

## KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

19 July 2017

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 2017.

These figures have not been audited.

### 1H FY2017 RESULTS HIGHLIGHTS

1. Revenue decreased by 10% to \$88.3 million compared to 1H FY2016.
2. Net profit attributable to shareholders during the period decreased by 32% to \$21.9 million compared to 1H FY2016 due mainly to lower contribution from Data Centre Division arising from the disposal of subsidiaries and weaker performance from Logistics Division. Share of profits from the associated companies for 1H FY2017 increased marginally to \$36.1 million.
3. Earnings per share for 1H FY2017 was 3.9 cents.
4. Net asset value per ordinary share was \$1.42 per share compared to \$1.43 per share at December 2016.
5. Net gearing was 0.46x compared to 0.53x at December 2016.

**For more information, please contact:**

#### Media

Ang Lai Lee (Mr)  
Assistant General Manager  
Group Corporate Communications  
Keppel Corporation Limited  
Tel: +65 6413 6427 / +65 8233 9299  
Email: [lailee.ang@kepcorp.com](mailto:lailee.ang@kepcorp.com)

#### Investor Relations

Ivana Chua (Ms)  
Assistant General Manager  
Group Corporate Communications  
Keppel Corporation Limited  
Tel: +65 6413 6436  
Email: [ivana.chua@kepcorp.com](mailto:ivana.chua@kepcorp.com)

This press release is also available at [www.kepcorp.com](http://www.kepcorp.com) and [www.keppeltt.com.sg](http://www.keppeltt.com.sg).

## KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

### SECOND QUARTER 2017 FINANCIAL STATEMENTS

#### TABLE OF CONTENTS

<u>Paragraph</u>	<u>Description</u>	<u>Page</u>
1(a)	GROUP PROFIT AND LOSS ACCOUNT .....	1
1(b)	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	3
1(c)(i)	BALANCE SHEETS .....	4
1(d)(i)	CONSOLIDATED STATEMENT OF CASH FLOWS .....	7
1(e)(i)	STATEMENTS OF CHANGES IN EQUITY .....	10
2	AUDIT .....	16
3	AUDITORS' REPORT .....	16
4	ACCOUNTING POLICIES .....	16
5	CHANGES IN ACCOUNTING POLICIES .....	16
6	EARNINGS PER ORDINARY SHARE .....	17
7	NET ASSET VALUE .....	17
8	REVIEW OF GROUP PERFORMANCE .....	17
9	VARIANCE FROM FORECAST STATEMENT .....	18
10	PROSPECTS .....	18
11 & 12	DIVIDENDS .....	18
13	SEGMENT ANALYSIS .....	19
14	REVIEW OF SEGMENT PERFORMANCE .....	21
15	INTERESTED PERSON TRANSACTIONS .....	22
16	CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS .....	22
	CONFIRMATION BY THE BOARD .....	23

## Second Quarter 2017 Financial Statements

### 1 UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

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 2017.

#### 1(a) GROUP PROFIT AND LOSS ACCOUNT for the second quarter and half year ended 30 June 2017

	Second Quarter			Half Year		
	2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
REVENUE	47,622	50,178	(5.1)	88,338	98,446	(10.3)
Operating expenses	(45,606)	(43,835)	4.0	(89,253)	(87,755)	1.7
Other income	381	1,970	(80.7)	1,639	4,317	(62.0)
OPERATING PROFIT	2,397	8,313	(71.2)	724	15,008	(95.2)
Interest income	301	371	(18.9)	760	778	(2.3)
Interest expense	(3,018)	(3,110)	(3.0)	(6,020)	(6,551)	(8.1)
Share of results of associated companies and joint ventures	16,647	19,631	(15.2)	36,131	35,668	1.3
PROFIT BEFORE TAXATION	16,327	25,205	(35.2)	31,595	44,903	(29.6)
Taxation	(4,254)	(4,164)	2.2	(7,597)	(8,919)	(14.8)
PROFIT FOR THE PERIOD	<u>12,073</u>	<u>21,041</u>	(42.6)	<u>23,998</u>	<u>35,984</u>	(33.3)
Attributable to:						
Shareholders of the Company	10,284	18,808	(45.3)	21,856	32,121	(32.0)
Non-controlling interests	1,789	2,233	(19.9)	2,142	3,863	(44.6)
	<u>12,073</u>	<u>21,041</u>	(42.6)	<u>23,998</u>	<u>35,984</u>	(33.3)
Earnings per share						
- basic	1.8 cts	3.4 cts	(47.1)	3.9 cts	5.8 cts	(32.8)
- diluted	1.8 cts	3.4 cts	(47.1)	3.9 cts	5.7 cts	(31.6)

**1(a) GROUP PROFIT AND LOSS ACCOUNT (cont'd)  
for the second quarter and half year ended 30 June 2017**

**Notes to Group Profit and Loss Account**

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

	<u>Second Quarter</u>			<u>Half Year</u>		
	2017 \$'000	2016 \$'000	+ /(-) %	2017 \$'000	2016 \$'000	+ /(-) %
Purchase of goods and services <sup>(a)</sup>	11,709	10,891	7.5	24,387	23,209	5.1
Staff costs	14,335	15,047	(4.7)	29,091	29,968	(2.9)
Share-based payment expenses	490	617	(20.6)	979	1,275	(23.2)
Depreciation of fixed assets <sup>(b)</sup>	5,237	4,379	19.6	10,177	8,782	15.9
Equipment rental and facilities expenses <sup>(c)</sup>	10,778	10,002	7.8	18,840	18,578	1.4
Other operating expenses	3,057	2,899	5.5	5,779	5,943	(2.8)
Operating expenses	<u>45,606</u>	<u>43,835</u>	4.0	<u>89,253</u>	<u>87,755</u>	1.7
Other income <sup>(d)</sup>	<u>381</u>	<u>1,970</u>	(80.7)	<u>1,639</u>	<u>4,317</u>	(62.0)

Notes:

- (a) Purchase of goods and services increased due mainly to expenses incurred by new subsidiary and higher transportation costs in Logistics Division.
- (b) Depreciation increased due mainly to additional depreciation charges from new facilities in Logistics Division.
- (c) Equipment rental and facilities expenses increased due mainly to higher data centre maintenance expense.
- (d) Other income decreased due mainly to lower distributions received from other investments and sundry income.

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

	<u>Second Quarter</u>			<u>Half Year</u>		
	2017 \$'000	2016 \$'000	+ /(-) %	2017 \$'000	2016 \$'000	+ /(-) %
(Gain)/loss on disposal of fixed assets	(38)	14	nm	(21)	14	nm
Gain on disposal of a subsidiary	-	-	nm	(2)	-	nm
Write-back of provision for doubtful debts	(7)	(14)	(50.0)	(11)	(19)	(42.1)
Amortisation of intangible assets	208	-	nm	418	-	nm
Foreign exchange gain	(212)	(44)	381.8	(326)	(339)	(3.8)

(iii) There was no adjustment made to the taxation expense for the quarter in respect of prior years (2Q 2016: over-provision of taxation of \$682,000).

nm – not meaningful

**1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the second quarter and half year ended 30 June 2017**

	Second Quarter			Half Year		
	2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
Profit for the period	12,073	21,041	(42.6)	23,998	35,984	(33.3)
<u>Items that may be reclassified subsequently to profit and loss account:</u>						
Available-for-sale financial assets						
- Fair value changes	(685)	283	nm	(614)	(4,696)	(86.9)
Cash flow hedge						
- Fair value changes	(110)	(298)	(63.1)	(154)	(498)	(69.1)
- Realised and transferred to profit and loss account	133	122	9.0	276	194	42.3
Foreign currency translation						
- Exchange differences arising on consolidation	(590)	(3,314)	(82.2)	(2,842)	(10,445)	(72.8)
Share of other comprehensive income of associated companies						
- Cash flow hedge	(759)	(397)	91.2	(802)	(1,131)	(29.1)
- Available-for-sale financial assets	50	-	nm	(24)	-	nm
- Foreign currency translation	1,419	(4,527)	nm	552	(6,278)	nm
Other comprehensive income for the period, net of tax	(542)	(8,131)	(93.3)	(3,608)	(22,854)	(84.2)
Total comprehensive income for the period	11,531	12,910	(10.7)	20,390	13,130	55.3
Attributable to:						
Shareholders of the Company	9,838	11,677	(15.7)	19,063	12,385	53.9
Non-controlling interests	1,693	1,233	37.3	1,327	745	78.1
	11,531	12,910	(10.7)	20,390	13,130	55.3

nm – not meaningful

**1(c)(i) BALANCE SHEETS as at 30 June 2017**

	<b>Group</b>		<b>Company</b>	
	30.6.2017 \$'000	31.12.2016 \$'000	30.6.2017 \$'000	31.12.2016 \$'000
Share capital	81,489	79,867	81,489	79,867
Reserves	710,055	716,797	140,272	155,576
Share capital and reserves	791,544	796,664	221,761	235,443
Non-controlling interests	112,565	111,363	-	-
<b>Total equity</b>	<b>904,109</b>	<b>908,027</b>	<b>221,761</b>	<b>235,443</b>
Represented by:				
<u>Non-current assets</u>				
Fixed assets	374,820	367,731	-	-
Investment properties	72,772	183,902	-	-
Investments				
Subsidiaries	-	-	138,141	138,141
Associated companies and joint ventures	713,133	682,248	27,951	27,951
Others	3,928	4,661	-	-
Intangibles	1,848	2,209	-	-
Long-term receivables	-	-	51,723	51,723
	<u>1,166,501</u>	<u>1,240,751</u>	<u>217,815</u>	<u>217,815</u>
<u>Current assets</u>				
Stocks	639	669	-	-
Debtors	73,981	60,090	435	80
Amounts owing by holding and related companies	603	324	156,668	115,835
Amounts owing by associated companies	32,588	29,317	-	-
Fixed deposits	48,783	54,028	2,598	28,247
Bank balances and cash	45,900	48,922	264	226
	<u>202,494</u>	<u>193,350</u>	<u>159,965</u>	<u>144,388</u>
Assets classified as held for sale (Note 1(c)(iv))	207,142	288,765	6,621	6,621
	<u>409,636</u>	<u>482,115</u>	<u>166,586</u>	<u>151,009</u>
<u>Current liabilities</u>				
Creditors	96,047	138,388	3,024	3,707
Amounts owing to holding and related companies	255	836	9,603	9,630
Amounts owing to associated companies	11,130	5,407	-	-
Short-term borrowings	114,096	72,762	30,000	-
Taxation	4,737	4,896	11	42
	<u>226,265</u>	<u>222,289</u>	<u>42,638</u>	<u>13,379</u>
Liabilities directly associated with assets classified as held for sale (Note 1(c)(iv))	17,829	115,002	-	-
	<u>244,094</u>	<u>337,291</u>	<u>42,638</u>	<u>13,379</u>
<b>Net current assets</b>	<b>165,542</b>	<b>144,824</b>	<b>123,948</b>	<b>137,630</b>
<u>Non-current liabilities</u>				
Long-term borrowings	402,512	456,003	120,000	120,000
Deferred taxation	10,398	9,980	2	2
Other non-current liabilities	15,024	11,565	-	-
	<u>427,934</u>	<u>477,548</u>	<u>120,002</u>	<u>120,002</u>
<b>Net assets</b>	<b>904,109</b>	<b>908,027</b>	<b>221,761</b>	<b>235,443</b>
<i>Group net debt</i>	<i>419,511</i>	<i>482,249</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Group net gearing ratio</i>	<i>0.46x</i>	<i>0.53x</i>	<i>n.a.</i>	<i>n.a.</i>

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

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

As at 30.6.2017		As at 31.12.2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
11,668	102,428	9,758	143,004

### Amount repayable after one year

As at 30.6.2017		As at 31.12.2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
49,665	352,847	55,770	400,233

The Group funds its operations from internal sources, banks and related companies. At 31 December 2016, unsecured borrowings repayable in one year or less included \$80 million of borrowings classified as liabilities directly associated with assets classified as held for sale.

### 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 \$125,809,000 (31 December 2016: \$125,571,000) to banks for loan facilities.

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

Group shareholders' funds decreased by \$5.1 million to \$791.5 million as at 30 June 2017 due mainly to final dividends paid, fair value loss on other investments and foreign currency translation loss, partly offset by retained profits for the period.

Group total assets of \$1,576.1 million as at 30 June 2017 were \$146.7 million lower than as at the previous year end. Fixed assets increased by \$7.1 million due mainly to construction of logistics warehouse. Investment properties decreased by \$111.1 million due mainly to reclassification of a data centre to assets classified as held for sale. Associated companies and joint ventures increased by \$30.9 million due mainly to equity accounting for the share of profits, recognition of an associated company for the 10% retained interest and a capital injection in Keppel DC Singapore 3 LLP, partly offset by dividends received. Current assets decreased by \$72.5 million to \$409.6 million due mainly to lower fixed deposits and disposal of a subsidiary, Keppel DC Singapore 3, which was classified as assets held for sale in 2016, partly offset by increase in debtors, amounts owing by associated companies and reclassification of a data centre to assets classified as held for sale in the first half of FY2017.

Group total liabilities of \$672.0 million as at 30 June 2017 decreased by \$142.8 million due mainly to lower creditors and reduction in liabilities directly associated with assets held for sale upon disposal of Keppel DC Singapore 3, partly offset by increase in amount due to an associated company. Group total borrowings were \$516.6 million compared to \$528.8 million as at the previous year end.

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

On 18 July 2017, Keppel Data Centres Holding Pte. Ltd. ("KDCH"), a subsidiary of the Company, entered into a share purchase agreement for the transfer of the entire issued share capital of Keppel DC Singapore 4 Pte. Ltd. ("KDCS4") to Thorium DC Pte. Ltd. As at 30 June 2017, the transaction has not been completed.

On 17 October 2016, Keppel Data Centres Holding Pte. Ltd. ("KDCH"), a subsidiary of the Company, entered into a conditional sale and purchase agreement for the sale of 90% of KDCH's shareholdings in a wholly-owned subsidiary, Keppel DC Singapore 3 Pte. Ltd. ("KDCS3") (formerly known as Keppel Datahub 2 Pte. Ltd.), to Keppel DC REIT. On 20 January 2017, the sale was completed.

In 2016, the Company entered into negotiations with potential buyers for the sale of the Company's shareholdings in Asia Airfreight Terminal ("AAT"), an associated company of the Company. On 17 March 2017, the Company entered into a conditional sales and purchase agreement for the sale of the Company's entire shareholding in AAT.

In accordance with FRS 105 – Non-current Assets Held for Sale and Discontinued Operations, the Group's carrying amount in its associated company and the assets and liabilities of its subsidiaries have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale" in the Group's consolidated balance sheet, as follows:

	30.06.2017	31.12.2016
	\$'000	\$'000
<u>Assets classified as held for sale</u>		
Fixed assets	237	130
Investment properties	176,954	225,000
Associated companies and joint ventures	23,685	24,141
Debtors	3,823	15,917
Amounts owing by holding and related companies	29	11
Fixed deposits	-	21,623
Bank balances and cash	2,414	1,943
	<u>207,142</u>	<u>288,765</u>
<u>Liabilities directly associated with assets</u>		
<u>classified as held for sale</u>		
Creditors	17,828	26,122
Short-term borrowings	-	80,000
Taxation	1	2,828
Deferred taxation	-	6,052
	<u>17,829</u>	<u>115,002</u>



**1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the second quarter and half year ended 30 June 2017**

	Second Quarter		Half Year	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating profit	2,397	8,313	724	15,008
Adjustments:				
Depreciation of fixed assets	5,237	4,379	10,177	8,782
Amortisation of intangible assets	208	-	418	-
Share-based payment expenses	490	617	979	1,275
(Gain)/Loss on disposal of fixed assets	(38)	14	(21)	14
Gain on disposal of a subsidiary	-	-	(2)	-
Distributions received from other investments	-	(144)	-	(360)
Gain on dilution of interest in associated companies	-	-	-	(76)
Operating cash flows before changes in working capital	8,294	13,179	12,275	24,643
Working capital changes:				
Stocks	(10)	(75)	30	(57)
Debtors	(6,371)	(4,358)	(13,771)	(3,576)
Creditors	(281)	2,295	(1,015)	3,158
Amount due to/from associated companies	(4,747)	2,185	2,128	(3,553)
Cash flows from operations	(3,115)	13,226	(353)	20,615
Interest received	319	312	631	744
Interest paid	(3,011)	(2,877)	(6,499)	(6,881)
Income taxes paid	(1,403)	(8,242)	(2,235)	(8,274)
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(7,210)</b>	<b>2,419</b>	<b>(8,456)</b>	<b>6,204</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Addition to fixed assets	(5,847)	(8,376)	(14,766)	(17,066)
Addition to investment properties	(69,172)	(7,882)	(106,513)	(18,708)
Addition to intangible assets	(19)	-	(70)	-
Investment in an associated company	-	-	(18,000)	-
Proceeds from disposal of a subsidiary (Note A)	-	-	133,499	-
Proceeds from disposal of fixed assets	78	14	435	15
Distributions received from other investments	-	144	-	360
Dividends received from associated companies	11,184	17,593	24,326	26,312
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(63,776)</b>	<b>1,493</b>	<b>18,911</b>	<b>(9,087)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from short-term loans	65,109	73	95,621	4,623
Repayment of short-term loans	-	-	(52,556)	(4,691)
Proceeds from long-term loans	2,568	5,492	3,705	6,057
Funds to an associated company	-	-	(11,545)	-
Repayment of funds from an associated company	11,545	-	11,545	-
Repayment of long-term loans	(57,894)	(4,658)	(58,833)	(32,510)
Repayment of lease liabilities	(54)	(54)	(108)	(108)
Contribution from non-controlling shareholder of a subsidiary	-	-	-	4,356
Dividends paid to shareholders of the Company	(25,113)	(19,495)	(25,113)	(19,495)
Dividends paid to non-controlling shareholder of subsidiaries	(125)	-	(1,010)	(848)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3,964)</b>	<b>(18,642)</b>	<b>(38,294)</b>	<b>(42,616)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(74,950)</b>	<b>(14,730)</b>	<b>(27,839)</b>	<b>(45,499)</b>
Cash and cash equivalents as at beginning of period	172,436	156,229	126,516	188,507
Effect of exchange rate changes on cash and cash equivalents	(389)	(1,293)	(1,580)	(2,802)
Cash and cash equivalents as at end of period (Note B)	97,097	140,206	97,097	140,206

**1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)**  
**for the second quarter and half year ended 30 June 2017**

**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>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'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>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Fixed deposits	48,783	98,041	48,783	98,041
Bank balances and cash	45,900	39,231	45,900	39,231
	94,683	137,272	94,683	137,272
Fixed deposits classified as held for sale	-	2,556	-	2,556
Bank balances and cash classified as held for sale (Note 1(c)(iv))	2,414	378	2,414	378
	97,097	140,206	97,097	140,206

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

### Second Quarter

Net cash used in operating activities for the quarter was \$7.2 million compared to \$2.4 million net cash from operating activities in the corresponding quarter last year due mainly to higher cash outflow for working capital requirements.

Net cash used in investing activities for the quarter was \$63.8 million due largely to capital expenditure on construction of warehouses and fit-out of data centre, partly offset by dividends received from associated companies.

Net cash used in financing activities for the quarter was \$4.0 million due mainly to repayment of loans, dividends paid to shareholders of the Company and non-controlling shareholders of subsidiaries, partly offset by repayment of funds from an associated company.

### Half Year

Net cash used in operating activities was \$8.5 million compared to \$6.2 million net cash from operating activities in the corresponding period last year. This was due mainly to lower cash inflow from operations after working capital changes.

Net cash from investing activities was \$18.9 million due mainly to proceeds from disposal of a subsidiary and dividends received from associated companies, partly offset by investment in an associated company and capital expenditure on construction of warehouses and fit-out of data centre.

Net cash used in financing activities was \$38.3 million due mainly to repayment of loans, dividends paid to shareholders of the Company and non-controlling shareholders of subsidiaries.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY**  
**for the second quarter and half year ended 30 June 2017**

	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 1 January 2017	79,867	36,015	700,223	(19,441)	796,664	111,363	908,027
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	11,572	-	11,572	353	11,925
Other comprehensive income for the period *	-	53	-	(2,400)	(2,347)	(719)	(3,066)
<b>Total comprehensive income for the period</b>	-	53	11,572	(2,400)	9,225	(366)	8,859
<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	711,795	(21,841)	806,382	110,997	917,379

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**  
**for the second quarter and half year ended 30 June 2017**

	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 2017	81,489	34,939	711,795	(21,841)	806,382	110,997	917,379
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	10,284	-	10,284	1,789	12,073
Other comprehensive income for the period *	-	(1,371)	-	925	(446)	(96)	(542)
<b>Total comprehensive income for the period</b>	-	(1,371)	10,284	925	9,838	1,693	11,531
<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	696,966	(20,916)	791,544	112,565	904,109

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**  
**for the second quarter and half year ended 30 June 2016**

	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 1 January 2016	78,246	42,215	614,880	(12,832)	722,509	102,013	824,522
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	13,313	-	13,313	1,630	14,943
Other comprehensive income for the period *	-	(5,841)	-	(6,764)	(12,605)	(2,118)	(14,723)
<b>Total comprehensive income for the period</b>	-	(5,841)	13,313	(6,764)	708	(488)	220
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of shares	1,585	(1,585)	-	-	-	-	-
Cost of share-based payment	-	550	-	-	550	-	550
Total contributions by and distributions to owners	1,585	(1,035)	-	-	550	-	550
<b>Changes in ownership interests in subsidiaries</b>							
Cash contributed by non-controlling shareholder	-	-	-	-	-	4,356	4,356
Total changes in ownership interests in subsidiaries	-	-	-	-	-	4,356	4,356
<b>Total transactions with owners</b>	1,585	(1,035)	-	-	550	4,356	4,906
<b>Share of reserves of associated companies</b>	-	73	-	-	73	-	73
Balance at 31 March 2016	79,831	35,412	628,193	(19,596)	723,840	105,881	829,721

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)**  
**for the second quarter and half year ended 30 June 2016**

	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 2016	79,831	35,412	628,193	(19,596)	723,840	105,881	829,721
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	18,808	-	18,808	2,233	21,041
Other comprehensive income for the period *	-	(290)	-	(6,841)	(7,131)	(1,000)	(8,131)
<b>Total comprehensive income for the period</b>	-	(290)	18,808	(6,841)	11,677	1,233	12,910
<b>Transactions with owners, recognised directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Cost of share-based payment	-	551	-	-	551	-	551
Dividend paid for 2015	-	-	(19,495)	-	(19,495)	-	(19,495)
Total contributions by and distributions to owners	-	551	(19,495)	-	(18,944)	-	(18,944)
<b>Total transactions with owners</b>	-	551	(19,495)	-	(18,944)	-	(18,944)
<b>Share of reserves of associated companies</b>	-	57	-	-	57	-	57
Balance at 30 June 2016	79,831	35,730	627,506	(26,437)	716,630	107,114	823,744

\* 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 2017**

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Total Equity \$'000
<b>Company</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>Transactions with owners, recognised directly in equity</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>Transactions with owners, recognised directly in equity</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	<u>81,489</u>	<u>5,763</u>	<u>134,509</u>	<u>221,761</u>
<b>Company</b>				
Balance at 1 January 2016	78,246	6,374	95,236	179,856
Loss for the period, representing total comprehensive income for the period	-	-	(396)	(396)
<b>Transactions with owners, recognised directly in equity</b>				
Issue of shares	1,585	(1,585)	-	-
Cost of share-based payment	-	550	-	550
<b>Total transactions with owners</b>	<b>1,585</b>	<b>(1,035)</b>	<b>-</b>	<b>550</b>
Balance at 31 March 2016	79,831	5,339	94,840	180,010
Profit for the period, representing total comprehensive income for the period	-	-	19,643	19,643
<b>Transactions with owners, recognised directly in equity</b>				
Cost of share-based payment	-	551	-	551
Dividend paid for 2015	-	-	(19,495)	(19,495)
<b>Total transactions with owners</b>	<b>-</b>	<b>551</b>	<b>(19,495)</b>	<b>(18,944)</b>
Balance at 30 June 2016	<u>79,831</u>	<u>5,890</u>	<u>94,988</u>	<u>180,709</u>



## 1(e)(ii) SHARE CAPITAL

### Issued share capital and treasury shares

	<u>Number of shares</u>
Balance at 1 January 2017	557,025,168
Issue of shares under restricted share plan and performance share plan	<u>1,041,215</u>
Balance at 31 March 2017 and 30 June 2017	<u><u>558,066,383</u></u>

As at 30 June 2017, the number of ordinary shares in issue was 558,066,383 of which none were held by the Company as treasury shares (30 June 2016: 557,000,168 ordinary shares of which none were held as treasury shares; 31 December 2016: 557,025,168 ordinary shares of which none were held as treasury shares).

### Share Options

As at 30 June 2017, there were unexercised options for 385,000 (30 June 2016: 595,000) of unissued ordinary shares under the Company's Share Option Scheme.

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

As at 30 June 2017, there was no contingent shares granted and not released (30 June 2016: 1,163,500) for KT&T Restricted Share Plan ("KT&T RSP").

As at 30 June 2017, the number of restricted shares released but not vested was 1,032,115 (30 June 2016: 911,715) for KT&T RSP.

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

As at 30 June 2017, the number of contingent shares granted and not released was 740,000 (30 June 2016: 635,000) 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 1,110,000 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	<u>Number of Shares</u>					
	<u>At 1.1.17</u>	<u>Contingent shares granted</u>	<u>Adjustment upon release</u>	<u>Released</u>	<u>Cancelled</u>	<u>At 30.6.17</u>
<u>KT&amp;T RSP</u>						
29.4.16	1,142,500	-	(3,985)	(1,138,515)	-	-
	<u>1,142,500</u>	<u>-</u>	<u>(3,985)</u>	<u>(1,138,515)</u>	<u>-</u>	<u>-</u>
<u>KT&amp;T PSP</u>						
7.4.14	125,000	-	(31,200)	(93,800)	-	-
10.4.15	240,000	-	-	-	-	240,000
29.4.16	270,000	-	-	-	-	270,000
28.4.17	-	230,000	-	-	-	230,000
	<u>635,000</u>	<u>230,000</u>	<u>(31,200)</u>	<u>(93,800)</u>	<u>-</u>	<u>740,000</u>

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

Awards released but not vested:

Date of Grant	Number of Shares				
	At 1.1.17	Released	Vested	Cancelled	At 30.6.17
<u>KT&amp;T RSP</u>					
7.4.14	262,415	-	(262,415)	-	-
10.4.15	610,100	-	(305,400)	(12,200)	292,500
29.4.16	-	1,138,515	(379,600)	(19,300)	739,615
	<u>872,515</u>	<u>1,138,515</u>	<u>(947,415)</u>	<u>(31,500)</u>	<u>1,032,115</u>
<u>KT&amp;T PSP</u>					
7.4.14	-	93,800	(93,800)	-	-
	<u>-</u>	<u>93,800</u>	<u>(93,800)</u>	<u>-</u>	<u>-</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 2016, except as disclosed in paragraph 5.

## 5. CHANGES IN ACCOUNTING POLICIES

The Group has adopted all amendments to Financial Reporting Standards (FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017 as follows:

- Improvements to FRSs (December 2016)  
Amendments to FRS 112 Disclosure of Interests in Other Entities
- Amendments to FRS 12 Income Taxes: Recognition Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 7 Statement of Cash Flows: Disclosure Initiative

The adoption of these amendments did not have any significant impact on the financial performance or position of the Group.

## 6. EARNINGS PER ORDINARY SHARE

	GROUP					
	Second Quarter			Half Year		
	2017	2016	+/(-)%	2017	2016	+/(-)%
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)	1.8	3.4	(47.1)	3.9	5.8	(32.8)
- Weighted average number of shares ('000)	557,893	556,832	0.2	557,893	556,832	0.2
(ii) On a fully diluted basis (cents)	1.8	3.4	(47.1)	3.9	5.7	(31.6)
- Adjusted weighted average number of shares ('000)	559,500	559,223	-	559,500	559,223	-

## 7. NET ASSET VALUE

	GROUP			COMPANY		
	30.6.2017	31.12.2016	+/(-)%	30.6.2017	31.12.2016	+/(-)%
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$)	1.42	1.43	(0.7)	0.40	0.42	(4.8)

## 8. REVIEW OF GROUP PERFORMANCE

### Second Quarter and Half Year

Group revenue in the second quarter and first half year was lower by 5% and 10% at \$47.6 million and \$88.3 million respectively compared to the corresponding period in 2016 due mainly to weaker revenue from Logistics Division and disposal of 90% interest in Keppel DC Singapore 3 Pte Ltd to Keppel DC REIT on 20 January 2017 and 50% interest in Keppel DC REIT Management Pte Ltd to Keppel Capital on 1 July 2016.

Operating profit for the second quarter and first half year decreased by 71% and 95% to \$2.4 million and \$0.7 million respectively due largely to absence of contribution from subsidiaries disposed, higher start-up expenses and manpower employed to support new developments in the data centre business and lower contribution from logistics operations.

Profit before taxation for the second quarter and first half year decreased by 35% and 30% to \$16.3 million and \$31.6 million respectively due mainly to lower operating profits. Contribution from its associated companies for the second quarter declined by \$3.0 million to \$16.6 million.

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 decreased by 45% and 32% to \$10.3 million and \$21.9 million respectively.

## **9. VARIANCE FROM FORECAST STATEMENT**

No forecast for the half year ended 30 June 2017 was previously provided.

## **10. PROSPECTS**

In the Logistics Division, volumes and margins remain under severe pressure with the challenging market outlook. The Division continues to focus on building complementary capabilities to capitalise on the growing e-commerce sector. Following the acquisition of Courex in October last year, the Division is undergoing a transformational journey to tap on Courex's last mile fulfilment to grow its urban logistics business and has recently launched its omni channel management solution with a Fast Moving Consumer Goods (FMCG) customer. At the same time, the Division remains focused on rightsizing its operations and improving cost efficiencies to address the difficult market conditions in the contract logistics segment.

In the Data Centre Division, Keppel DC Singapore 4 has obtained full Temporary Occupation Permit (TOP) and commenced operations. Pipeline of enquiries remains healthy from existing and potential new clients. The Division is partnering with several government agencies and technology partners to explore innovations in cognitive and green data centre solutions for land scarce Singapore in a tropical climate. In collaboration with the Alpha Data Centre Fund, the Division will continue to pursue new asset development and acquisition opportunities to expand its footprint in its target markets, while at the same time, grow its service fee income.

The Group will continue to seek opportunities for strategic investments in value accretive assets and explore opportunities to unlock value and recycle capital.

## **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/recommended, a statement to that effect.**

No dividend has been declared for the quarter ended 30 June 2017 (30 June 2016: Nil).

### 13. SEGMENT ANALYSIS

Half Year ended 30 June 2017

By business segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	69,546	18,792	-	-	88,338
Inter-segment sales	82	-	-	(82)	-
<b>Total</b>	<b>69,628</b>	<b>18,792</b>	<b>-</b>	<b>(82)</b>	<b>88,338</b>
<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	(126)	16,391	19,866	-	36,131
Profit before taxation	379	17,208	14,008	-	31,595
Taxation	(1,527)	(2,449)	(3,621)	-	(7,597)
<b>(Loss)/profit for the period</b>	<b>(1,148)</b>	<b>14,759</b>	<b>10,387</b>	<b>-</b>	<b>23,998</b>
Attributable to:					
Shareholders of the Company	(1,889)	13,421	10,324	-	21,856
Non-controlling interests	741	1,338	63	-	2,142
	<b>(1,148)</b>	<b>14,759</b>	<b>10,387</b>	<b>-</b>	<b>23,998</b>
<u>Other Information</u>					
Segment assets	574,518	851,702	504,429	(354,512)	1,576,137
Segment liabilities	(285,910)	(465,990)	(274,640)	354,512	(672,028)
<b>Net assets</b>	<b>288,608</b>	<b>385,712</b>	<b>229,789</b>	<b>-</b>	<b>904,109</b>
Investment in associated companies and joint ventures	26,762	431,558	254,813	-	713,133
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	775,275	237,713	45,759	107,754	1,166,501

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)

Half Year ended 30 June 2016

By business segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	71,562	26,884	-	-	98,446
Inter-segment sales	49	-	-	(49)	-
<b>Total</b>	<b>71,611</b>	<b>26,884</b>	<b>-</b>	<b>(49)</b>	<b>98,446</b>
<u>Segment results</u>					
Operating profit/(loss)	6,347	14,567	(5,906)	-	15,008
Interest income	281	481	1,526	(1,510)	778
Interest expense	(1,589)	(3,835)	(2,637)	1,510	(6,551)
Share of results of associated companies and joint ventures	435	11,479	23,754	-	35,668
Profit before taxation	5,474	22,692	16,737	-	44,903
Taxation	(1,580)	(2,806)	(4,533)	-	(8,919)
<b>Profit for the period</b>	<b>3,894</b>	<b>19,886</b>	<b>12,204</b>	<b>-</b>	<b>35,984</b>
Attributable to:					
Shareholders of the Company	2,672	17,396	12,053	-	32,121
Non-controlling interests	1,222	2,490	151	-	3,863
	<b>3,894</b>	<b>19,886</b>	<b>12,204</b>	<b>-</b>	<b>35,984</b>
<u>Other Information</u>					
Segment assets	527,899	716,427	436,629	(229,365)	1,451,590
Segment liabilities	(252,003)	(371,699)	(233,509)	229,365	(627,846)
<b>Net assets</b>	<b>275,896</b>	<b>344,728</b>	<b>203,120</b>	<b>-</b>	<b>823,744</b>
Investment in associated companies and joint ventures	50,790	259,370	244,132	-	554,292
Additions to non-current assets	15,942	5,952	5	-	21,899
Depreciation	8,626	124	32	-	8,782

By geographical information

	Singapore \$'000	China \$'000	ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	57,328	26,939	8,042	6,137	98,446
Non-current assets	816,834	247,634	42,631	101,371	1,208,470

Information about major customers

For the half year ended 30 June 2016, revenue of \$11,593,000 was derived from a single external customer in the Data Centre segment for the provision of data centre co-location and other 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 provides integrated logistics port operations, third-party logistics services, supply chain solutions, warehousing, distribution, container storage and repairs, and freight forwarding services. The Data Centre segment provides data centre co-location services, business continuity, disaster recovery, facility management and REIT management 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 and China, no single country accounted for 10% or more of the Group's revenue for the half year ended 30 June 2017 and 30 June 2016.

### 14. REVIEW OF SEGMENT PERFORMANCE

Logistics Division's revenue of \$69.5 million decreased by \$2.0 million compared to the same period last year due to lower warehousing revenue. Operating profit decreased by \$4.4 million to \$2.0 million due largely to lower revenue and higher depreciation charge on new logistics facilities. Profit before taxation of \$0.4 million decreased by \$5.1 million due to lower operating profit, share of loss from associated companies and higher interest expense. After taking into account taxation and non-controlling interests, net loss attributable to shareholders was \$1.9 million.

Data Centre Division's revenue of \$18.8 million decreased by \$8.1 million compared to the same period last year due mainly to disposal of 90% interest in Keppel DC Singapore 3 Pte Ltd to Keppel DC REIT on 20 January 2017 and 50% interest in Keppel DC REIT Management Pte Ltd to Keppel Capital on 1 July 2016. The remaining interest in both companies were equity accounted after the disposal. Operating profit decreased by \$10.2 million to \$4.4 million due to lower revenue, higher overheads and staff costs to support development and growth. Profit before taxation of \$17.2 million decreased by \$5.5 million due to lower operating profit and higher interest expense, partly offset by increase in share of results of associated companies. Net profit attributable to shareholders decreased by \$4.0 million at \$13.4 million after taking into account lower taxation and non-controlling interests.

Investments Division's profit before taxation of \$14.0 million decreased by \$2.7 million compared to the same period last year due mainly to lower contribution from associated companies, partly offset by lower net interest expense. Consequently, net profit attributable to shareholders was lower at \$10.3 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 19 April 2017. 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)	
	2017 6 Months \$'000	2016 6 Months \$'000	2017 6 Months \$'000	2016 6 Months \$'000
<u>General Transactions</u>				
Keppel Corporation Limited Group	309	237	9,585	1,314
Singapore Telecommunications Limited Group	-	-	1,274	418
Singapore Technologies Engineering Group	-	-	167	4,497
Singapore Power Limited Group	-	-	801	-
Sembcorp Industries Group	-	-	133	-
<u>Treasury Transactions</u>				
Keppel Corporation Limited Group	-	-	32,055	71,393
- Deposits outstanding at period-end	-	-		
- Interest income / Interest expense and related charges / Foreign exchange transactions	-	-	49,424	11,346
<u>Management Services</u>				
Keppel Corporation Limited Group	-	-	3,296	996
	309	237	96,735	89,964

## 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

TAN WAH NAM / KENNY LEE  
Company Secretaries  
19 July 2017



**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 2017 financial statements to be false or misleading in any material respect.

On behalf of the board of directors



LOH CHIN HUA  
Chairman

Singapore, 19 July 2017



NEO BOON SIONG  
Director