

## KEPPEL CORPORATION LIMITED

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

### FULL YEAR 2006 FINANCIAL STATEMENT & DIVIDEND ANNOUNCEMENT

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# KEPPEL CORPORATION LIMITED

## Executive Chairman's Remarks

FULL YEAR ENDED 31 DECEMBER 2006

### Significant Milestones and Broadening Earnings Base

2006 was another eventful year. We achieved a record PATMI of \$751m, an increase of 33% over 2005. Our Earnings Per Share grew to 95.4 cents which is the highest ever achieved. Free cashflow remains healthy at \$1.5bn, whilst gearing dropped to 0.24x. This places us in a good position to further strengthen our earnings base going forward. All in all, our businesses generally benefited from a robust environment particularly in the offshore and marine industry. It is also noteworthy to see the encouraging potential payoffs from the growth initiatives in our Property and Infrastructure businesses.

I shall now elaborate on our continued efforts to sustain our Group's earnings growth.

### Offshore & Marine

Our performance during the year was underpinned by the delivery of 26 newbuilds and conversions. All of them were delivered to our customers on time, within budget and according to specifications to meet our customers' needs. Indeed of the 10 jackups that were delivered worldwide, we delivered 6 KFELS B class jackups. I believe this outstanding and unmatched performance will further strengthen our already good relationship with all our customers, both established as well as new ones. We shall continue to spare no efforts in our drive to remain as good partners to all our clients by helping them to create more value in their respective businesses by delivering to them what they want on schedule, and at times, even ahead of schedule.

At the same time we grew our Offshore & Marine net orderbook by a creditable 46% to \$10.5bn as at end 2006, with deliveries extending into 2010. Whilst attaining a leading share of about 38% of new jackup orders, we also positioned ourselves during the year to capitalize on the strong increase in deepwater semi-submersible orders. At year end, we succeeded in capturing some 28% market share, winning all the semi-submersible orders placed by U.S. drillers.

We also scaled up the capabilities of our global network of yard facilities. Keppel Verolme expanded its scope into offshore conversions and is now equipped to take on its first jackup. Similarly, our Batangas yard in the Philippines is building the pontoons and lower hull columns of the two ENSCO semis. We also struck a MOU with Qatar Gas to build and operate a new shipyard in Ras Laffan. This will provide us with a strategic foothold in the Middle East market.

E & P activities are moving towards more demanding and niche markets. The challenge is to continually innovate our designs and production processes for us to exploit new markets and new frontiers. On this, I am pleased that our R&D efforts have achieved some early success. We clinched our first order for the new KFELS N Class rig, which is designed to be able to drill and produce

concurrently in marginal fields and harsh environment. Maturing fields approaching decommissioning present another area of opportunity especially in the North Sea. Our €140m contract to build a floating heavy lifter to decommission offshore structures marks our entry into this market.

We are also well positioned to tap the anticipated strong demand for production rigs that follows from the growth in exploration. Petrobras is reportedly spending over US\$8bn on production in 2007. We are now building two production semis for Petrobras. FloaTEC, our joint venture with J Ray McDermott, provides the full array of production solutions, from semis to Spars and Tension Leg Platforms. This places FloaTEC in a strong position to respond to the increase in market demand for such rigs.

### **Oil & Gas**

In Oil & Gas, SPC acquired another acreage prospect in Vietnam and recently increased its stake in the Cambodia prospect to 33%. Several drilling and appraisals were commenced in Indonesia and Vietnam. These acreages were acquired during 2004-5. This year, the Oyong field in Indonesia, SPC's first development project, will be coming into production.

From solely an investor in oil & gas fields already in production, SPC has steadily grown its involvement in the E&P value chain to acquiring acreages and participating in exploration and development. SPC will continue to scale up its upstream investments. This is one of the key thrusts supporting SPC's sustainable growth platforms.

### **Property**

In the high-end residential market in Singapore, we aim to replicate our *Marina Bay Residences'* success with *Reflections at Keppel Bay*, another premier waterfront lifestyle development. To be launched in the near future, it will comprise some 1,130 units of luxurious homes in a stunning waterfront setting, complemented with a world-class marina. *Reflections at Keppel Bay* further manifests our thrust into the high-end residential market, providing potentially attractive earnings stream for the Group over the next few years.

Keppel Land has made its mark as the leading prime office player in Singapore. *One Raffles Quay* has successfully drawn many blue-chip names in the financial sector. The upcoming *Marina Bay Financial Centre* is set to become the most sought-after office address in Singapore. K-REIT Asia, which was listed in April last year, provides a platform to adopt a developmental approach in extracting value from commercial properties in Singapore and overseas.

Regionally, China, India, Vietnam, Indonesia continue to provide substantial growth opportunities in the residential market. We have successfully rolled out several product lines, from townships to high-end apartments, villas and lifestyle homes. These have been well-received by the respective local communities.

We will continue to leverage on our array of core competencies to develop new growth initiatives, extend our overseas reach and strengthen our competitiveness.

### **Infrastructure**

I believe our Infrastructure division is on a strong footing for growth. Our cogen plant in Singapore will soon commence operation, whilst the power barges which had been a drag on profits have been gainfully deployed in Ecuador. The Ulu Pandan Water Plant will be officially opened shortly and will commence operation as scheduled. The Qatar Solid Waste Management project will also start to contribute cashflow this year as we begin the design and build programme.

We will continue to strengthen our platforms to capitalize on growing needs for waste disposal, water treatment and power generation. Indeed, waste-to-energy (WTE) is becoming a more environmentally-friendly and cost-effective option for countries facing land constraints and adverse landfill environmental impact.

The Qatar contract is an important breakthrough allowing us to plug into the important Middle East market and establish international recognition of our technology and expertise. We aim to build upon this momentum and enhance our track record.

In summary, I am pleased to report that we have made good progress in driving our earnings growth in 2006. The group's earnings will steadily become more broad-based over the next few years, with growing contributions from the Property and Infrastructure divisions. The Group endeavours to continue to deliver on its growth initiatives in the year ahead to create even more value for shareholders.

# KEPPEL CORPORATION LIMITED

## Full Year 2006 Financial Statement and Dividend Announcement

### UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2006

The Directors of **Keppel Corporation Limited** advise the following unaudited results of the Group for the year ended 31 December 2006.

#### 1. GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December

	2006 \$'000	2005 \$'000	+/(-) %
<b>Revenue</b>	<b>7,600,940</b>	5,688,369	+33.6
Materials & subcontract costs	<b>(5,570,175)</b>	(4,138,185)	+34.6
Staff costs	<b>(931,340)</b>	(802,912)	+16.0
Depreciation & amortisation	<b>(127,438)</b>	(132,329)	-3.7
Other operating expenses	<b>(167,922)</b>	(148,199)	+13.3
<b>Operating profit</b>	<b>804,065</b>	466,744	+72.3
Investment income	<b>3,777</b>	1,220	+209.6
Interest income	<b>79,758</b>	58,871	+35.5
Interest expenses	<b>(62,470)</b>	(22,175)	+181.7
Share of results of associated companies	<b>314,662</b>	321,509	-2.1
<b>Profit before tax &amp; exceptional items</b>	<b>1,139,792</b>	826,169	+38.0
Exceptional items	<b>7,304</b>	1,924	+279.6
<b>Profit before taxation</b>	<b>1,147,096</b>	828,093	+38.5
Taxation	<b>(257,372)</b>	(153,311)	+67.9
<b>Profit for the year</b>	<b>889,724</b>	674,782	+31.9
<b>Attributable to:</b>			
Shareholders of the Company			
Profit before exceptional items	<b>750,832</b>	563,685	+33.2
Exceptional items	<b>(82)</b>	(16)	+412.5
	<b>750,750</b>	563,669	+33.2
Minority interests	<b>138,974</b>	111,113	+25.1
	<b>889,724</b>	674,782	+31.9
<b>Earnings per ordinary share</b>			
Before exceptional items			
- basic	<b>95.4 cts</b>	72.1 cts	+32.3
- diluted	<b>94.4 cts</b>	70.0 cts	+34.9
After exceptional items			
- basic	<b>95.4 cts</b>	72.1 cts	+32.3
- diluted	<b>94.4 cts</b>	70.0 cts	+34.9
Return on equity	<b>19.1%</b>	16.4%	+16.5
Economic value added	<b>423,000</b>	199,000	+112.6

## NOTES TO GROUP PROFIT AND LOSS ACCOUNT

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

	<b>2006</b>	2005	+/( <sup>-</sup> )
	<b>\$'000</b>	\$'000	%
Share-based payment expenses	<b>14,949</b>	11,203	+33.4
Profit on sale of fixed assets	<b>(3,610)</b>	(10,278)	-64.9
Profit on sale of investments	<b>(88,132)</b>	(15,540)	+467.1
(Write-back)/provision			
- stocks & work-in-progress	<b>(42,460)</b>	(2,407)	+1,664.0
- doubtful debts	<b>1,461</b>	19,975	-92.7
Bad debts written off	<b>2,790</b>	264	+956.8
Stocks written off	<b>2,569</b>	1,393	+84.4
Fair value (gain)/loss			
- Assets at fair value through P&L	<b>(15,603)</b>	1,607	NM
- Forward contracts	<b>17,380</b>	12,152	+43.0
- Financial derivatives	<b>2,310</b>	(17,226)	NM
Foreign exchange gain	<b>(6,361)</b>	(4,157)	+53.0

*NM - Not Meaningful*

1b. There was no material adjustment for under or over provision of tax in respect of prior years. Taxation expense for the previous year included over-provision of tax in respect of prior years of \$6 million.

1c. Exceptional items for the year comprise the following:

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
Gain on disposal of subsidiaries, associated companies and investments	<b>81,446</b>	51,681
Share of associated company's gain on disposal of properties	-	30,191
Impairment of assets	<b>(66,956)</b>	(35,047)
Impairment of investments and provision for claims	<b>(5,788)</b>	(4,495)
Costs associated with restructuring of operations	<b>(1,398)</b>	(237)
Revaluation deficit of properties	-	(40,169)
	<b>7,304</b>	1,924
Minority share of exceptional items	<b>(7,386)</b>	(1,940)
Net exceptional items	<b>(82)</b>	(16)

## NOTES TO GROUP PROFIT AND LOSS ACCOUNT

### 1d. Earnings per ordinary share

	2006	2005	+/(-)%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on weighted average number of shares	<b>95.4 cts</b>	72.1 cts	+32.3
- Weighted average number of shares ('000)	<b>786,639</b>	781,756	+0.6
(ii) On a fully diluted basis	<b>94.4 cts</b>	70.0 cts	+34.9
- Adjusted weighted average number of shares ('000)	<b>791,761</b>	788,091	+0.5

### 1e. Breakdown of sales

	2006 \$'000	2005 \$'000	+/(-) %
<b><u>First Half</u></b>			
Sales reported for first half year	<b>3,189,686</b>	2,294,517	+39.0
Operating profit after tax and exceptional items before deducting minority interests reported for first half year	<b>445,982</b>	340,596	+30.9
<b><u>Second Half</u></b>			
Sales reported for second half year	<b>4,411,254</b>	3,393,852	+30.0
Operating profit after tax and exceptional items before deducting minority interests reported for second half year	<b>443,742</b>	334,186	+32.8

### 1f. There was no extraordinary item during the year.

## 2. BALANCE SHEETS as at 31 December

	<b>Group</b>		<b>Company</b>	
	<b>2006</b> <b>\$'000</b>	<b>2005</b> <b>\$'000</b>	<b>2006</b> <b>\$'000</b>	<b>2005</b> <b>\$'000</b>
<b>Share capital *</b>	<b>972,926</b>	391,903	<b>972,926</b>	391,903
<b>Reserves</b>	<b>3,232,170</b>	3,254,173	<b>2,332,232</b>	2,490,141
<b>Share capital &amp; reserves</b>	<b>4,205,096</b>	3,646,076	<b>3,305,158</b>	2,882,044
<b>Minority interests</b>	<b>1,392,591</b>	1,288,566	-	-
<b>Capital employed</b>	<b>5,597,687</b>	4,934,642	<b>3,305,158</b>	2,882,044
<b>Represented by:</b>				
<b>Fixed assets</b>	<b>1,740,808</b>	1,653,195	<b>5,680</b>	5,620
<b>Investment properties</b>	<b>2,249,216</b>	2,025,501	-	-
<b>Development properties</b>	<b>197,080</b>	228,022	-	-
<b>Subsidiaries</b>	-	-	<b>3,080,896</b>	2,849,511
<b>Associated companies</b>	<b>2,410,716</b>	2,174,200	<b>3,074</b>	3,074
<b>Investments</b>	<b>275,892</b>	84,341	-	-
<b>Long term receivables</b>	<b>160,720</b>	152,769	<b>300,977</b>	300,599
<b>Intangibles</b>	<b>135,058</b>	145,248	-	-
	<b>7,169,490</b>	6,463,276	<b>3,390,627</b>	3,158,804
<b>Current assets</b>				
Stocks & work-in-progress in excess of related billings	<b>2,777,217</b>	2,762,328	-	-
Amounts due from:				
- subsidiaries	-	-	<b>410,092</b>	963,926
- associated companies	<b>307,968</b>	280,109	<b>87</b>	99
Debtors	<b>1,516,259</b>	1,267,211	<b>82,013</b>	2,519
Short term investments	<b>426,714</b>	405,638	-	-
Bank balances, deposits & cash	<b>1,618,558</b>	1,410,851	<b>520</b>	570
	<b>6,646,716</b>	6,126,137	<b>492,712</b>	967,114
<b>Current liabilities</b>				
Creditors	<b>2,380,657</b>	1,859,083	<b>58,885</b>	80,304
Billings on work-in-progress in excess of related costs	<b>2,325,319</b>	1,487,246	-	-
Provisions	<b>29,961</b>	17,604	-	-
Amounts due to:				
- subsidiaries	-	-	<b>194,718</b>	56,420
- associated companies	<b>93,620</b>	200,183	<b>11</b>	8
Term loans	<b>681,635</b>	1,321,982	-	781,848
Taxation	<b>273,883</b>	185,738	<b>10,182</b>	5,155
Bank overdrafts	<b>3,351</b>	16,817	-	-
	<b>5,788,426</b>	5,088,653	<b>263,796</b>	923,735
<b>Net current assets</b>	<b>858,290</b>	1,037,484	<b>228,916</b>	43,379
<b>Non-current liabilities</b>				
Term loans	<b>2,272,152</b>	2,392,042	<b>300,000</b>	300,000
Deferred taxation	<b>157,941</b>	174,076	<b>14,385</b>	20,139
	<b>2,430,093</b>	2,566,118	<b>314,385</b>	320,139
<b>Net assets</b>	<b>5,597,687</b>	4,934,642	<b>3,305,158</b>	2,882,044
<i>Group net borrowings</i>	<b>1,338,580</b>	2,319,990	<i>n.a.</i>	<i>n.a.</i>
<i>Group net gearing (times)</i>	<b>0.24x</b>	0.47x	<i>n.a.</i>	<i>n.a.</i>

\* 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.

## NOTES TO BALANCE SHEETS

### 2a. Group's borrowings and debt securities

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

As at 31.12.2006		As at 31.12.2005	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
404,723	280,263	98,939	1,239,860

#### (ii) Amount repayable after one year

As at 31.12.2006		As at 31.12.2005	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,422,696	849,456	1,385,642	1,006,400

#### (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 \$1,912,782,000 (31 December 2005: \$1,590,913,000).

### 2b. Net asset value

	Group			Company		
	2006	2005	+/(-)%	2006	2005	+/(-)%
Net asset value per ordinary share *	<b>\$5.34</b>	\$4.65	+14.8	<b>\$4.19</b>	\$3.68	+13.9
Net tangible asset per ordinary share *	<b>\$5.17</b>	\$4.47	+15.7	<b>\$4.19</b>	\$3.68	+13.9

\* Based on share capital of 787,992,924 ordinary shares as at the end of the financial year (2005: 783,805,424 ordinary shares)

## NOTES TO BALANCE SHEETS

### 2c. Balance sheet analysis

Group shareholders' funds increased from \$3.65 billion at 31 December 2005 to \$4.21 billion at 31 December 2006. The increase was mainly attributable to retained profits for the year and fair value adjustments of financial assets. This was partly offset by payment of final dividend of \$0.13 per share less tax and capital distribution of \$0.23 per share in respect of financial year 2005, and interim dividend of \$0.12 per share less tax in respect of the first half year ended 30 June 2006.

Group total assets of \$13.82 billion at 31 December 2006 were \$1.23 billion or 9.7% higher than the previous year-end. Fixed assets and investment properties were higher because of expenditure on the co-gen plant and acquisition of D.L. Properties Ltd, which became a subsidiary. The increase in associated companies was attributed to equity accounting for share of profits and further investment in SPC, MobileOne and One Raffles Quay. Higher long term investments was a result of purchase of investments in the current year. Debtors were higher mainly due to the increased activities in Offshore & Marine Division and Infrastructure Division.

Group total liabilities of \$8.22 billion at 31 December 2006 were \$564 million or 7.4% higher than the previous year. Creditors were higher because of the higher level of activities in Offshore & Marine Division. Billings on work-in-progress in excess of related costs increased due to progress billings received from Offshore & Marine contracts. Amount due to associated companies decreased due to repayment of advances.

Group net borrowings at \$1.34 billion were a reduction of \$981 million from \$2.32 billion at the previous year-end because of strong operational cash flow from Offshore & Marine Division and Property Division.

### 3. CONSOLIDATED CASHFLOW STATEMENT for the year ended 31 December

	2006 \$'000	2005 \$'000
	Note	
<b>OPERATING ACTIVITIES</b>		
Operating profit	804,065	466,744
Adjustments:		
Depreciation and amortisation	127,438	132,329
Share-based payment expenses	14,949	11,203
Profit on sale of fixed assets	(3,610)	(10,278)
Others	8,657	5,555
Operational cash flow before changes in working capital	<u>951,499</u>	<u>605,553</u>
Working capital changes:		
Stocks & work-in-progress	814,324	974,766
Debtors	9,679	(262,190)
Creditors	473,022	198,812
Investments in bonds and shares	(178,976)	(57,251)
Advances to associated companies	(134,422)	158,638
Translation of foreign subsidiaries	20,416	(19,411)
	<u>1,955,542</u>	<u>1,598,917</u>
Interest received	81,006	59,427
Interest paid	(69,027)	(15,689)
Income taxes paid	<u>(113,637)</u>	<u>(83,543)</u>
<b>Net cash from operating activities</b>	<u>1,853,884</u>	<u>1,559,112</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries	3a (3,159)	(137,041)
Acquisition of additional shares in subsidiaries	(28,204)	-
Disposal of subsidiaries	3b -	15,266
Acquisition and further investment in associated companies	(282,107)	(520,187)
Acquisition of fixed assets and investment properties	(430,348)	(456,178)
Expenditure on development properties	(15,241)	(1,024)
Proceeds from disposal of associated companies	138,084	17,867
Proceeds from disposal of fixed assets	39,303	55,997
Dividend received from investments and associated companies	207,362	159,893
<b>Net cash used in investing activities</b>	<u>(374,310)</u>	<u>(865,407)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from share issues	19,070	17,544
Proceeds from minority shareholders of subsidiaries	20,058	28,787
Proceeds from term loans	756,301	1,018,786
Capital distribution	(181,040)	(156,391)
Repayment of term loans	(1,643,671)	(1,012,717)
Dividend paid to shareholders of the Company	(157,374)	(131,388)
Dividend paid to minority shareholders of subsidiaries	(71,745)	(36,116)
<b>Net cash used in financing activities</b>	<u>(1,258,401)</u>	<u>(271,495)</u>
<b>Net increase in cash and cash equivalents</b>	221,173	422,210
<b>Cash and cash equivalents as at 1 January</b>	<u>1,394,034</u>	<u>971,824</u>
<b>Cash and cash equivalents as at 31 December</b>	3c <u>1,615,207</u>	<u>1,394,034</u>
<i>Free cashflow</i>	<b>1,479,574</b>	693,705

## NOTES TO CONSOLIDATED CASHFLOW STATEMENT

### 3a. Acquisition of subsidiaries

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

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
Fixed assets and investment properties	<b>220,461</b>	168,774
Development properties	-	20,561
Associated companies	-	23,551
Investments	<b>16,024</b>	53
Stocks & work-in-progress	<b>3,659</b>	52,175
Intangibles	<b>1,011</b>	-
Debtors	<b>11,258</b>	9,122
Bank balances and cash	<b>20,590</b>	35,627
Creditors	<b>(49,481)</b>	(55,112)
Loans	<b>(159,050)</b>	(9,648)
Minority interests	<b>(6,357)</b>	(41,092)
	<b>58,115</b>	204,011
Goodwill written off	<b>2,677</b>	-
Amount previously accounted for as associated companies	<b>(37,043)</b>	(31,259)
Purchase consideration	<b>23,749</b>	172,752
Less: Bank balances and cash acquired	<b>(20,590)</b>	(35,711)
Cash flow on acquisition net of cash acquired	<b>3,159</b>	137,041

### 3b. Disposal of subsidiaries

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

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
Fixed assets	-	(3,415)
Investments	-	(98,132)
Stocks & work-in-progress	-	(113)
Debtors	-	(75,633)
Bank balances and cash	-	(29,001)
Creditors	-	195,905
Minority interests	-	928
	-	(9,461)
Net profit on disposal	-	(34,806)
Sale proceeds	-	(44,267)
Add: Bank balances and cash disposed	-	29,001
Cash flow on disposal net of cash disposed	-	(15,266)

## NOTES TO CONSOLIDATED CASHFLOW STATEMENT

### 3c. 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:

	<b>2006</b> <b>\$'000</b>	2005 \$'000
Bank balances, deposits and cash	<b>1,618,558</b>	1,410,851
Bank overdrafts	<b><u>(3,351)</u></b>	<u>(16,817)</u>
	<b><u>1,615,207</u></b>	<u>1,394,034</u>

### 3d. Cashflow analysis

Net cash from operating activities was \$1,854 million compared to \$1,559 million in the previous year. This was mainly contributed by the increased operating profit and positive working capital changes, especially from progress payments received for contracts.

Net cash used in investing activities was \$374 million. The Group spent \$759 million on acquisitions, expenditure on infrastructure projects and operational capex. This comprised principally acquisition of additional shares in Evergro Properties Limited, Keppel Philippines Marine, Inc., D.L. Properties Ltd, SPC and MobileOne, further investment in One Raffles Quay, capital expenditure on the co-gen plant and other operational capex. Divestment and dividend income totalled \$385 million.

As a result, free cashflow increased from \$694 million in the previous year to \$1,480 million.

#### 4. STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December

##### 4a. Statement of changes in equity of the Group

	Attributable to equity holders of the Company							
	Share Capital	Share Premium Account	Capital Reserves	Revenue Reserves	Foreign Exchange Translation Account	Share Capital & Reserves	Minority Interests	Capital Employed
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2006</b>								
As at 1 January	<b>391,903</b>	<b>720,229</b>	<b>345,761</b>	<b>2,192,117</b>	<b>(3,934)</b>	<b>3,646,076</b>	<b>1,288,566</b>	<b>4,934,642</b>
Surplus on revaluation of investment properties	-	-	24,267	-	-	24,267	(16,494)	7,773
Fair value changes on available-for-sale assets	-	-	73,577	-	-	73,577	(2,182)	71,395
Fair value changes on cashflow hedges	-	-	148,029	-	-	148,029	(947)	147,082
Currency translation loss	-	-	-	-	(70,327)	(70,327)	(28,753)	(99,080)
Gain not recognised in profit & loss account	-	-	245,873	-	(70,327)	175,546	(48,376)	127,170
Net profit for the year	-	-	-	750,750	-	750,750	138,974	889,724
Dividend paid	-	-	-	(157,374)	-	(157,374)	-	(157,374)
Share-based payment	-	-	18,868	-	-	18,868	842	19,710
Equity component of convertible bond issued by a subsidiary	-	-	16,850	-	-	16,850	15,067	31,917
Transfer of statutory, capital and other reserves to revenue reserves	-	-	(12,369)	12,369	-	-	-	-
Fair value gain realised and transferred to profit & loss account	-	-	(91,220)	-	-	(91,220)	-	(91,220)
Revaluation surplus realised and transferred to profit & loss account	-	-	(6,901)	-	-	(6,901)	-	(6,901)
Currency translation loss realised and transferred to profit & loss account	-	-	-	-	15,305	15,305	-	15,305
Share of capital reserves of an associated company	-	-	(868)	-	-	(868)	-	(868)
Dividend paid to minority shareholders	-	-	-	-	-	-	(71,745)	(71,745)
Cash subscribed by minority shareholders	-	-	-	-	-	-	20,058	20,058
Acquisition of subsidiaries	-	-	-	-	-	-	14,925	14,925
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	(28,936)	(28,936)
Set off against advance from minority shareholders	-	-	-	-	-	-	65,498	65,498
Other adjustments	-	-	-	34	-	34	(2,282)	(2,248)
Shares issued	16,306	2,764	-	-	-	19,070	-	19,070
Capital distribution	(181,040)	-	-	-	-	(181,040)	-	(181,040)
Reclassification arising from abolition of par value (Note 4c)	745,757	(722,993)	(22,764)	-	-	-	-	-
As at 31 December	<b>972,926</b>	<b>-</b>	<b>493,230</b>	<b>2,797,896</b>	<b>(58,956)</b>	<b>4,205,096</b>	<b>1,392,591</b>	<b>5,597,687</b>

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

	Attributable to equity holders of the Company							
	Share Capital	Share Premium Account	Capital Reserves	Revenue Reserves	Foreign Exchange Translation Account	Share Capital & Reserves	Minority Interests	Capital Employed
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2005</b>								
As at 1 January	389,386	861,593	236,750	1,769,694	(38,078)	3,219,345	1,158,607	4,377,952
Surplus on revaluation of investment properties	-	-	7,268	-	-	7,268	10,640	17,908
Fair value changes on available-for-sale assets	-	-	110,092	-	-	110,092	828	110,920
Fair value changes on cashflow hedges	-	-	(22,607)	-	-	(22,607)	190	(22,417)
Currency translation gain	-	-	-	-	29,408	29,408	9,018	38,426
Gain not recognised in profit & loss account	-	-	94,753	-	29,408	124,161	20,676	144,837
Net profit for the year	-	-	-	563,669	-	563,669	111,113	674,782
Dividend paid	-	-	-	(131,388)	-	(131,388)	-	(131,388)
Share-based payment	-	-	12,199	-	-	12,199	376	12,575
Transfer of statutory, capital and other reserves to revenue reserves	-	-	10,521	(9,834)	(687)	-	-	-
Fair value gain realised and transferred to profit & loss account	-	-	(2,290)	-	-	(2,290)	-	(2,290)
Revaluation deficit realised and transferred to profit & loss account	-	-	-	-	-	-	(32,185)	(32,185)
Currency translation loss realised and transferred to profit & loss account	-	-	-	-	5,423	5,423	-	5,423
Share of capital reserves of an associated company	-	-	(6,616)	-	-	(6,616)	-	(6,616)
Dividend paid to minority shareholders	-	-	-	-	-	-	(36,116)	(36,116)
Cash subscribed by minority shareholders	-	-	-	-	-	-	28,787	28,787
Acquisition of subsidiaries	-	-	-	-	-	-	41,092	41,092
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	(2,329)	(2,329)
Disposal of subsidiaries	-	-	-	-	-	-	(928)	(928)
Other adjustments	-	-	444	(24)	-	420	(527)	(107)
Shares issued	2,517	15,027	-	-	-	17,544	-	17,544
Capital distribution	-	(156,391)	-	-	-	(156,391)	-	(156,391)
As at 31 December	391,903	720,229	345,761	2,192,117	(3,934)	3,646,076	1,288,566	4,934,642

4b. Statement of changes in equity of the Company

	<u>Share Capital</u> \$'000	<u>Share Premium Account</u> \$'000	<u>Capital Reserves</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Total</u> \$'000
<b>2006</b>					
As at 1 January	391,903	720,229	37,057	1,732,855	2,882,044
Net profit for the year	-	-	-	727,174	727,174
Dividend paid	-	-	-	(157,374)	(157,374)
Share-based payment	-	-	15,284	-	15,284
Shares issued	16,306	2,764	-	-	19,070
Capital distribution	(181,040)	-	-	-	(181,040)
Reclassification arising from abolition of par value (Note 4c)	745,757	(722,993)	(22,764)	-	-
As at 31 December	<b>972,926</b>	<b>-</b>	<b>29,577</b>	<b>2,302,655</b>	<b>3,305,158</b>
<b>2005</b>					
As at 1 January	389,386	861,593	28,955	1,575,836	2,855,770
Net profit for the year	-	-	-	288,407	288,407
Dividend paid	-	-	-	(131,388)	(131,388)
Share-based payment	-	-	8,102	-	8,102
Shares issued	2,517	15,027	-	-	17,544
Capital distribution	-	(156,391)	-	-	(156,391)
As at 31 December	391,903	720,229	37,057	1,732,855	2,882,044

4c. Share capital

Pursuant to The Companies (Amendment) Act 2005 effective from 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 are transferred to share capital as at that date.

During the financial year, the Company issued 4,187,500 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 financial year was 787,992,924 ordinary shares.

As at 31 December 2006, there were unexercised options for 16,232,166 of unissued ordinary shares (2005: 14,247,166 ordinary shares) under the KCL Share Options Scheme.

4d. Sub-division of ordinary shares

The board of directors is proposing a sub-division of each ordinary share ("Share") in the capital of the Company into 2 Shares (the "Proposed Sub-Division") subject to:

- (a) the approval of the shareholders by way of a Special Resolution at an extraordinary general meeting ("EGM") to be convened; and
- (b) the approval from the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company will be making an application to the SGX-ST in due course for its approval for the listing and quotation of all the Shares arising from the Proposed Sub-Division.

A circular containing further details of the Proposed Sub-Division and the EGM to be convened will be dispatched to Shareholders in due course.

## 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 year compared with those of the audited financial statements as at 31 December 2005.

## 8. CHANGES IN THE ACCOUNTING POLICIES

The Group has adopted the following Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that have become effective for the financial year beginning 1 January 2006:

- (i) FRS 19 (Amendment) - Employment Benefits
- (ii) FRS 21 (Amendment) - The Effects of Changes in Foreign Exchange Rates
- (iii) FRS 32 (Amendment) - Financial Instruments: Disclosure and Presentation
- (iv) FRS 39 (Amendment) - Financial Instruments: Recognition and Measurement
- (v) INT FRS 104 - Determining whether an Arrangement contains a Lease

The adoption of the above FRS and INT FRS does not have any material impact on the financial statements of the Group.

## 9. REVIEW OF GROUP PERFORMANCE

The Group had another exceptional year. Group attributable profit grew strongly by \$187 million or 33% from \$564 million to a record \$751 million. New benchmarks were also set for all our key performance indicators. Earnings per share of 95.4 cents were 32% above the previous year. Return on equity scaled a new high of 19.1% and Economic Value Added of \$423 million more than doubled that of the previous year.

Group revenue of \$7,601 million was \$1,913 million or 34% higher than that of the previous year. This is a new record surpassing the previous high achieved in financial year 2000. Revenue from Offshore & Marine Division of \$5,755 million was \$1,643 million or 40% higher and accounted for 76% of Group revenue. Twenty six newbuilds and conversions were completed and delivered in the year, on time or ahead of time and within budget. Revenue from ship and rig repairs was also strong. Property Division achieved revenue of \$1,155 million, \$308 million or 36% higher. The increased revenue was underpinned by higher sales and prices of the Group's new and existing trading projects both in Singapore and regionally. Rental income from investment properties was higher as a result of the tight supply of prime office buildings in the Singapore Central Business District. Keppel T&T reported lower revenue as no major new network engineering contract was secured. Revenue from electricity trading also declined as non-profitable fixed price contracts were not renewed.

Group profit before tax exceeded \$1 billion for the first time to \$1,139 million, 38% higher than the previous year. Offshore & Marine Division, which had an exceptionally busy year contributed significantly to the Group earnings growth. The Division's profit before tax of \$624 million was \$273 million or 78% higher. Revenue and operating margins improved with higher prices and efficient project execution. Property Division posted earnings of \$233 million, 5% above the previous year due to the higher revenue from trading projects and profit from sale of a piece of land in Tianjin and an equity interest in a property project.

Infrastructure Division returned to profitability in the fourth quarter with the commercial operation of the power barges in Ecuador. However, the quarter's profit was not sufficient to reverse the losses in the first nine months. Earnings from Investments were higher with gains from the sale of investments and much better contributions from k1 Ventures which benefited from the divestment of The Gas Company, LLC. These were more than sufficient to offset the lower contributions from SPC, which was affected by lower margins in the second half year.

Exceptional items comprise principally profit from sale of investment in a hotel and an investment building less impairment of assets.

Group taxation expenses were higher in the year as a result of higher profits from overseas operations. After taking into account the higher taxation charge and minority share of profit, the attributable profit to shareholders was \$751 million.

In the opinion of the Directors, no factor has arisen between 31 December 2006 and the date of this report which would materially affect the results of the Group and the Company for the year just ended.

#### **10. VARIANCE FROM PROSPECT STATEMENT**

No variance from previous statement.

#### **11. PROSPECTS**

For the current year, we expect continued growth in our Offshore & Marine and Property Divisions. Infrastructure Division is expected to return to profitability. The 33% year-on-year growth in Group earnings for 2006 was exceptional. With a higher earnings base, a more modest double-digit growth rate is expected for the current year.

Offshore & Marine Division secured a record \$7.3 billion of new orders in 2006, bringing the net order book at the end of the year to \$10.5 billion. The outlook for the drilling industry remains good. Demand for most types of rigs and other related segments is strong and availability is tight. There is also a growing need for more deepwater equipment and floating production solutions as more exploration and production move into deeper waters. Offshore & Marine Division with its suite of proprietary designs and expertise in project execution is poised to benefit from the growing demand.

The outlook for SPC remains positive in the light of IMF's GDP global growth forecast of 5% for 2007. Asian economic growth is expected to continue. Regional demand for refined petroleum products is expected to remain robust and coupled with the projected tight refining capacity, refining margins are expected to be healthy.

The prices of private residential homes in Singapore rose by an estimated 10% in 2006, the fastest rate of growth since 1999. Home prices are generally expected to rise in 2007 and the residential market to remain buoyant and active. Capitalising on the good demand for premier waterfront residences, the Group will launch the second phase of its waterfront precinct called Reflections at Keppel Bay at the end of first quarter in 2007. The Group's stable of prime investment buildings in the CBD and New Downtown is expected to benefit from the tight office supply market in Singapore. The outlook for Asia's housing market remains favourable on the back of strong economic growth and continuing inflow of global funds into Asian real estate. The Division will further strengthen its housing and township development initiatives in the region and progressively launch its projects in China, India, Vietnam, Indonesia and Thailand.

Infrastructure Division has made steady progress in its projects both domestically and globally. The power barges re-commenced operation in December 2006. The NEWater plant and the Cogen power plant in Singapore are expected to start operation in the first quarter of 2007. These new projects together with the existing Infrastructure businesses should return the Division to profitability.

## 12. DIVIDEND/CAPITAL DISTRIBUTION

### 12a. Current Financial Period Reported On

Any dividend recommended for the current financial year reported on?

Yes

#### Dividend

Directors are pleased to recommend a final dividend of 16 cents per share less tax (2005: final dividend of 13 cents per share less tax) in respect of the financial year ended 31 December 2006 for approval by shareholders at the next Annual General Meeting to be convened.

Together with the interim dividend of 12 cents per share less tax, total dividend paid and proposed in respect of the financial year ended 31 December 2006 will be 28 cents per share less tax (2005: 23 cents per share less tax).

Name of Dividend	Final
Dividend type	Cash
Dividend per share (cents)	16 cents
Tax rate	20% or applicable rate

#### Capital Distribution

With the increased profitability and the strong operational cash flow, Directors are also proposing a capital distribution of 28 cents per share (2005: 23 cents per share) without deduction for tax out of the Company's share capital account. The capital distribution will be subject to the approval of shareholders and made pursuant to relevant sections of the Companies Act (Chapter 50).

#### Sub-Division of Ordinary Shares

As described in paragraph 4d, the board of directors is proposing a sub-division of each ordinary share ("Share") in the capital of the Company into 2 Shares (the "Proposed Sub-Division").

For the avoidance of doubt, the entitlements of shareholders under the proposed final dividend and capital distribution (if approved) will be determined before the Proposed Sub-Division takes effect.

### 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	Final
Dividend type	Cash
Dividend amount per share (in cents)	13 cents
Tax rate	20%

### 12c. Date Payable

The proposed final dividend, if approved at the Annual General Meeting to be held on 27 April 2007, will be paid on 15 May 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 5 May 2007 for the preparation of dividend warrants. Duly completed transfers 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 4 May 2007 will be registered to determine shareholders' entitlement to the proposed final dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd (CDP), the final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to shareholders.

12e. Total Annual Dividend / Capital Distribution

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
Ordinary – Interim dividend	<b>75,565</b>	62,595
Ordinary – Final dividend *	<b>100,863</b>	81,809
Total annual dividend	<b>176,428</b>	144,404
Capital distribution *	<b>220,638</b>	181,040
Total distribution	<b>397,066</b>	325,444

\* 2006 final dividend and capital distribution are estimated based on share capital of 787,992,924 ordinary shares at the end of the financial year

### 13. SEGMENT ANALYSIS

2006

#### BUSINESS SEGMENT

	Offshore & Marine \$'000	Property \$'000	Infra- structure \$'000	Invest- ments \$'000	Elimina- tion \$'000	Total \$'000
<b>Revenue</b>						
External sales	5,755,336	1,154,639	569,868	121,097	-	7,600,940
Inter-segment sales	-	11,776	86,656	45,065	(143,497)	-
<b>Total</b>	<b>5,755,336</b>	<b>1,166,415</b>	<b>656,524</b>	<b>166,162</b>	<b>(143,497)</b>	<b>7,600,940</b>
<b>Results</b>						
Operating profit	538,815	235,755	(65,587)	77,378	17,704	804,065
Net investment income & interest income	72,229	(27,207)	2,319	(8,572)	(17,704)	21,065
Share of results of associated companies	13,354	24,487	39,328	237,493	-	314,662
Profit before tax & exceptional items	624,398	233,035	(23,940)	306,299	-	1,139,792
Exceptional items	2,617	17,521	(1)	(12,833)	-	7,304
Profit before taxation	627,015	250,556	(23,941)	293,466	-	1,147,096
Taxation	(149,006)	(50,379)	(1,673)	(56,314)	-	(257,372)
<b>Profit for the year</b>	<b>478,009</b>	<b>200,177</b>	<b>(25,614)</b>	<b>237,152</b>	<b>-</b>	<b>889,724</b>
Attributable to:						
Shareholders of Company						
Profit before exceptional items	447,817	96,107	(34,736)	241,644	-	750,832
Exceptional items	2,617	8,261	872	(11,832)	-	(82)
	450,434	104,368	(33,864)	229,812	-	750,750
Minority interests	27,575	95,809	8,250	7,340	-	138,974
	478,009	200,177	(25,614)	237,152	-	889,724
<b>Other information</b>						
Segment assets	5,053,249	6,344,514	1,509,512	3,528,759	(5,030,544)	11,405,490
Investment in associated companies	74,191	1,171,167	108,932	1,056,426	-	2,410,716
<b>Total</b>	<b>5,127,440</b>	<b>7,515,681</b>	<b>1,618,444</b>	<b>4,585,185</b>	<b>(5,030,544)</b>	<b>13,816,206</b>
Segment liabilities	3,687,448	5,190,857	1,081,464	2,857,470	(5,030,544)	7,786,695
Net tax provision & deferred taxation	249,545	151,567	(411)	31,123	-	431,824
<b>Total</b>	<b>3,936,993</b>	<b>5,342,424</b>	<b>1,081,053</b>	<b>2,888,593</b>	<b>(5,030,544)</b>	<b>8,218,519</b>
<b>Net assets</b>	<b>1,190,447</b>	<b>2,173,257</b>	<b>537,391</b>	<b>1,696,592</b>	<b>-</b>	<b>5,597,687</b>
Capital expenditure	165,827	32,779	227,233	4,509	-	430,348
Depreciation and amortisation	65,049	15,471	46,469	449	-	127,438

#### GEOGRAPHICAL SEGMENT

	Singapore \$'000	Far East & Other ASEAN Countries \$'000	America \$'000	Other Countries \$'000	Elimination \$'000	Total \$'000
External sales	4,524,852	862,040	1,724,144	489,904	-	7,600,940
Segment assets	8,143,703	2,526,478	1,084,261	393,627	(742,579)	11,405,490
Capital expenditure	332,545	48,294	44,964	4,545	-	430,348

## 2005

### BUSINESS SEGMENT

	Offshore & Marine \$'000	Property \$'000	Infra- structure \$'000	Invest- ments \$'000	Elimina- tion \$'000	Total \$'000
<b>Revenue</b>						
External sales	4,111,658	847,506	671,533	57,672	-	5,688,369
Inter-segment sales	79	7,461	52,474	48,857	(108,871)	-
<b>Total</b>	<b>4,111,737</b>	<b>854,967</b>	<b>724,007</b>	<b>106,529</b>	<b>(108,871)</b>	<b>5,688,369</b>
<b>Results</b>						
Operating profit	318,449	194,652	(52,703)	(95)	6,441	466,744
Net investment income & interest income	24,525	1,176	1,995	16,661	(6,441)	37,916
Share of results of associated companies	7,636	26,095	33,618	254,160	-	321,509
Profit before tax & exceptional items	350,610	221,923	(17,090)	270,726	-	826,169
Exceptional items	(3,138)	(38,981)	(5,289)	49,332	-	1,924
Profit before taxation	347,472	182,942	(22,379)	320,058	-	828,093
Taxation	(74,729)	(40,347)	279	(38,514)	-	(153,311)
<b>Profit for the year</b>	<b>272,743</b>	<b>142,595</b>	<b>(22,100)</b>	<b>281,544</b>	<b>-</b>	<b>674,782</b>
Attributable to:						
Shareholders of Company						
Profit before						
exceptional items	238,810	117,706	(23,776)	230,945	-	563,685
Exceptional items	(3,138)	(39,539)	(5,203)	47,864	-	(16)
	235,672	78,167	(28,979)	278,809	-	563,669
Minority interests	37,071	64,428	6,879	2,735	-	111,113
	272,743	142,595	(22,100)	281,544	-	674,782
<b>Other information</b>						
Segment assets	3,893,052	6,367,185	1,184,061	3,894,296	(4,923,381)	10,415,213
Investment in associated companies	55,878	1,076,263	93,868	948,191	-	2,174,200
<b>Total</b>	<b>3,948,930</b>	<b>7,443,448</b>	<b>1,277,929</b>	<b>4,842,487</b>	<b>(4,923,381)</b>	<b>12,589,413</b>
Segment liabilities	3,000,233	5,263,613	682,409	3,272,083	(4,923,381)	7,294,957
Net tax provision & deferred taxation	191,767	131,365	6,628	30,054	-	359,814
<b>Total</b>	<b>3,192,000</b>	<b>5,394,978</b>	<b>689,037</b>	<b>3,302,137</b>	<b>(4,923,381)</b>	<b>7,654,771</b>
<b>Net assets</b>	<b>756,930</b>	<b>2,048,470</b>	<b>588,892</b>	<b>1,540,350</b>	<b>-</b>	<b>4,934,642</b>
Capital expenditure	149,037	7,506	298,079	1,556	-	456,178
Depreciation and amortisation	58,419	20,285	50,695	2,930	-	132,329

### GEOGRAPHICAL SEGMENT

	Singapore \$'000	Far East & Other ASEAN Countries \$'000	America \$'000	Other Countries \$'000	Elimination \$'000	Total \$'000
External sales	3,048,282	731,891	1,543,129	365,067	-	5,688,369
Segment assets	7,345,032	2,569,475	1,599,257	155,243	(1,253,794)	10,415,213
Capital expenditure	380,833	23,686	43,134	8,525	-	456,178

## 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. Keppel T&T's Logistics business has been reclassified from Investments division to Infrastructure division. Comparative figures have been adjusted to conform to the changes in presentation. 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 31 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 \$7,601 million was \$1,913 million or 34% higher than that of the previous year. Revenue from Offshore & Marine Division of \$5,755 million was \$1,643 million or 40% higher and accounted for 76% of Group revenue. The increased revenue was from increased contracts for rigbuilding, repairs and conversions. Property Division achieved revenue of \$1,155 million, \$308 million or 36% higher. The increased revenue was from increased sale of trading projects and higher rental income from investment properties. Revenue from Infrastructure Division of \$570 million was 15% below 2005 due mainly to lower sales for electricity trading.

### 14b. PATMI (before exceptional items) by Segments

Group PATMI of \$751 million was \$187 million or 33% higher than that of the previous year. The strong PATMI growth was driven by Offshore & Marine Division, showing an increase of 87% in earnings. Property Division registered lower earnings because of lower contribution from Keppel Bay. Infrastructure Division returned to profitability in the 4th quarter with the commercial operation of the power barges. However, the profit was not sufficient to reverse the first nine months' losses. Earnings from Investments were higher. Higher contribution from k1 Ventures and investment activities more than offset the lower contribution from SPC.

**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. (excluding transactions less than \$100,000)	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Transaction for the Sale of Goods and Services</b>				
National University Hospital	-	-	-	3,877
PSA Corporation Group	-	-	-	92
SembCorp Marine Group	-	-	2,067	165
SembCorp Industries Group	-	-	463	-
Singapore Power/PowerSeraya/Senoko Power/Tuas Power Group	-	-	12,000	-
Singapore Airlines Group	-	-	4,978	8
<b>Transaction for the Purchase of Goods and Services</b>				
Gas Supply Pte Ltd	-	-	9,000	-
Mapletree Investments Pte Ltd	-	-	492	362
Singapore Power/PowerSeraya/Senoko Power/Tuas Power Group	-	-	1,000	9,500
<b>Transaction for the Acquisition of Companies</b>				
Havelock Investment Pte Ltd	270	-	-	-
Hong Lim Investments Pte Ltd	-	8,533	-	-
<b>Total Interested Person Transactions</b>	<b>270</b>	<b>8,533</b>	<b>30,000</b>	<b>14,004</b>

**BY ORDER OF THE BOARD**

CAROLINE CHANG  
Company Secretary

30 January 2007