher revenue from current property trading projects. The Group's investment properties also enjoyed higher rental rates and occupancy because of the tight supply of office space. Revenue from Infrastructure Division of $347 million was $67 million or 24% higher. This represents 8% of Group revenue. The increase in revenue came from operation of the cogen power plant and NEWater plant.

14b. PATMI by Segments

Group PATMI of $510 million was $144 million or 39% above that of 1H 2006. PATMI from Offshore & Marine Division of $283 million was $109 million or 63% higher than the $174 million achieved in 1H 2006. Offshore & Marine Division remains the largest contributor to Group PATMI with 56% share. This was an increase from the 48% contribution in 1H 2006, principally because of the higher rate of growth and lower contribution from Investments. PATMI from Property Division of $94 million was $39 million or 71% higher than the $55 million reported in 1H 2006. Property Division's contribution to Group PATMI increased from 15% to 18% also because of the higher rate of growth. Earnings from Property Division were boosted by Reflections at Keppel Bay, Sixth Avenue Residences, Marina Bay Residences and Villa Riviera, Shanghai. Infrastructure Division reported a profit of $14 million compared with a loss of $25 million, an improvement of $39 million. This was largely attributable to contribution from the operation of the power barges, cogen power plant and NEWater plant. PATMI from Investments was $119 million, a reduction of $43 million from 1H 2006. Profit from SPC was higher with strong refining margins and demand for refined products. However, the Group's other investment income were lower as the previous year benefited from the sale of Gasco by k1 Ventures and higher investment gains.

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 a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual.	
	Half Year 30.6.2007 $'000	Half Year 30.6.2006 $'000	**Half Year 30.6.2007 $'000**	Half Year 30.6.2006 $'000
Transaction for the Sale of Goods and Services				
Keppel Corporation Limited Directors and their associates	**17,467**	-	**-**	-
PSA Corporation Group	**-**	-	**2,360**	-
SembCorp Marine Group	**-**	-	**2,273**	567
Singapore Airlines Group		-	**7,000**	4,978
Singapore Power/PowerSeraya/Senoko Power/Tuas Power Group	**-**	-	**28,000**	-
Singapore Telecommunications Group	**-**	-	**4,633**	-
Transaction for the Purchase of Goods and Services				
Gas Supply Pte Ltd	**-**	-	**180,000**	-
Mapletree Investments Pte Ltd	**-**	-	**220**	273
Singapore Power/PowerSeraya/Senoko Power/Tuas Power Group	**-**	-	**-**	1,000
Transaction for the Acquisition of Companies				
Havelock Investment Pte Ltd	**-**	270	**-**	-
Total Interested Person Transactions	**17,467**	270	**224,486**	6,818

BY ORDER OF THE BOARD

CAROLINE CHANG
Company Secretary
26 July 2007

CONFIRMATION BY THE BOARD

We, LIM CHEE ONN and TEO SOON HOE, being two directors of Keppel Corporation Limited (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 second quarter 2007 financial results to be false or misleading.

On behalf of the board of directors

LIM CHEE ONN
Executive Chairman

Singapore, 26 July 2007

TEO SOON HOE
Group Finance Director