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## **KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

**18 July 2018**

The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the second quarter and half year ended 30 June 2018.

These figures have not been audited.

### **2Q & 1H 2018 RESULTS HIGHLIGHTS**

#### ***Keppel T&T nets higher profit of S\$26.0 million for 2Q 2018***

Keppel T&T reported a net profit of S\$26.0 million for 2Q 2018, up 138% from S\$10.9 million\* for 2Q 2017. On a half-year basis, net profit grew 60% yoy to S\$35.4 million for 1H 2018, from S\$22.2 million\* for 1H 2017. The increase was due mainly to dilution gain following Keppel DC REIT's private placement exercise, partly offset by higher operating costs to support new developments in the data centre and logistics businesses.

Revenue decreased by 5% yoy to S\$45.3 million for 2Q 2018 due mainly to lower project management fee income from the Data Centre Division and lower container throughput at Keppel T&T's ports in China. This was partly offset by higher revenue from warehousing and channel management business in Southeast Asia. 1H 2018 revenue remained stable at S\$88.1 million, compared to S\$88.3 million for 1H 2017.

Mr Thomas Pang (冯廷辉), CEO of Keppel T&T, said, "Our efforts to transform the Logistics business and grow the Data Centre business are progressing on track, as we position Keppel T&T to seize growth opportunities from the digitalisation wave for long term, sustainable growth.

"We are benefiting from our business model of capturing value from data centre development, ownership and management through our collaboration with Keppel Capital's Alpha DC Fund and Keppel DC REIT. Together, we have been actively pursuing opportunities to expand our portfolio in current as well as new markets across Asia and Europe. On the Logistics front, we have further extended our service offerings beyond B2B to capture the B2C segment through our full suite of omnichannel logistics and channel management solutions."

In the Data Centre Division, Keppel DC Singapore 4 achieved close to 60% committed occupancy upon the completion of phase 2 fit out, while Keppel DC Singapore 5 was added to the portfolio of quality data centres owned and/or managed by Keppel Data Centres. In Germany, Keppel Data Centres has partnered DE-CIX, the world's leading Internet Exchange operator to offer premium interconnection services at Keppel DC Frankfurt 1.

Through UrbanFox, the Logistics Division has been intensifying its sales efforts. Since its launch in October 2017, UrbanFox has made steady progress and secured over 110 brands for its online marketplace.

Keppel T&T achieved earnings per share of 4.6 cents for 2Q 2018 and 6.3 cents for 1H 2018, compared to 2.0 cents\* for 2Q 2017 and 4.0 cents\* for 1H 2017.

Keppel T&T's net asset value per ordinary share increased to S\$1.54 per share as at 30 June 2018, compared to S\$1.52 per share\* as at end-2017. Net gearing was 0.34x as at 30 June 2018, compared to 0.38x\* as at end-2017.

- End -

*\* The figures for 2017 have been restated following the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)s) on 1 January 2018.*

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**KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD**

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

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## Second Quarter 2018 Financial Statements

### 1 UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the second quarter and half year ended 30 June 2018.

#### 1(a) GROUP PROFIT AND LOSS ACCOUNT for the second quarter and half year ended 30 June 2018

	Second Quarter			Half Year		
	2018 \$'000	2017 \$'000 (Restated)	+ / (-) %	2018 \$'000	2017 \$'000 (Restated)	+ / (-) %
REVENUE	45,276	47,622	(4.9)	88,085	88,338	(0.3)
Operating expenses	(48,336)	(45,129)	7.1	(95,338)	(88,776)	7.4
Other income/(expense)	19,059	(96)	nm	19,825	1,162	>500.0
OPERATING PROFIT	15,999	2,397	>500.0	12,572	724	>500.0
Interest income	224	301	(25.6)	362	760	(52.4)
Interest expense	(2,585)	(3,018)	(14.3)	(5,140)	(6,020)	(14.6)
Share of results of associated companies and joint ventures	14,673	14,886	(1.4)	30,666	31,474	(2.6)
PROFIT BEFORE TAXATION	28,311	14,566	94.4	38,460	26,938	42.8
Taxation	(2,222)	(1,858)	19.6	(2,840)	(2,613)	8.7
PROFIT FOR THE PERIOD	<u>26,089</u>	<u>12,708</u>	105.3	<u>35,620</u>	<u>24,325</u>	46.4
Attributable to:						
Shareholders of the Company	25,960	10,919	137.8	35,390	22,183	59.5
Non-controlling interests	<u>129</u>	<u>1,789</u>	(92.8)	<u>230</u>	<u>2,142</u>	(89.3)
	<u>26,089</u>	<u>12,708</u>	105.3	<u>35,620</u>	<u>24,325</u>	46.4
Earnings per share						
- basic	4.6 cts	2.0 cts	130.0	6.3 cts	4.0 cts	57.5
- diluted	4.6 cts	2.0 cts	130.0	6.3 cts	4.0 cts	57.5

nm – not meaningful

**1(a) GROUP PROFIT AND LOSS ACCOUNT (cont'd)**  
**for the second quarter and half year ended 30 June 2018**

**Notes to Group Profit and Loss Account**

(i) Operating expenses/other income comprise the following:

	<b>Second Quarter</b>			<b>Half Year</b>		
	2018	2017	+/(-) %	2018	2017	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Purchase of goods and services <sup>(a)</sup>	14,052	11,967	17.4	27,673	23,910	15.7
Staff costs <sup>(b)</sup>	15,495	14,685	5.5	31,126	29,441	5.7
Share-based payment expenses	758	490	54.7	1,407	979	43.7
Depreciation of fixed assets <sup>(c)</sup>	5,164	5,237	(1.4)	10,354	10,177	1.7
Equipment rental and facilities expenses <sup>(d)</sup>	10,095	10,043	0.5	19,741	18,840	4.8
Other operating expenses	2,772	2,707	2.4	5,037	5,429	(7.2)
Operating expenses	48,336	45,129	7.1	95,338	88,776	7.4
Other income/(expense) <sup>(e)</sup>	19,059	(96)	nm	19,825	1,162	>500.0

nm – not meaningful

Notes:

- (a) Purchase of goods and services increased due mainly to higher transportation, contract labour and subcontract costs in Logistics Division.
- (b) Staff costs was higher due mainly to increase in headcount in Logistics and Data Centre Divisions to support new business opportunities and developments.
- (c) Depreciation for the first half year increased due mainly to higher depreciation charges on data centre equipment.
- (d) Equipment rental and facilities expenses increased due mainly to higher expenditure on property upkeep, lease rental and maintenance expense.
- (e) Other income for first half year increased due mainly to recognition of dilution gain arising from a change in the equity interest of an associated company and distributions received from other investments, partly offset by lower sundry income. During the second quarter of 2018, the Group recorded higher provision for doubtful debts and fair value loss on other investments.

**1(a) GROUP PROFIT AND LOSS ACCOUNT (cont'd)**  
**for the second quarter and half year ended 30 June 2018**

**Notes to Group Profit and Loss Account (cont'd)**

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

	<b>Second Quarter</b>			<b>Half Year</b>		
	2018	2017	+/(-) %	2018	2017	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Gain on disposal of fixed assets	(8)	(38)	(78.9)	(192)	(21)	>500.0
Gain on disposal of a subsidiary	-	-	nm	-	(2)	nm
Provision for/(write-back of) doubtful debts	575	(7)	nm	575	(11)	nm
Amortisation of intangible assets	264	208	26.9	462	418	10.5
Fair value loss on other investments	625	-	nm	625	-	nm
Dilution gain in an associated company	(19,595)	-	nm	(19,595)	-	nm
Distributions received from other investments	(1,120)	-	nm	(1,120)	-	nm
Foreign exchange loss/(gain)	101	(212)	nm	(69)	(326)	(78.8)

nm – not meaningful

(iii) Taxation expense in the second quarter 2018 included adjustment for under provision amounted to \$189,000 in respect of prior years (2Q 2017: nil).

**1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the second quarter and half year ended 30 June 2018**

	Second Quarter			Half Year		
	2018 \$'000	2017 \$'000 (Restated)	+ / (-) %	2018 \$'000	2017 \$'000 (Restated)	+ / (-) %
Profit for the period	26,089	12,708	105.3	35,620	24,325	46.4
<u>Items that may be reclassified</u> <u>subsequently to profit and loss</u> <u>account:</u>						
Available-for-sale financial assets						
- Fair value changes	679	(685)	nm	(1,596)	(614)	159.9
Cash flow hedge						
- Fair value changes	57	(110)	nm	99	(154)	nm
- Realised and transferred to profit and loss account	27	133	(79.7)	104	276	(62.3)
Foreign currency translation						
- Exchange differences arising on consolidation	(567)	(590)	(3.9)	1,941	(2,842)	nm
Share of other comprehensive income of associated companies						
- Cash flow hedge	830	(759)	nm	1,202	(802)	nm
- Available-for-sale financial assets	64	50	28.0	808	(24)	nm
- Foreign currency translation	(4,071)	1,419	nm	(1,767)	552	nm
Other comprehensive income for the period, net of tax	(2,981)	(542)	450.0	791	(3,608)	nm
Total comprehensive income for the period	23,108	12,166	89.9	36,411	20,717	75.8
Attributable to:						
Shareholders of the Company	23,188	10,473	121.4	35,454	19,390	82.8
Non-controlling interests	(80)	1,693	nm	957	1,327	(27.9)
	23,108	12,166	89.9	36,411	20,717	75.8

nm – not meaningful

**1(c)(i) BALANCE SHEETS as at 30 June 2018**

	<b>Group</b>			<b>Company</b>	
	30.6.2018 \$'000	31.12.2017 \$'000 (Restated)	1.1.2017 \$'000 (Restated)	30.6.2018 \$'000	31.12.2017 \$'000
Share capital	83,101	81,489	79,867	83,101	81,489
Reserves	778,299	765,742	728,047	198,489	211,711
Share capital and reserves	861,400	847,231	807,914	281,590	293,200
Non-controlling interests	116,002	113,499	111,363	-	-
Total equity	977,402	960,730	919,277	281,590	293,200
Represented by:					
<u>Non-current assets</u>					
Fixed assets	373,748	373,283	367,731	-	-
Investment properties	72,684	74,586	183,902	-	-
Investments					
Subsidiaries	-	-	-	138,141	138,141
Associated companies and joint ventures	833,546	820,823	693,498	25,974	25,974
Others	4,618	6,252	4,661	-	-
Intangibles	1,773	1,964	2,209	-	-
Long-term receivables	-	-	-	148,540	148,548
	1,286,369	1,276,908	1,252,001	312,655	312,663
<u>Current assets</u>					
Stocks	632	680	669	-	-
Debtors	92,679	70,127	60,090	2,557	1,442
Amounts owing by holding and related companies	1,398	725	324	32,475	39,928
Amounts owing by associated companies	41,770	62,006	29,317	-	-
Bank balances, deposits and cash	105,666	96,028	102,950	3,460	8,335
	242,145	229,566	193,350	38,492	49,705
Assets classified as held for sale (Note 1(c)(iv))	42,625	43,250	288,765	42,625	43,250
	284,770	272,816	482,115	81,117	92,955
<u>Current liabilities</u>					
Creditors	101,727	88,895	138,388	2,501	2,766
Amounts owing to holding and related companies	1,433	683	836	9,639	9,599
Amounts owing to associated companies	18,662	13,416	5,407	-	-
Short-term borrowings	88,305	115,423	72,762	-	-
Taxation	5,465	4,568	4,896	40	51
	215,592	222,985	222,289	12,180	12,416
Liabilities directly associated with assets classified as held for sale	-	-	115,002	-	-
	215,592	222,985	337,291	12,180	12,416
Net current assets	69,178	49,831	144,824	68,937	80,539
<u>Non-current liabilities</u>					
Long-term borrowings	353,013	341,964	456,003	100,000	100,000
Deferred taxation	10,558	11,642	9,980	2	2
Other non-current liabilities	14,574	12,403	11,565	-	-
	378,145	366,009	477,548	100,002	100,002
Net assets	977,402	960,730	919,277	281,590	293,200
Group net debt	335,652	361,359	482,249	n.a.	n.a.
Group net gearing ratio	0.34x	0.38x	0.52x	n.a.	n.a.



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

### Amount repayable in one year or less, or on demand

As at 30.6.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,178	87,127	2,657	112,766

### Amount repayable after one year

As at 30.6.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,908	348,105	5,543	336,421

The Group funds its operations from internal sources, banks and related companies.

### Details of any collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The Group has mortgaged certain properties and assets of up to an aggregate amount of \$9,005,000 (31 December 2017: \$56,357,000) to banks for loan facilities.

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

Group shareholders' funds increased by \$14.2 million to \$861.4 million as at 30 June 2018. This was mainly attributable to retained profits for the period, partly offset by dividends paid.

Group total assets of \$1,571.1 million as at 30 June 2018 were \$21.4 million higher than the previous year end. Fixed assets increased by \$0.5 million due mainly to capital expenditure for logistics facilities, partly offset by depreciation charge during the period. Associated companies and joint ventures increased by \$12.7 million due mainly to equity accounting for the share of profits and recognition of dilution gain arising from a change in the equity interest of an associated company, partly offset by dividends received. Current assets increased by \$12.0 million to \$284.8 million due mainly to increase in debtors, bank balances and deposits, partly offset by decrease in amounts owing by associated companies.

Group total liabilities of \$593.7 million as at 30 June 2018 increased by \$4.7 million compared to the previous year end due mainly to higher creditors and amounts owing to associated companies, partly offset by lower borrowings. Group total borrowings were \$441.3 million compared to \$457.4 million as at the previous year end.

#### 1(c)(iv) ASSETS CLASSIFIED AS HELD FOR SALE

The Company entered into a conditional sales and purchase agreement on 17 March 2017 for the sale of the Company's entire shareholding in Asia Airfreight Terminal ("AAT"). In accordance with FRS 105 – Non-current Assets Held for Sale and Discontinued Operations, the Group's carrying amount in AAT have been presented separately as "assets classified as held for sale" in the Group's consolidated balance sheet, as follows:

	30.6.2018	31.12.2017
	\$'000	\$'000
<u>Assets classified as held for sale</u>		
Other investments	<u>42,625</u>	<u>43,250</u>

**1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the second quarter and half year ended 30 June 2018**

	<b>Second Quarter</b>		<b>Half Year</b>	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating profit	15,999	2,397	12,572	724
Adjustments:				
Depreciation of fixed assets	5,164	5,237	10,354	10,177
Amortisation of intangible assets	264	208	462	418
Share-based payment expenses	758	490	1,407	979
Gain on disposal of fixed assets	(8)	(38)	(192)	(21)
Gain on disposal of a subsidiary	-	-	-	(2)
Fair value loss on other investments	625	-	625	-
Fixed assets written off	5	-	5	-
Gain on dilution of interest in an associated company	(19,595)	-	(19,595)	-
Distributions received from other investments	(1,120)	-	(1,120)	-
Operating cash flows before changes in working capital	2,092	8,294	4,518	12,275
Working capital changes:				
Stocks	(4)	(10)	48	30
Debtors	(11,292)	(6,371)	(24,930)	(13,771)
Creditors	12,980	(281)	16,241	(1,015)
Amount due to/from associated companies	3,370	(4,747)	8,287	2,128
Cash flows from operations	7,146	(3,115)	4,164	(353)
Interest received	215	319	356	631
Interest paid	(1,559)	(3,011)	(5,674)	(6,499)
Income taxes paid	(1,662)	(1,403)	(2,536)	(2,235)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>4,140</b>	<b>(7,210)</b>	<b>(3,690)</b>	<b>(8,456)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition from non-controlling interests	-	-	(252)	-
Addition to fixed assets	(645)	(5,847)	(6,181)	(14,766)
Addition to investment properties	-	(69,172)	-	(106,513)
Addition to intangible assets	(140)	(19)	(318)	(70)
Investment in an associated company	-	-	-	(18,000)
Proceeds from disposal of a subsidiary (Note A)	-	-	-	133,499
Proceeds from disposal of fixed assets	7	78	362	435
Shareholders loan and advances to associated companies	-	-	(11,634)	(11,545)
Repayment of advances from associated companies	37,500	11,545	37,500	11,545
Distributions received from other investments	1,120	-	1,120	-
Dividends received from associated companies	12,876	11,184	28,603	24,326
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>50,718</b>	<b>(52,231)</b>	<b>49,200</b>	<b>18,911</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from short-term loans	922	65,109	20,219	95,621
Repayment of short-term loans	(45,496)	-	(45,958)	(52,556)
Proceeds from long-term loans	67,898	2,568	75,634	3,705
Repayment of long-term loans	(63,371)	(57,894)	(65,316)	(58,833)
Repayment of lease liabilities	(54)	(54)	(108)	(108)
Dividends paid to shareholders of the Company	(19,569)	(25,113)	(19,569)	(25,113)
Dividends paid to non-controlling shareholder of subsidiaries	(1,182)	(125)	(1,182)	(1,010)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(60,852)</b>	<b>(15,509)</b>	<b>(36,280)</b>	<b>(38,294)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,994)</b>	<b>(74,950)</b>	<b>9,230</b>	<b>(27,839)</b>
Cash and cash equivalents as at beginning of period	111,841	172,436	96,028	126,516
Effect of exchange rate changes on cash and cash equivalents	(181)	(389)	408	(1,580)
<b>Cash and cash equivalents as at end of period (Note B)</b>	<b>105,666</b>	<b>97,097</b>	<b>105,666</b>	<b>97,097</b>

**1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)**  
**for the second quarter and half year ended 30 June 2018**

**Notes to Consolidated Statement of Cash Flows**

**A. Disposal of a subsidiary**

The assets and liabilities of a subsidiary disposed were as follows:

	<b>Second Quarter</b>		<b>Half Year</b>	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Fixed assets	-	-	-	19
Investment properties	-	-	-	225,000
Debtors	-	-	-	11,758
Amounts owing by a related company	-	-	-	11
Bank balances and cash	-	-	-	11,163
Creditors	-	-	-	(9,449)
Bank borrowings	-	-	-	(80,000)
Taxation	-	-	-	(8,880)
	-	-	-	149,622
Amount accounted for as amount owing from associated company	-	-	-	(100,000)
Net assets disposed	-	-	-	49,622
Net assets attributable to retained interest	-	-	-	(4,962)
Net assets attributable to interest disposed	-	-	-	44,660
Assignment of amount owing from associated company to purchaser	-	-	-	100,000
Net gain on disposal	-	-	-	2
Sale proceeds	-	-	-	144,662
Less: Bank balances and cash disposed	-	-	-	(11,163)
Cash inflow on disposal	-	-	-	133,499

**B. Cash and cash equivalents**

Cash and cash equivalents consist of fixed deposits, bank balances and cash. Cash and cash equivalents in the consolidated statement of cash flows comprise the following:

	<b>Second Quarter</b>		<b>Half Year</b>	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Bank balances, deposits and cash	105,666	97,097	105,666	97,097

## **1(d)(ii) CASH FLOW ANALYSIS**

### Second Quarter

Net cash from operating activities for the quarter was \$4.1 million compared to \$7.2 million net cash used in operating activities in the corresponding quarter last year due mainly to higher cash inflow for working capital requirements.

Net cash from investing activities for the quarter was \$50.7 million due largely to repayment of advances from an associated company and dividends received from associated companies.

Net cash used in financing activities for the quarter was \$60.9 million due mainly to repayment of loans, dividends paid to shareholders of the Company and non-controlling shareholder of subsidiaries.

### Half Year

Net cash used in operating activities was \$3.7 million compared to \$8.5 million net cash used in operating activities in the corresponding period last year. This was due mainly to higher cash inflow from operations after working capital changes.

Net cash from investing activities was \$49.2 million due mainly to repayment of advances from an associated company and dividends received from associated companies, partly offset by capital expenditure for logistics facilities and shareholders' loan and advances to associated companies.

Net cash used in financing activities was \$36.3 million due mainly to repayment of loans, dividends paid to shareholders of the Company and non-controlling shareholder of subsidiaries.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY**  
**for the second quarter and half year ended 30 June 2018**

	Attributable to owners of the Company						
	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
<b>Group</b>							
Balance at 31 December 2017 (Restated)	81,489	38,749	722,697	4,296	847,231	113,499	960,730
Adoption of SFRS(I) 9 (Note 5(b)(ii))	-	-	(1,069)	-	(1,069)	-	(1,069)
Balance at 1 January 2018	81,489	38,749	721,628	4,296	846,162	113,499	959,661
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	9,430	-	9,430	101	9,531
Other comprehensive income for the period *	-	(1,040)	-	3,876	2,836	936	3,772
<b>Total comprehensive income for the period</b>	-	(1,040)	9,430	3,876	12,266	1,037	13,303
<b>Transactions with owners, recognised directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Issue of shares	1,594	(1,594)	-	-	-	-	-
Cost of share-based payment	-	610	-	-	610	-	610
Total contributions by and distributions to owners	1,594	(984)	-	-	610	-	610
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of non-controlling interests without change in control	-	(2,001)	-	-	(2,001)	1,749	(252)
Total changes in ownership interests in subsidiaries	-	(2,001)	-	-	(2,001)	1,749	(252)
<b>Total transactions with owners</b>	1,594	(2,985)	-	-	(1,391)	1,749	358
<b>Share of reserves of associated companies</b>	-	78	-	-	78	-	78
Balance at 31 March 2018	83,083	34,802	731,058	8,172	857,115	116,285	973,400

\* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**  
**for the second quarter and half year ended 30 June 2018**

	Attributable to owners of the Company						
	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
<b>Group</b>							
Balance at 31 March 2018	83,083	34,802	731,058	8,172	857,115	116,285	973,400
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	25,960	-	25,960	129	26,089
Other comprehensive income for the period *	-	1,657	-	(4,429)	(2,772)	(209)	(2,981)
<b>Total comprehensive income for the period</b>	-	1,657	25,960	(4,429)	23,188	(80)	23,108
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of shares	18	(18)	-	-	-	-	-
Cost of share-based payment	-	611	-	-	611	-	611
Dividend paid to non-controlling shareholders	-	-	-	-	-	(203)	(203)
Dividend paid for 2017	-	-	(19,569)	-	(19,569)	-	(19,569)
Total contributions by and distributions to owners	18	593	(19,569)	-	(18,958)	(203)	(19,161)
<b>Total transactions with owners</b>	18	593	(19,569)	-	(18,958)	(203)	(19,161)
<b>Share of reserves of associated companies</b>	-	55	-	-	55	-	55
Balance at 30 June 2018	83,101	37,107	737,449	3,743	861,400	116,002	977,402

\* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**  
**for the second quarter and half year ended 30 June 2018**

	Attributable to owners of the Company						Total Equity \$'000
	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non- Controlling Interests \$'000	
<b>Group (Restated)</b>							
Balance at 1 January 2017	79,867	36,015	692,032	-	807,914	111,363	919,277
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	11,264	-	11,264	353	11,617
Other comprehensive income for the period *	-	53	-	(2,400)	(2,347)	(719)	(3,066)
<b>Total comprehensive income for the period</b>	-	53	11,264	(2,400)	8,917	(366)	8,551
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of shares	1,622	(1,622)	-	-	-	-	-
Cost of share-based payment	-	454	-	-	454	-	454
Total contributions by and distributions to owners	1,622	(1,168)	-	-	454	-	454
<b>Total transactions with owners</b>	1,622	(1,168)	-	-	454	-	454
<b>Share of reserves of associated companies</b>	-	39	-	-	39	-	39
Balance at 31 March 2017	81,489	34,939	703,296	(2,400)	817,324	110,997	928,321

\* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.



**1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**  
**for the second quarter and half year ended 30 June 2018**

	Attributable to owners of the Company						
	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
<b>Group</b>							
<b>(Restated)</b>							
Balance at 31 March 2017	81,489	34,939	703,296	(2,400)	817,324	110,997	928,321
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	10,919	-	10,919	1,789	12,708
Other comprehensive income for the period *	-	(1,371)	-	925	(446)	(96)	(542)
<b>Total comprehensive income for the period</b>	-	(1,371)	10,919	925	10,473	1,693	12,166
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Cost of share-based payment	-	454	-	-	454	-	454
Dividend paid to non-controlling shareholders	-	-	-	-	-	(125)	(125)
Dividend paid for 2016	-	-	(25,113)	-	(25,113)	-	(25,113)
Total contributions by and distributions to owners	-	454	(25,113)	-	(24,659)	(125)	(24,784)
<b>Total transactions with owners</b>	-	454	(25,113)	-	(24,659)	(125)	(24,784)
<b>Share of reserves of associated companies</b>	-	(17)	-	-	(17)	-	(17)
Balance at 30 June 2017	81,489	34,005	689,102	(1,475)	803,121	112,565	915,686

\* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**  
**for the second quarter and half year ended 30 June 2018**

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Total Equity \$'000
<b><u>Company</u></b>				
Balance at 1 January 2018	81,489	7,175	204,536	293,200
Loss for the period, representing total comprehensive income for the period	-	-	(333)	(333)
<b><i>Transactions with owners, recognised directly in equity</i></b>				
Issue of shares	1,594	(1,594)	-	-
Cost of share-based payment	-	610	-	610
<b>Total transactions with owners</b>	<b>1,594</b>	<b>(984)</b>	<b>-</b>	<b>610</b>
Balance at 31 March 2018	83,083	6,191	204,203	293,477
Profit for the period, representing total comprehensive income for the period	-	-	7,071	7,071
<b><i>Transactions with owners, recognised directly in equity</i></b>				
Issue of shares	18	(18)	-	-
Cost of share-based payment	-	611	-	611
Dividend paid for 2017	-	-	(19,569)	(19,569)
<b>Total transactions with owners</b>	<b>18</b>	<b>593</b>	<b>(19,569)</b>	<b>(18,958)</b>
Balance at 30 June 2018	<b>83,101</b>	<b>6,784</b>	<b>191,705</b>	<b>281,590</b>
Balance at 1 January 2017	79,867	6,477	149,099	235,443
Loss for the period, representing total comprehensive income for the period	-	-	(405)	(405)
<b><i>Transactions with owners, recognised directly in equity</i></b>				
Issue of shares	1,622	(1,622)	-	-
Cost of share-based payment	-	454	-	454
<b>Total transactions with owners</b>	<b>1,622</b>	<b>(1,168)</b>	<b>-</b>	<b>454</b>
Balance at 31 March 2017	81,489	5,309	148,694	235,492
Profit for the period, representing total comprehensive income for the period	-	-	10,928	10,928
<b><i>Transactions with owners, recognised directly in equity</i></b>				
Cost of share-based payment	-	454	-	454
Dividend paid for 2016	-	-	(25,113)	(25,113)
<b>Total transactions with owners</b>	<b>-</b>	<b>454</b>	<b>(25,113)</b>	<b>(24,659)</b>
Balance at 30 June 2017	<b>81,489</b>	<b>5,763</b>	<b>134,509</b>	<b>221,761</b>

## 1(e)(ii) SHARE CAPITAL

### Issued share capital and treasury shares

	<u>Number of shares</u>
Balance at 1 January 2018	558,066,383
Issue of shares under restricted share plan	<u>1,034,555</u>
Balance at 31 March 2018	559,100,938
Issue of shares under restricted share plan	<u>11,722</u>
Balance at 30 June 2018	<u><u>559,112,660</u></u>

As at 30 June 2018, the number of ordinary shares in issue was 559,112,660 of which none were held by the Company as treasury shares (30 June 2017: 558,066,383 ordinary shares of which none were held as treasury shares; 31 December 2017: 558,066,383 ordinary shares of which none were held as treasury shares).

### Share Options

As at 30 June 2018, there were unexercised options for 115,000 (30 June 2017: 385,000) of unissued ordinary shares under the Company's Share Option Scheme.

### KT&T Restricted Share Plan ("KT&T RSP")

As at 30 June 2018, there was no contingent shares granted and not released (30 June 2017: Nil) for KT&T Restricted Share Plan ("KT&T RSP").

As at 30 June 2018, the number of restricted shares released but not vested was 1,228,719 (30 June 2017: 1,032,115) for KT&T RSP.

### KT&T Performance Share Plan ("KT&T PSP")

As at 30 June 2018, the number of contingent shares granted and not released was 830,000 (30 June 2017: 740,000) for KT&T Performance Share Plan ("KT&T PSP"). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 1,245,000 ordinary shares of the Company for KT&T PSP.

The movements in number of shares under KT&T RSP and PSP are as follows:

### Contingent awards:

Date of Grant	Number of Shares					At 30.6.18
	At 1.1.18	Contingent shares granted	Adjustment upon release	Released	Cancelled	
<b>KT&amp;T RSP</b>						
23.2.18	-	1,337,715	-	(1,337,715)	-	-
	-	<u>1,337,715</u>	-	<u>(1,337,715)</u>	-	-
<b>KT&amp;T PSP</b>						
10.4.15	240,000	-	(240,000)	-	-	-
29.4.16	270,000	-	-	-	-	270,000
28.4.17	230,000	-	-	-	-	230,000
30.4.18	-	330,000	-	-	-	330,000
	<u>740,000</u>	<u>330,000</u>	<u>(240,000)</u>	<u>-</u>	<u>-</u>	<u>830,000</u>

**1(e)(ii) SHARE CAPITAL (cont'd)**

Awards released but not vested:

Date of Grant	Number of Shares				
	At 1.1.18	Released	Vested	Cancelled	At 30.6.18
<u>KT&amp;T RSP</u>					
10.4.15	262,000	-	(262,000)	-	-
29.4.16	679,315	-	(338,400)	(2,700)	338,215
23.2.18	-	1,337,715	(445,877)	(1,334)	890,504
	<u>941,315</u>	<u>1,337,715</u>	<u>(1,046,277)</u>	<u>(4,034)</u>	<u>1,228,719</u>

**2. AUDIT**

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

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2017, except as disclosed in paragraph 5.

**5. CHANGES IN ACCOUNTING POLICIES**

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the IFRS, Singapore Financial Reporting Standards (International) (SFRS(I)s), for annual periods beginning on or after 1 January 2018.

The Group has presented share of taxation of associated companies under share of results of associates companies instead of taxation.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of IFRS. In addition, the Group has also adopted the following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018 as follows:

- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration

## 5. CHANGES IN ACCOUNTING POLICIES (cont'd)

The adoption of these amendments did not have any significant impact on the financial performance or position of the Group except for the following:

### a) Application of SFRS(I) 1 First Time Adoption of SFRS(I)

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, foreign currency translation account and revenue reserve as at 1 January 2017 was increased/reduced by \$19,441,000 respectively.

Foreign currency translation account and revenue reserve as at 31 December 2017 was increased/reduced by \$16,449,000 respectively as the translation losses that arose before the date of transition to SFRS(I) were excluded from the gains on disposal in the prior year.

### b) Adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

#### (i) Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of certain equity investments not held for trading and previously classified as available-for-sale in other comprehensive income.

#### (ii) Impairment of financial assets

Trade and other receivables and loans to related parties was subjected to expected credit loss impairment model under SFRS(I) 9. As a result, allowance for impairment of trade receivables and opening revenue reserve as at 1 January 2018 was increased/reduced by \$1,069,000 respectively arising from the application of the expected credit loss model.

### c) Adoption of SFRS(I) 15 Revenue from Contracts with Customers

In accordance with the requirements of SFRS(I) 1, certain of the Group's associated companies will adopt SFRS(I) 15 retrospectively. The Group has adjusted its investment in associates and share of results of associated companies in line with the adoption.

## 5. CHANGES IN ACCOUNTING POLICIES (cont'd)

### d) Comparatives

The following comparative figures that have been restated with significant impact arising from the adoption of SFRS(I) described above are summarised below:

	<b>Second Quarter 2017</b>		<b>Half Year 2017</b>	
<b>Group Profit and Loss Account and Consolidated Statement of Comprehensive Income</b>	Reported under SFRS \$'000	Reported under SFRS(I) \$'000	Reported under SFRS \$'000	Reported under SFRS(I) \$'000
Share of results of associated companies and joint ventures (net of tax)	14,251	14,886	31,147	31,474
<b>Profit for the period</b>	<b>12,073</b>	<b>12,708</b>	<b>23,998</b>	<b>24,325</b>
<u>Attributable to:</u>				
Shareholders of the Company	10,284	10,919	21,856	22,183
Non-controlling interests	1,789	1,789	2,142	2,142
	<b>12,073</b>	<b>12,708</b>	<b>23,998</b>	<b>24,325</b>
Earnings per share				
- basic	1.8 cts	2.0 cts	3.9 cts	4.0 cts
- diluted	1.8 cts	2.0 cts	3.9 cts	4.0 cts
<b>Total comprehensive income for the period</b>	<b>11,531</b>	<b>12,166</b>	<b>20,390</b>	<b>20,717</b>
<u>Attributable to:</u>				
Shareholders of the Company	9,838	10,473	19,063	19,390
Non-controlling interests	1,693	1,693	1,327	1,327
	<b>11,531</b>	<b>12,166</b>	<b>20,390</b>	<b>20,717</b>

<b>Group Consolidated Balance Sheets</b>	Note	As at 31.12.2017 reported under SFRS \$'000	Effect of transition to SFRS(I) \$'000	As at 31.12.2017 restated under SFRS(I) \$'000	As at 1.1.2017 reported under SFRS \$'000	Effect of transition to SFRS(I) \$'000	As at 1.1.2017 restated under SFRS(I) \$'000
<b><u>Equity</u></b>							
Revenue reserve	5a 5c	726,621	(16,449) 12,525	722,697	700,223	(19,441) 11,250	692,032
Foreign currency translation account	5a	(12,153)	16,449	4,296	(19,441)	19,441	-
<b>Total equity</b>		<b>948,205</b>		<b>960,730</b>	<b>908,027</b>		<b>919,277</b>
<b><u>Non-current assets</u></b>							
Associated companies and joint ventures	5c	808,298	12,525	820,823	682,248	11,250	693,498
<b>Total non-current assets</b>		<b>1,264,383</b>		<b>1,276,908</b>	<b>1,240,751</b>		<b>1,252,001</b>
<b>Net assets</b>		<b>948,205</b>		<b>960,730</b>	<b>908,027</b>		<b>919,277</b>

## 6. EARNINGS PER ORDINARY SHARE

	G R O U P					
	Second Quarter			Half Year		
	2018	2017 (Restated)	+/(-) %	2018	2017 (Restated)	+/(-) %
Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders of the Company:-						
(i) Based on the weighted average number of shares (cents)	4.6	2.0	130.0	6.3	4.0	57.5
- Weighted average number of shares ('000)	558,932	557,893	0.2	558,932	557,893	0.2
(ii) On a fully diluted basis (cents)	4.6	2.0	130.0	6.3	4.0	57.5
- Adjusted weighted average number of shares ('000)	560,248	559,500	0.1	560,248	559,500	0.1

## 7. NET ASSET VALUE

	G R O U P			C O M P A N Y		
	30.6.2018	31.12.2017 (Restated)	+/(-) %	30.6.2018	31.12.2017	+/(-) %
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$)	1.54	1.52	1.3	0.50	0.53	(5.7)

## 8. REVIEW OF GROUP PERFORMANCE

### Second Quarter and Half Year

Group revenue in the second quarter was 5% lower at \$45.3 million compared to the corresponding period in 2017 due mainly to lower data centre project management fee income and container throughput from the China port operations, partly offset by higher revenue generated from warehousing and channel management business. Revenue during the first half year was comparable to the corresponding period in 2017.

Operating profit for the second quarter and first half year increased by \$13.6 million and \$11.8 million to \$16.0 million and \$12.6 million respectively due largely to gain on dilution of interest in an associated company, partly offset by higher operating costs and manpower employed to support new developments in the data centre business and logistics operations.

Profit before taxation for the second quarter and first half year increased by 94% and 43% to \$28.3 million and \$38.5 million respectively due mainly to higher profits at operating level. Contribution from its associated companies for the second quarter and first half year remained stable when compared to the corresponding periods in 2017.

After taking into account taxation and non-controlling interests, the Group's net profit attributable to shareholders for the second quarter and first half year increased by \$15.0 million and \$13.2 million to \$26.0 million and \$35.4 million respectively.

**9. VARIANCE FROM FORECAST STATEMENT**

No forecast for the half year ended 30 June 2018 was previously provided.

**10. PROSPECTS**

The Data Centre Division has partnered DE-CIX, the world's leading Internet Exchange operator in Germany, to offer premium interconnection services at Keppel DC Frankfurt 1. In Singapore, Keppel DC Singapore 4 secured close to 60% committed occupancy upon the completion of phase 2 fit out. Keppel DC REIT has completed the acquisition of Keppel DC Singapore 5, a data centre with lettable area of 98,769 sq ft on 12 June 2018. Keppel Data Centres Holding is now the facility manager and master lessee of the asset. To further expand its portfolio, it is ardently pursuing opportunities at home, in Asia and Europe.

As part of its transformation journey to develop new revenue streams, the Logistics Division continues to intensify its sales efforts and has secured over 110 brands on UrbanFox's marketplace. This has further extended its service offerings beyond B2B to capture the B2C segment through its channel management services. The Division is now preparing to introduce the omni-channel services to regional markets where it already has presence. The strategic review of its China logistics portfolio is ongoing.

The Group will continue to seek opportunities to expand and strengthen its businesses.

**11. DIVIDENDS**

**(a) Current Financial Period Reported On**

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

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

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

**(c) Date Payable**

Not applicable.

**(d) Books Closure Date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared for the quarter ended 30 June 2018 (30 June 2017: Nil).



### 13. SEGMENT ANALYSIS

Half Year ended 30 June 2018

By business segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	69,415	18,670	-	-	88,085
Inter-segment sales	55	-	-	(55)	-
Total	<u>69,470</u>	<u>18,670</u>	<u>-</u>	<u>(55)</u>	<u>88,085</u>
<u>Segment results</u>					
Operating (loss)/profit	(3,303)	21,636	(5,761)	-	12,572
Interest income	160	160	1,455	(1,413)	362
Interest expense	(1,605)	(3,535)	(1,413)	1,413	(5,140)
Share of results of associated companies and joint ventures	(432)	17,146	13,952	-	30,666
(Loss)/profit before taxation	(5,180)	35,407	8,233	-	38,460
Taxation	(1,175)	(1,566)	(99)	-	(2,840)
(Loss)/profit for the period	<u>(6,355)</u>	<u>33,841</u>	<u>8,134</u>	<u>-</u>	<u>35,620</u>
Attributable to:					
Shareholders of the Company	(5,954)	33,270	8,074	-	35,390
Non-controlling interests	(401)	571	60	-	230
	<u>(6,355)</u>	<u>33,841</u>	<u>8,134</u>	<u>-</u>	<u>35,620</u>
<u>Other Information</u>					
Segment assets	578,764	774,548	548,131	(330,304)	1,571,139
Segment liabilities	(319,228)	(381,786)	(223,027)	330,304	(593,737)
Net assets	<u>259,536</u>	<u>392,762</u>	<u>325,104</u>	<u>-</u>	<u>977,402</u>
Investment in associated companies and joint ventures	26,542	530,092	276,912	-	833,546
Additions to non-current assets	7,317	267	5	-	7,589
Depreciation and amortisation	10,162	606	48	-	10,816

By geographical information

	Singapore \$'000	China \$'000	ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	46,125	25,388	9,856	6,716	88,085
Non-current assets	835,357	257,734	47,334	145,944	1,286,369

Information about major customers

For the half year ended 30 June 2018, revenue of \$15,262,000 was derived from an associated company in the Data Centre segment for the provision of data centre facility management services.

### 13. SEGMENT ANALYSIS (cont'd)

Half Year ended 30 June 2017

By business segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000 (Restated)
<u>Revenue</u>					
External sales	69,546	18,792	-	-	88,338
Inter-segment sales	82	-	-	(82)	-
Total	<u>69,628</u>	<u>18,792</u>	<u>-</u>	<u>(82)</u>	<u>88,338</u>
<u>Segment results</u>					
Operating profit/(loss)	1,992	4,383	(5,651)	-	724
Interest income	283	356	1,359	(1,238)	760
Interest expense	(1,770)	(3,922)	(1,566)	1,238	(6,020)
Share of results of associated companies and joint ventures	(192)	15,035	16,631	-	31,474
Profit before taxation	313	15,852	10,773	-	26,938
Taxation	(1,461)	(1,093)	(59)	-	(2,613)
(Loss)/profit for the period	<u>(1,148)</u>	<u>14,759</u>	<u>10,714</u>	<u>-</u>	<u>24,325</u>
Attributable to:					
Shareholders of the Company	(1,889)	13,421	10,651	-	22,183
Non-controlling interests	741	1,338	63	-	2,142
	<u>(1,148)</u>	<u>14,759</u>	<u>10,714</u>	<u>-</u>	<u>24,325</u>
<u>Other Information</u>					
Segment assets	574,518	851,702	516,006	(354,512)	1,587,714
Segment liabilities	(285,910)	(465,990)	(274,640)	354,512	(672,028)
Net assets	<u>288,608</u>	<u>385,712</u>	<u>241,366</u>	<u>-</u>	<u>915,686</u>
Investment in associated companies and joint ventures	26,762	431,558	266,390	-	724,710
Additions to non-current assets	18,244	90,822	51	-	109,117
Depreciation and amortisation	10,193	381	21	-	10,595

By geographical information

	Singapore \$'000	China \$'000	ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	45,444	27,828	8,734	6,332	88,338
Non-current assets	786,852	237,713	45,759	107,754	1,178,078

Information about major customers

For the half year ended 30 June 2017, revenue of \$12,913,000 was derived from an associated company in the Data Centre segment for the provision of data centre facility management services.

### **13. SEGMENT ANALYSIS (cont'd)**

Notes:

- (a) The Group is organised into business units based on their products and services, and has three reportable operating segments namely Logistics, Data Centre and Investments. The Logistics segment offers one-stop logistics solutions to help customers manage their entire supply chain which includes integrated logistics port operations, third-party logistics services, supply chain solutions, warehousing, distribution, container storage and repairs, channel management, last mile delivery and freight forwarding services. The Data Centre segment provides data centre co-location services, business continuity, disaster recovery, facility management and other value-added services. The Investments segment is the investment holding arm for various entities not within the Logistics and Data Centre segments.
- (b) Pricing of inter-segment sales is at fair market value.
- (c) Segment assets and liabilities are those used in the operation of each segment.
- (d) Other than Singapore, China and Vietnam, no single country accounted for 10% or more of the Group's revenue for the half year ended 30 June 2018 and 30 June 2017.

### **14. REVIEW OF SEGMENT PERFORMANCE**

Logistics Division's revenue of \$69.5 million decreased marginally by \$0.2 million compared to the same period last year due mainly to lower container throughput from China operations, partly offset by higher revenue from warehousing and channel management in Southeast Asia. Operating loss was \$3.3 million due mainly to higher overheads incurred on the development of new channel management business. Share of loss from associated companies was \$0.4 million. After taking into account taxation and non-controlling interests, net loss attributable to shareholders was \$6.0 million.

Data Centre Division's revenue of \$18.7 million was comparable to the same period last year as lower project management fee income had been offset by higher facility management fee income during the period. Operating profit at \$21.6 million, increased by \$17.3 million compared to the same period last year due mainly to recognition of dilution gain in an associated company, Keppel DC REIT, as a result of private placement on 7 May 2018. Share of profits from associated companies increased by \$2.1 million to \$17.1 million. Net profit attributable to shareholders of \$33.3 million increased by \$19.8 million compared to same period last year after taking into account taxation and non-controlling interests.

Investments Division's profit before taxation of \$8.2 million decreased by \$2.5 million compared to the same period last year due mainly to lower contribution from associated companies, partly offset by investment income from other investments and lower net interest expense. Consequently, net profit attributable to shareholders was lower at \$8.1 million.

## 15. INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 18 April 2018. During the financial period, the following interested person transactions were entered into by the Group:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
	2018 6 Months \$'000	2017 6 Months \$'000	2018 6 Months \$'000	2017 6 Months \$'000
<u>General Transactions</u>				
Keppel Corporation Limited Group	257	309	3,220	9,585
Singapore Telecommunications Limited Group	-	-	386	1,274
Singapore Technologies Engineering Group	-	-	99	167
Singapore Power Limited Group	-	-	83	801
Sembcorp Industries Group	-	-	-	133
<u>Treasury Transactions</u>				
Keppel Corporation Limited Group				
- Deposits outstanding at period-end	-	-	38,818	32,055
- Interest income / Interest expense and related charges / Foreign exchange transactions	-	-	425	49,424
<u>Management Services</u>				
Keppel Corporation Limited Group	-	-	1,267	3,296
	257	309	44,298	96,735

## 16. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

### BY ORDER OF THE BOARD

KENNY LEE  
Company Secretary  
18 July 2018

### Confirmation by the Board

We, LOH CHIN HUA and NEO BOON SIONG being two directors of Keppel Telecommunications & Transportation Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the second quarter 2018 financial statements to be false or misleading in any material respect.

On behalf of the board of directors



LOH CHIN HUA  
Chairman

Singapore, 18 July 2018



NEO BOON SIONG  
Director