

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017

17 October 2017

The Directors of Keppel Telecommunications & Transportation Ltd advise the following results of the Company and of the Group for the third quarter and nine months ended 30 September 2017.

These figures have not been audited.

THIRD QUARTER & NINE MONTHS FY2017 RESULTS HIGHLIGHTS

Keppel T&T 3Q and 9M net profit lower due mainly to absence of divestment gains

1. Revenue decreased by 8% to \$133.3 million compared to 9M 2016.
2. Net profit attributable to shareholders for 3Q 2017 was \$12.8m, decreasing by 82% compared to the same period last year. This was largely due to the absence of gain from a divestment made in 3Q 2016 and the contributions from subsidiaries disposed. During 3Q 2016, one-off gains amounting to \$55.8 million were recognised on the disposal of a subsidiary and adjustment for sale proceeds of data centres disposed, partly offset by impairment loss on fixed assets. Excluding the one-off gains in 3Q 2016, net profit attributable to shareholders for 3Q 2017 would have decreased by 27% instead.
3. Correspondingly, net profit attributable to shareholders for 9M 2017 decreased by 66% to \$34.6 million compared to 9M 2016.
4. Earnings per share for 9M 2017 were 6.2 cents.
5. Net asset value per ordinary share was \$1.45 per share compared to \$1.43 per share at December 2016.
6. Net gearing was 0.38x compared to 0.53x at December 2016.

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This press release is also available at www.kepcorp.com and www.keppeltt.com.sg.

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

THIRD 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	4
1(c)(i)	BALANCE SHEETS	5
1(d)(i)	CONSOLIDATED STATEMENT OF CASH FLOWS	8
1(e)(i)	STATEMENTS OF CHANGES IN EQUITY	11
2	AUDIT	17
3	AUDITORS' REPORT	17
4	ACCOUNTING POLICIES	17
5	CHANGES IN ACCOUNTING POLICIES	17
6	EARNINGS PER ORDINARY SHARE	18
7	NET ASSET VALUE	18
8	REVIEW OF GROUP PERFORMANCE	19
9	VARIANCE FROM FORECAST STATEMENT	19
10	PROSPECTS	19
11 & 12	DIVIDENDS	20
13	SEGMENT ANALYSIS	21
14	REVIEW OF SEGMENT PERFORMANCE	23
15	INTERESTED PERSON TRANSACTIONS	24
16	CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS	24
	CONFIRMATION BY THE BOARD	25

Third Quarter 2017 Financial Statements

1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017

The Directors of **Keppel Telecommunications & Transportation Ltd** advise the following unaudited results of the Group for the third quarter and nine months ended 30 September 2017.

1(a) GROUP PROFIT AND LOSS ACCOUNT for the third quarter and nine months ended 30 September 2017

	Third Quarter			Nine Months		
	2017 \$'000	2016 \$'000	+ / (-) %	2017 \$'000	2016 \$'000	+ / (-) %
REVENUE	44,966	46,496	(3.3)	133,304	144,942	(8.0)
Operating expenses	(45,612)	(42,322)	7.8	(134,865)	(130,077)	3.7
Other income	3,841	59,723	(93.6)	5,480	64,040	(91.4)
OPERATING PROFIT	3,195	63,897	(95.0)	3,919	78,905	(95.0)
Interest income	287	383	(25.1)	1,047	1,161	(9.8)
Interest expense	(2,790)	(3,095)	(9.9)	(8,810)	(9,646)	(8.7)
Share of results of associated companies and joint ventures	18,236	15,875	14.9	54,367	51,543	5.5
PROFIT BEFORE TAXATION	18,928	77,060	(75.4)	50,523	121,963	(58.6)
Taxation	(4,793)	(4,686)	2.3	(12,390)	(13,605)	(8.9)
PROFIT FOR THE PERIOD	<u>14,135</u>	<u>72,374</u>	(80.5)	<u>38,133</u>	<u>108,358</u>	(64.8)
Attributable to:						
Shareholders of the Company	12,786	69,878	(81.7)	34,642	101,999	(66.0)
Non-controlling interests	1,349	2,496	(46.0)	3,491	6,359	(45.1)
	<u>14,135</u>	<u>72,374</u>	(80.5)	<u>38,133</u>	<u>108,358</u>	(64.8)
Earnings per share						
- basic	2.3 cts	12.5 cts	(81.6)	6.2 cts	18.3 cts	(66.1)
- diluted	2.3 cts	12.5 cts	(81.6)	6.2 cts	18.2 cts	(65.9)

1(a) GROUP PROFIT AND LOSS ACCOUNT (cont'd)
for the third quarter and nine months ended 30 September 2017

Notes to Group Profit and Loss Account

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

	<u>Third Quarter</u>			<u>Nine Months</u>		
	2017 \$'000	2016 \$'000	+ /(-) %	2017 \$'000	2016 \$'000	+ /(-) %
Purchase of goods and services ^(a)	13,967	11,020	26.7	38,354	34,229	12.1
Staff costs	13,042	12,724	2.5	42,133	42,692	(1.3)
Share-based payment expenses	866	394	119.8	1,845	1,669	10.5
Depreciation of fixed assets ^(b)	5,275	4,377	20.5	15,452	13,159	17.4
Equipment rental and facilities expenses	10,788	10,810	(0.2)	29,628	29,388	0.8
Other operating expenses	1,674	2,997	(44.1)	7,453	8,940	(16.6)
Operating expenses	<u>45,612</u>	<u>42,322</u>	7.8	<u>134,865</u>	<u>130,077</u>	3.7
Other income ^(c)	<u>3,841</u>	<u>59,723</u>	(93.6)	<u>5,480</u>	<u>64,040</u>	(91.4)

Notes:

- (a) Purchase of goods and services increased due to higher transportation costs, contract labour and subcontract costs in the Logistics Division.
- (b) Depreciation increased due mainly to additional depreciation charges from logistics facilities which commenced operations during 4Q 2016 and new facility in the Data Centre Division.
- (c) Other income decreased due largely to reduced one-off gains, mainly lower gain on disposal of subsidiaries, absence of adjustment to gain on disposal of data centres, partly offset by impairment loss on fixed assets.

1(a) **GROUP PROFIT AND LOSS ACCOUNT (cont'd)**
for the third quarter and nine months ended 30 September 2017

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

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

	Third Quarter			Nine Months		
	2017 \$'000	2016 \$'000	+ /(-) %	2017 \$'000	2016 \$'000	+ /(-) %
Loss/(gain) on disposal of fixed assets	21	(301)	nm	-	(287)	nm
Gain on disposal of subsidiaries ^(a)	(3,535)	(55,805)	(93.7)	(3,537)	(55,805)	(93.7)
Adjustment to gain on disposal of data centres ^(b)	-	(26,963)	nm	-	(26,963)	nm
(Write-back of)/provision for doubtful debts and bad debts written off	(66)	7	nm	(77)	(12)	>500.0
Amortisation of intangibles	209	-	nm	627	-	nm
Impairment loss on fixed assets ^(c)	-	26,972	nm	-	26,972	nm
Foreign exchange gain	(134)	(7)	>500.0	(460)	(346)	32.9

Notes:

- (a) Gain on disposal of subsidiaries during the nine months 2017 arose due mainly to the transfer of issued share capital of Keppel DC Singapore 4 Pte. Ltd. ("KDCS4") to Thorium DC Pte. Ltd. and the sale of Keppel DC Singapore 3 Pte. Ltd. In the corresponding period of 2016, gain on disposal of a subsidiary was attributable to the disposal of 50% interest and fair value gain on the 50% retained interest in Keppel DC REIT Management Pte. Ltd. in July 2016.
- (b) In the corresponding period of 2016, the adjustment to gain on disposal of data centres was made to increase sale proceeds due to revised assessments on property taxes received subsequent to the sale of Keppel DC Singapore 1 Ltd. and Keppel DC Singapore 2 Pte. Ltd. to Keppel DC REIT in December 2014.
- (c) In the corresponding period of 2016, impairment loss on fixed assets was made on certain buildings owned by the Logistics Division in China.

(iii) Taxation during the current quarter 2017 included under-provision of taxation amounted to \$6,000 in respect of prior years (3Q 2016: nil).

nm – not meaningful

1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the third quarter and nine months ended 30 September 2017

	Third Quarter			Nine Months		
	2017 \$'000	2016 \$'000	+ /(-) %	2017 \$'000	2016 \$'000	+ /(-) %
Profit for the period	14,135	72,374	(80.5)	38,133	108,358	(64.8)
<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	690	(100)	nm	76	(4,796)	nm
Cash flow hedge						
- Fair value changes	(98)	(571)	(82.8)	(252)	(1,069)	(76.4)
- Realised and transferred to profit and loss account	209	160	30.6	485	354	37.0
Foreign currency translation						
- Exchange differences arising on consolidation	1,397	(314)	nm	(1,445)	(10,759)	(86.6)
Share of other comprehensive income of associated companies						
- Cash flow hedge	(486)	(757)	(35.8)	(1,288)	(1,888)	(31.8)
- Available-for-sale financial assets	1	-	nm	(23)	-	nm
- Foreign currency translation	2,872	(2,758)	nm	3,424	(9,036)	nm
Other comprehensive income for the period, net of tax	4,585	(4,340)	nm	977	(27,194)	nm
Total comprehensive income for the period	18,720	68,034	(72.5)	39,110	81,164	(51.8)
Attributable to:						
Shareholders of the Company	16,875	65,687	(74.3)	35,938	78,072	(54.0)
Non-controlling interests	1,845	2,347	(21.4)	3,172	3,092	2.6
	18,720	68,034	(72.5)	39,110	81,164	(51.8)

nm – not meaningful

1(c)(i) BALANCE SHEETS as at 30 September 2017

	Group		Company	
	30.9.2017 \$'000	31.12.2016 \$'000	30.9.2017 \$'000	31.12.2016 \$'000
Share capital	81,489	79,867	81,489	79,867
Reserves	727,824	716,797	179,843	155,576
Share capital and reserves	809,313	796,664	261,332	235,443
Non-controlling interests	114,410	111,363	-	-
Total equity	923,723	908,027	261,332	235,443
Represented by:				
<u>Non-current assets</u>				
Fixed assets	377,053	367,731	-	-
Investment properties	75,683	183,902	-	-
Investments				
Subsidiaries	-	-	138,141	138,141
Associated companies and joint ventures	798,602	682,248	27,951	27,951
Others	4,523	4,661	-	-
Intangibles	1,782	2,209	-	-
Long-term receivables	-	-	151,723	51,723
	1,257,643	1,240,751	317,815	217,815
<u>Current assets</u>				
Stocks	661	669	-	-
Debtors	69,489	60,090	1,326	80
Amounts owing by holding and related companies	694	324	43,756	115,835
Amounts owing by associated companies	61,835	29,317	-	-
Fixed deposits	98,205	54,028	48,509	28,247
Bank balances and cash	39,952	48,922	232	226
	270,836	193,350	93,823	144,388
Assets classified as held for sale (Note 1(c)(iv))	23,035	288,765	6,621	6,621
	293,871	482,115	100,444	151,009
<u>Current liabilities</u>				
Creditors	94,857	138,388	2,069	3,707
Amounts owing to holding and related companies	506	836	19,845	9,630
Amounts owing to associated companies	10,928	5,407	-	-
Short-term borrowings	150,511	72,762	35,000	-
Taxation	5,828	4,896	11	42
	262,630	222,289	56,925	13,379
Liabilities directly associated with assets classified as held for sale (Note 1(c)(iv))	-	115,002	-	-
	262,630	337,291	56,925	13,379
Net current assets	31,241	144,824	43,519	137,630
<u>Non-current liabilities</u>				
Long-term borrowings	339,856	456,003	100,000	120,000
Deferred taxation	10,277	9,980	2	2
Other non-current liabilities	15,028	11,565	-	-
	365,161	477,548	100,002	120,002
Net assets	923,723	908,027	261,332	235,443
<i>Group net debt</i>	<i>352,210</i>	<i>482,249</i>	<i>n.a.</i>	<i>n.a.</i>
<i>Group net gearing ratio</i>	<i>0.38x</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 30.9.2017		As at 31.12.2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
11,287	139,224	9,758	143,004

Amount repayable after one year

As at 30.9.2017		As at 31.12.2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
46,952	292,904	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 \$124,585,000 (31 December 2016: \$125,571,000) to banks for loan facilities.

1(c)(iii) BALANCE SHEET ANALYSIS

Group shareholders' funds increased by \$12.6 million to \$809.3 million as at 30 September 2017 due mainly to profits attributable to shareholders for the period and foreign currency translation gain, partly offset by payment of dividends.

Group total assets of \$1,551.5 million as at 30 September 2017 were \$171.4 million lower than as at the previous year end. Fixed assets increased by \$9.3 million due largely to construction of logistics warehouse. Investment properties decreased by \$108.2 million due largely to the transfer of share capital of Keppel DC Singapore 4 Pte. Ltd. to Thorium DC Pte. Ltd. Associated companies and joint ventures increased by \$116.4 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, subscription of a 30% interest in Thorium DC Pte. Ltd., capital call by Alpha DC Fund and subscription of shares in a start-up company, Nautilus Data Technologies, partly offset by dividends received. Current assets decreased by \$188.2 million to \$293.9 million due mainly to disposal of a subsidiary, Keppel DC Singapore 3 Pte. Ltd., which was classified as assets held for sale in 2016, partly offset by increase in debtors and amounts owing by associated companies. Amounts owing by associated companies increased by \$32.5 million due mainly to advance to an associate.

Group total liabilities of \$627.8 million as at 30 September 2017 decreased by \$187.0 million due mainly to lower creditors and borrowings, as well as 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 at 30 September 2017 were \$490.4 million compared to \$528.8 million as at the previous year end.

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

The Company entered into negotiations in 2016 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. As at 30 September 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 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:

	30.09.2017	31.12.2016
	\$'000	\$'000
<u>Assets classified as held for sale</u>		
Fixed assets	-	130
Investment properties	-	225,000
Associated companies and joint ventures	23,035	24,141
Debtors	-	15,917
Amounts owing by holding and related companies	-	11
Fixed deposits	-	21,623
Bank balances and cash	-	1,943
	<u>23,035</u>	<u>288,765</u>
<u>Liabilities directly associated with assets classified as held for sale</u>		
Creditors	-	26,122
Short-term borrowings	-	80,000
Taxation	-	2,828
Deferred taxation	-	6,052
	<u>-</u>	<u>115,002</u>

1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS
for the third quarter and nine months ended 30 September 2017

	Third Quarter		Nine Months	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit	3,195	63,897	3,919	78,905
Adjustments:				
Depreciation of fixed assets	5,275	4,377	15,452	13,159
Amortisation of intangible assets	209	-	627	-
Share-based payment expenses	866	394	1,845	1,669
Loss/(gain) on disposal of fixed assets	21	(301)	-	(287)
Gain on disposal of subsidiaries	(3,535)	(55,805)	(3,537)	(55,805)
Adjustment to gain on disposal of data centres	-	(26,963)	-	(26,963)
Distributions received from other investments	-	(27)	-	(387)
Gain on dilution of interest in associated companies	-	-	-	(76)
Impairment loss on fixed assets	-	26,972	-	26,972
Operating cash flows before changes in working capital	6,031	12,544	18,306	37,187
Working capital changes:				
Stocks	(22)	14	8	(43)
Debtors	2,249	(4,914)	(11,522)	(8,490)
Creditors	(717)	11,533	(1,732)	14,691
Amount due from/to associated companies	2,501	(3,336)	4,629	(6,889)
Cash flows from operations	10,042	15,841	9,689	36,456
Interest received	213	336	844	1,080
Interest paid	(3,818)	(3,976)	(10,317)	(10,857)
Income taxes paid	(1,174)	(805)	(3,409)	(9,079)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	5,263	11,396	(3,193)	17,600
CASH FLOWS FROM INVESTING ACTIVITIES				
Addition to fixed assets	(6,806)	(11,504)	(21,572)	(28,570)
Addition to investment properties	(30)	(14,929)	(106,543)	(33,637)
Addition to intangible assets	(119)	-	(189)	-
Investment in associated companies	(89,706)	-	(107,706)	-
Capital reduction in an associated company	813	-	813	-
Advances to associated companies	(35,010)	-	(35,010)	-
Partial repayment of shareholders loan from an associated company	4,191	-	4,191	-
Proceeds from disposal of subsidiaries (Note A)	169,206	35,031	302,705	35,031
Proceeds from disposal of fixed assets	48	302	483	317
Distributions received from other investments	-	27	-	387
Dividends received from associated companies	21,915	21,396	46,241	47,708
NET CASH FROM INVESTING ACTIVITIES	64,502	30,323	83,413	21,236
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term loans	46,470	533	142,091	5,156
Repayment of short-term loans	(9,519)	(597)	(62,075)	(5,288)
Proceeds from long-term loans	103,863	6,086	107,568	12,143
Repayment of long-term loans	(170,015)	(16,537)	(228,848)	(49,047)
Repayment of lease liabilities	(54)	(54)	(162)	(162)
Contribution from non-controlling shareholder of a subsidiary	-	-	-	4,356
Dividends paid to shareholders of the Company	-	-	(25,113)	(19,495)
Dividends paid to non-controlling shareholders of subsidiaries	-	(258)	(1,010)	(1,106)
NET CASH USED IN FINANCING ACTIVITIES	(29,255)	(10,827)	(67,549)	(53,443)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
	40,510	30,892	12,671	(14,607)
Cash and cash equivalents as at beginning of period	97,097	140,206	126,516	188,507
Effect of exchange rate changes on cash and cash equivalents	550	(241)	(1,030)	(3,043)
Cash and cash equivalents as at end of period (Note B)	138,157	170,857	138,157	170,857

1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
for the third quarter and nine months ended 30 September 2017

Notes to Consolidated Statement of Cash Flows

A. Disposal of a subsidiary

The assets and liabilities of subsidiary disposed were as follows:

	Third Quarter		Nine Months	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Fixed assets	247	40	266	40
Investment properties	180,604	-	405,604	-
Associated companies and joint ventures	-	133	-	133
Intangibles	-	16,757	-	16,757
Debtors	5,169	171	16,927	171
Amounts owing by a related company	29	-	40	-
Amounts owing by an associated company	-	3,034	-	3,034
Bank balances and cash	2,731	2,821	13,894	2,821
Creditors	(20,377)	(1,706)	(29,826)	(1,706)
Bank borrowings	-	-	(80,000)	-
Taxation	(1)	(797)	(8,881)	(797)
	<u>168,402</u>	<u>20,453</u>	<u>318,024</u>	<u>20,453</u>
Amount accounted for as amount owing from associated company	<u>(170,000)</u>	<u>(406)</u>	<u>(270,000)</u>	<u>(406)</u>
Net (liabilities)/assets disposed	(1,598)	20,047	48,024	20,047
Net assets disposed attributable to retained interest	-	(10,024)	(4,962)	(10,024)
Net (liabilities)/assets disposed attributable to interest disposed	(1,598)	10,023	43,062	10,023
Assignment of amount owing from associated company to purchaser	170,000	-	270,000	-
Net gain on disposal	3,535	55,805	3,537	55,805
Fair value gain on retained interest	-	(27,976)	-	(27,976)
Transaction costs	250	148	250	148
Sale proceeds	172,187	38,000	316,849	38,000
Less: Bank balances and cash disposed	(2,731)	(2,821)	(13,894)	(2,821)
Less: Transaction costs	(250)	(148)	(250)	(148)
Cash inflow on disposal	<u>169,206</u>	<u>35,031</u>	<u>302,705</u>	<u>35,031</u>

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:

	Third Quarter		Nine Months	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Fixed deposits	98,205	132,184	98,205	132,184
Bank balances and cash	39,952	38,673	39,952	38,673
	<u>138,157</u>	<u>170,857</u>	<u>138,157</u>	<u>170,857</u>

1(d)(ii) CASH FLOW ANALYSIS

Third Quarter

Net cash from operating activities for the quarter was \$5.3 million compared to \$11.4 million net cash from operating activities in the corresponding quarter last year due mainly to lower cash inflow from operations after working capital changes.

Net cash from investing activities for the quarter was \$64.5 million due largely to disposal of a subsidiary, dividends received from associated companies and partial repayment of shareholders loan from an associate, partly offset by investment in associated companies, advance to an associated company and capital expenditure on construction of warehouses and fit-out of data centre.

Net cash used in financing activities for the quarter was \$29.3 million due mainly to repayment of loans.

Nine Months

Net cash used in operating activities was \$3.2 million compared to \$17.6 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, partly offset by lower taxes paid.

Net cash from investing activities was \$83.4 million due mainly to proceeds from disposal of subsidiaries and dividends received from associated companies, partly offset by investment in associated companies, advances to associated companies and capital expenditure on construction of warehouses and fit-out of data centre.

Net cash used in financing activities was \$67.5 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 third quarter and nine months ended 30 September 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
Group							
Balance at 1 January 2017	79,867	36,015	700,223	(19,441)	796,664	111,363	908,027
Total comprehensive income for the period							
Profit for the period	-	-	21,856	-	21,856	2,142	23,998
Other comprehensive income for the period *	-	(1,318)	-	(1,475)	(2,793)	(815)	(3,608)
Total comprehensive income for the period	-	(1,318)	21,856	(1,475)	19,063	1,327	20,390
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issue of shares	1,622	(1,622)	-	-	-	-	-
Cost of share-based payment	-	908	-	-	908	-	908
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	1,622	(714)	(25,113)	-	(24,205)	(125)	(24,330)
Total transactions with owners	1,622	(714)	(25,113)	-	(24,205)	(125)	(24,330)
Share of reserves of associated companies	-	22	-	-	22	-	22
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 third quarter and nine months ended 30 September 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
Group							
Balance at 30 June 2017	81,489	34,005	696,966	(20,916)	791,544	112,565	904,109
Total comprehensive income for the period							
Profit for the period	-	-	12,786	-	12,786	1,349	14,135
Other comprehensive income for the period *	-	316	-	3,773	4,089	496	4,585
Total comprehensive income for the period	-	316	12,786	3,773	16,875	1,845	18,720
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Cost of share-based payment	-	831	-	-	831	-	831
Total contributions by and distributions to owners	-	831	-	-	831	-	831
Total transactions with owners	-	831	-	-	831	-	831
Share of reserves of associated companies	-	63	-	-	63	-	63
Balance at 30 September 2017	81,489	35,215	709,752	(17,143)	809,313	114,410	923,723

1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the third quarter and nine months ended 30 September 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
Group							
Balance at 1 January 2016	78,246	42,215	614,880	(12,832)	722,509	102,013	824,522
Total comprehensive income for the period							
Profit for the period	-	-	32,121	-	32,121	3,863	35,984
Other comprehensive income for the period *	-	(6,131)	-	(13,605)	(19,736)	(3,118)	(22,854)
Total comprehensive income for the period	-	(6,131)	32,121	(13,605)	12,385	745	13,130
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares	1,585	(1,585)	-	-	-	-	-
Cost of share-based payment	-	1,101	-	-	1,101	-	1,101
Dividend paid for 2015	-	-	(19,495)	-	(19,495)	-	(19,495)
Total contributions by and distributions to owners	1,585	(484)	(19,495)	-	(18,394)	-	(18,394)
<u>Changes in ownership interests in subsidiaries</u>							
Cash contributed by non-controlling shareholder	-	-	-	-	-	4,356	4,356
Total changes in ownership interests in subsidiaries	-	-	-	-	-	4,356	4,356
Total transactions with owners	1,585	(484)	(19,495)	-	(18,394)	4,356	(14,038)
Share of reserves of associated companies	-	130	-	-	130	-	130
Balance at 30 June 2016	79,831	35,730	627,506	(26,437)	716,630	107,114	823,744

1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the third quarter and nine months ended 30 September 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
Group							
Balance at 30 June 2016	79,831	35,730	627,506	(26,437)	716,630	107,114	823,744
Total comprehensive income for the period							
Profit for the period	-	-	69,878	-	69,878	2,496	72,374
Other comprehensive income for the period *	-	(1,268)	-	(2,923)	(4,191)	(149)	(4,340)
Total comprehensive income for the period	-	(1,268)	69,878	(2,923)	65,687	2,347	68,034
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Cost of share-based payment	-	269	-	-	269	-	269
Dividend paid to non-controlling shareholders	-	-	-	-	-	(258)	(258)
Total contributions by and distributions to owners	-	269	-	-	269	(258)	11
Total transactions with owners	-	269	-	-	269	(258)	11
Share of reserves of associated companies	-	106	38	-	144	-	144
Balance at 30 September 2016	79,831	34,837	697,422	(29,360)	782,730	109,203	891,933

* 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 third quarter and nine months ended 30 September 2017

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Total Equity \$'000
Company				
Balance at 1 January 2017	79,867	6,477	149,099	235,443
Period for the period, representing total comprehensive income for the period	-	-	10,523	10,523
Transactions with owners, recognised directly in equity				
Issue of shares	1,622	(1,622)	-	-
Cost of share-based payment	-	908	-	908
Dividend paid for 2016	-	-	(25,113)	(25,113)
Total transactions with owners	1,622	(714)	(25,113)	(24,205)
Balance at 30 June 2017	81,489	5,763	134,509	221,761
Profit for the period, representing total comprehensive income for the period	-	-	38,740	38,740
Transactions with owners, recognised directly in equity				
Cost of share-based payment	-	831	-	831
Total transactions with owners	-	831	-	831
Balance at 30 September 2017	<u>81,489</u>	<u>6,594</u>	<u>173,249</u>	<u>261,332</u>
Balance at 1 January 2016	78,246	6,374	95,236	179,856
Profit for the period, representing total comprehensive income for the period	-	-	19,247	19,247
Transactions with owners, recognised directly in equity				
Issue of shares	1,585	(1,585)	-	-
Cost of share-based payment	-	1,101	-	1,101
Dividend paid for 2015	-	-	(19,495)	(19,495)
Total transactions with owners	1,585	(484)	(19,495)	(18,394)
Balance at 30 June 2016	79,831	5,890	94,988	180,709
Profit for the period, representing total comprehensive income for the period	-	-	46,734	46,734
Transactions with owners, recognised directly in equity				
Cost of share-based payment	-	269	-	269
Total transactions with owners	-	269	-	269
Balance at 30 September 2016	<u>79,831</u>	<u>6,159</u>	<u>141,722</u>	<u>227,712</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 30 June 2017 and 30 September 2017	<u><u>558,066,383</u></u>

As at 30 September 2017, the number of ordinary shares in issue was 558,066,383 of which none were held by the Company as treasury shares (30 September 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 September 2017, there were unexercised options for 250,000 (30 September 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 September 2017, there was no contingent shares granted and not released (30 September 2016: 1,163,500) for KT&T Restricted Share Plan ("KT&T RSP").

As at 30 September 2017, the number of restricted shares released but not vested was 956,315 (30 September 2016: 908,115) for KT&T RSP.

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

As at 30 September 2017, the number of contingent shares granted and not released was 740,000 (30 September 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 30.9.17</u>
<u>KT&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&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 30.9.17
<u>KT&T RSP</u>					
7.4.14	262,415	-	(262,415)	-	-
10.4.15	610,100	-	(305,400)	(37,700)	267,000
29.4.16	-	1,138,515	(379,600)	(69,600)	689,315
	<u>872,515</u>	<u>1,138,515</u>	<u>(947,415)</u>	<u>(107,300)</u>	<u>956,315</u>
<u>KT&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					
	Third Quarter			Nine Months		
	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)	2.3	12.5	(81.6)	6.2	18.3	(66.1)
- Weighted average number of shares ('000)	557,951	556,888	0.2	557,951	556,888	0.2
(ii) On a fully diluted basis (cents)	2.3	12.5	(81.6)	6.2	18.2	(65.9)
- Adjusted weighted average number of shares ('000)	559,482	559,277	<0.1	559,482	559,277	<0.1

7. NET ASSET VALUE

	GROUP			COMPANY		
	30.9.2017	31.12.2016	+/(-)%	30.9.2017	31.12.2016	+/(-)%
	Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$)	1.45	1.43	1.4	0.47	0.42

8. REVIEW OF GROUP PERFORMANCE

Third Quarter and Nine Months

Group revenue in the third quarter and nine months 2017 was lower by 3% and 8% at \$45.0 million and \$133.3 million respectively compared to the corresponding period in 2016 due mainly to weaker warehousing revenue in Logistics Division and absence of revenue due to disposal of 90% and 50% interest in subsidiaries, Keppel DC Singapore 3 Pte Ltd and Keppel DC REIT Management Pte Ltd in January 2017 and July 2016 respectively.

Operating profit for the third quarter and nine months 2017 decreased by 95% to \$3.2 million and \$3.9 million respectively. This was due largely to absence of contribution from subsidiaries disposed, lower contributions from logistics operations, higher expenses and manpower cost to support new developments in data centre business. In the corresponding quarter of 2016, one-off gains amounted to \$55.8 million were recognised on the disposal of 50% interest in Keppel DC REIT Management Pte Ltd and adjustment for sale proceeds of data centres disposed in 2014, partly offset by impairment loss on fixed assets from Logistics Division.

Profit before taxation for the third quarter and nine months 2017 decreased by 75% and 59% to \$18.9 million and \$50.5 million respectively due mainly to lower operating profits and one-off gains, partly offset by lower net interest expense and higher contribution from associated companies. Contribution from the associated companies for the third quarter and nine months 2017 increased by 15% and 6% to \$18.2 million to \$54.4 million respectively.

After taking into account taxation and non-controlling interests, the Group's net profit attributable to shareholders for the third quarter and nine months 2017 was \$12.8 million and \$34.6 million respectively. Excluding the one-off gains, net profit attributable to shareholders for third quarter and nine months 2017 decreased by 27% and 30% to \$10.3 million and \$32.2 million respectively compared to the corresponding periods last year.

9. VARIANCE FROM FORECAST STATEMENT

No forecast for the nine months ended 30 September 2017 was previously provided.

10. PROSPECTS

The Logistics Division has stepped up its effort on rightsizing and optimising of its resources, whilst staying committed on its transformational journey to develop new revenue streams. Through Courex's platform, the Division will provide new solutions to capture the B2B and B2C markets in Singapore, to counter the headwinds posed by rising market competition and disruptive trends in e-commerce retail and distribution. Market response to our omnichannel logistics solutions has been positive, with the securing of new e-commerce accounts during the quarter.

Following the successful fund raising of Alpha Data Centre Fund (ADCF) by Keppel Capital and Keppel T&T, in line with its strategy for future growth, the Data Centre Division injected interest in Keppel DC Singapore 4 into ADCF. In addition, the Canada Pension Plan Investment Board (CPPIB) has allocated up to an initial US\$350 million in partnership with ADCF with the option to further invest another US\$150 million, bringing the fund's combined and co-investment interest up to US\$1 billion. The Division invested in Nautilus Data Technologies, a US-based company with patented water-cooling technology to augment its Build-to-Suit capability with innovative and sustainable data centre technologies. With this strong capital structure and expanded capabilities, the Division will continue to pursue new asset development and acquisition opportunities in Asia and Europe.

During the quarter, the Group together with other substantial shareholders of M1, has decided not to proceed further with the strategic review on their respective shareholdings in M1. The Group will continue to seek opportunities and make strategic investments in 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 period ended 30 September 2017 (30 September 2016: Nil).

13. SEGMENT ANALYSIS

Nine months ended 30 September 2017

By business segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	105,285	28,019	-	-	133,304
Inter-segment sales	123	-	-	(123)	-
Total	<u>105,408</u>	<u>28,019</u>	<u>-</u>	<u>(123)</u>	<u>133,304</u>
<u>Segment results</u>					
Operating profit/(loss)	3,272	8,910	(8,263)	-	3,919
Interest income	429	508	2,009	(1,899)	1,047
Interest expense	(2,635)	(5,716)	(2,358)	1,899	(8,810)
Share of results of associated companies and joint ventures	(221)	24,998	29,590	-	54,367
Profit before taxation	845	28,700	20,978	-	50,523
Taxation	(2,218)	(4,391)	(5,781)	-	(12,390)
(Loss)/profit for the period	<u>(1,373)</u>	<u>24,309</u>	<u>15,197</u>	<u>-</u>	<u>38,133</u>
Attributable to:					
Shareholders of the Company	(2,386)	21,912	15,116	-	34,642
Non-controlling interests	1,013	2,397	81	-	3,491
	<u>(1,373)</u>	<u>24,309</u>	<u>15,197</u>	<u>-</u>	<u>38,133</u>
<u>Other Information</u>					
Segment assets	570,703	797,812	537,099	(354,100)	1,551,514
Segment liabilities	(281,911)	(430,117)	(269,863)	354,100	(627,791)
Net assets	<u>288,792</u>	<u>367,695</u>	<u>267,236</u>	<u>-</u>	<u>923,723</u>
Investment in associated companies and joint ventures	26,719	518,844	253,039	-	798,602
Additions to non-current assets	24,449	184,527	204	-	209,180
Depreciation and amortisation	15,349	677	53	-	16,079

By geographical information

	Singapore \$'000	China \$'000	ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	68,571	42,805	12,641	9,287	133,304
Non-current assets	933,248	242,209	45,899	36,287	1,257,643

Information about major customers

For the nine months ended 30 September 2017, revenue of \$20,201,000 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)

Nine months ended 30 September 2016

By business segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	106,040	38,902	-	-	144,942
Inter-segment sales	74	-	-	(74)	-
Total	<u>106,114</u>	<u>38,902</u>	<u>-</u>	<u>(74)</u>	<u>144,942</u>
<u>Segment results</u>					
Operating (loss)/profit	(17,960)	105,711	(8,846)	-	78,905
Interest income	426	647	2,347	(2,259)	1,161
Interest expense	(2,353)	(5,757)	(3,795)	2,259	(9,646)
Share of results of associated companies and joint ventures	773	17,568	33,202	-	51,543
(Loss)/profit before taxation	(19,114)	118,169	22,908	-	121,963
Taxation	(2,451)	(5,059)	(6,095)	-	(13,605)
(Loss)/profit for the period	<u>(21,565)</u>	<u>113,110</u>	<u>16,813</u>	<u>-</u>	<u>108,358</u>
Attributable to:					
Shareholders of the Company	(15,478)	100,826	16,651	-	101,999
Non-controlling interests	(6,087)	12,284	162	-	6,359
	<u>(21,565)</u>	<u>113,110</u>	<u>16,813</u>	<u>-</u>	<u>108,358</u>
<u>Other Information</u>					
Segment assets	513,635	765,152	482,273	(265,260)	1,495,800
Segment liabilities	(264,385)	(369,452)	(235,290)	265,260	(603,867)
Net assets	<u>249,250</u>	<u>395,700</u>	<u>246,983</u>	<u>-</u>	<u>891,933</u>
Investment in associated companies and joint ventures	50,903	290,314	240,490	-	581,707
Additions to non-current assets	27,327	58,709	11	-	86,047
Depreciation and amortisation	12,938	173	48	-	13,159
Impairment loss on fixed assets	26,972	-	-	-	26,972

By geographical information

	Singapore \$'000	China \$'000	ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	83,063	40,932	11,966	8,981	144,942
Non-current assets	855,019	228,579	44,003	103,225	1,230,826

Information about major customers

For the nine months ended 30 September 2016, revenue of \$18,295,000 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 nine months ended 30 September 2017 and 30 September 2016.

14. REVIEW OF SEGMENT PERFORMANCE

Logistics Division's revenue of \$105.3 million decreased by \$0.8 million compared to the same period last year due to lower warehousing revenue. In the same period last year, operating loss was \$18.0 million due to impairment loss on fixed assets. Excluding the impairment loss of \$27.0 million, operating profit in 2016 was \$9.0 million compared to \$3.3 million in 2017. The decline was due mainly to weaker revenue and higher depreciation charge on new logistics facilities. Profit before taxation was lower at \$0.8 million due to lower operating profit, share of loss from an associated company and higher interest expense. After taking into account taxation and non-controlling interests, net loss attributable to shareholders was \$2.4 million.

Data Centre Division's revenue of \$28.0 million decreased by \$10.9 million compared to the same period last year due mainly to disposal of 90% interest in Keppel DC Singapore 3 Pte Ltd on 20 January 2017 and 50% interest in Keppel DC REIT Management Pte Ltd on 1 July 2016. Operating profit was \$8.9 million compared to 105.7 million in the same period in 2016. Excluding the one-off gains of \$3.5 million and \$82.8 million in 2017 and 2016 respectively, operating profit decreased by \$17.5 million in the current period due to absence of contribution from subsidiaries disposed, higher overheads and manpower cost to support development and growth in the business. Share of results of associated companies increased by \$7.4 million compared to same period last year due mainly to equity accounting for new and existing associated companies. After taking into account taxation and non-controlling interests, net profit attributable to shareholders was lower by \$78.9 million at \$21.9 million.

Investments Division's profit before taxation of \$21.0 million decreased by \$1.9 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 decreased by \$1.5 million to \$15.1 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 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 9 Months \$'000	2016 9 Months \$'000	2017 9 Months \$'000	2016 9 Months \$'000
<u>General Transactions</u>				
Keppel Corporation Limited Group	469	467	9,585	1,314
Singapore Telecommunications Limited Group	-	-	1,580	1,503
Singapore Technologies Engineering Group	-	-	167	4,497
SP Group	-	-	801	-
Sembcorp Industries Group	-	-	133	-
Starhub Limited Group	-	-	-	126
<u>Treasury Transactions</u>				
Keppel Corporation Limited Group	-	-	-	-
- Deposits outstanding at period-end	-	-	79,360	104,825
- Interest income / Interest expense and related charges / Foreign exchange transactions	-	-	50,615	12,483
<u>Management Services</u>				
Keppel Corporation Limited Group	-	-	3,292	1,154
<u>Investment Transactions</u>				
Keppel Corporation Limited Group	-	38,000	-	-
	469	38,467	145,533	125,902

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.

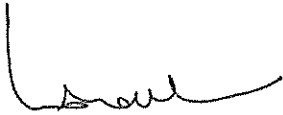
BY ORDER OF THE BOARD

KENNY LEE
Company Secretary
17 October 2017

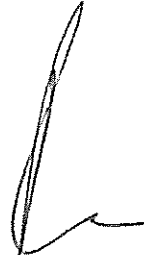
Confirmation by the Board

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

On behalf of the board of directors



LOH CHIN HUA
Chairman



NEO BOON SIONG
Director

Singapore, 17 October 2017