

OPERATIONS REVIEW

We continued our strategy of divesting our non-core businesses during the year. In 2002, total value unlocked by divestments amounted to S\$391 million.

Turnover from In Development businesses grew by 14 per cent, mainly attributable to better performance from the industrial parks and the sales from some of our Cairnhill property units.

Some of the key divestments made during the year include our disposal of our entire 75 per cent interest in Singapore Food Industries for S\$263 million completed in December. Other significant divestments included the sales of our remaining 20 per cent interest in Singapore Computer Systems, our 25.5 per cent interest in Jurong Technologies Industrial Corporation and our entire 50 per cent share in Neptune Associated Lines.

We also reduced our effective shareholding in Wuxi-Singapore Industrial Park Development from 54.9 per cent to 38.4 per cent. In addition, we also divested 81 per cent of our interest in SembPark Midland Management (formerly Zenith Development).

Pacific Internet performed well and is now profitable. In 2002, PATMI contribution from Pacific Internet was S\$2.1 million, a S\$3.9 million improvement over a net loss of S\$1.8 million in 2001. It celebrated its 7th Anniversary, introducing several new services to users including wireless broadband for enterprises and a web acceleration service.

OUTLOOK

We plan to keep up the pace of our divestments. There is an estimated S\$500 million to S\$600 million of value that may be unlocked from the divestment of our remaining non-core assets. It is our aim to continue recovering more value for our shareholders by monetising these assets at the best feasible prices.

