

## **MEDIA RELEASE**

### **KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

**17 October 2014**

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 2014.

These figures have not been audited.

#### **NINE MONTHS FY2014 RESULTS HIGHLIGHTS**

1. Revenue grew by 26% to \$153.6 million.
2. Net profit attributable to shareholders improved by 6% to \$48.2 million.
3. Earnings per share improved by 6% to 8.7 cents.
4. Net asset value per ordinary share increased by 7% to 91 cents per share.

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**KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD**

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

**THIRD QUARTER 2014 FINANCIAL STATEMENTS****TABLE OF CONTENTS**

| <b><u>Paragraph</u></b> | <b><u>Description</u></b>                      | <b><u>Page</u></b> |
|-------------------------|--|--------------------|
| 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           | 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                 | 17                 |
| 6                       | EARNINGS PER ORDINARY SHARE                    | 17                 |
| 7                       | NET ASSET VALUE                                | 17                 |
| 8                       | REVIEW OF GROUP PERFORMANCE                    | 18                 |
| 9                       | VARIANCE FROM FORECAST STATEMENT               | 18                 |
| 10                      | PROSPECTS                                      | 18                 |
| 11 & 12                 | DIVIDENDS                                      | 19                 |
| 13                      | SEGMENT ANALYSIS                               | 20                 |
| 14                      | REVIEW OF SEGMENT PERFORMANCE                  | 22                 |
| 15                      | INTERESTED PERSON TRANSACTIONS                 | 23                 |
|                         | CONFIRMATION BY THE BOARD                      | 24                 |

## Third Quarter 2014 Financial Statements

### 1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

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 2014.

#### 1(a) GROUP PROFIT AND LOSS ACCOUNT for the third quarter and nine months ended 30 September 2014

|  | Third Quarter  |                |              | Nine Months    |                |             |
|--|----------------|----------------|--------------|----------------|----------------|-------------|
|  | 2014<br>\$'000 | 2013<br>\$'000 | + /(-)<br>%  | 2014<br>\$'000 | 2013<br>\$'000 | + /(-)<br>% |
| REVENUE  | 53,650         | 41,443         | 29.5         | 153,639        | 121,866        | 26.1        |
| Operating expenses   | (47,439)       | (37,208)       | 27.5         | (135,150)      | (104,828)      | 28.9        |
| Other income   | 5,150          | 877            | 487.2        | 9,535          | 3,554          | 168.3       |
| <b>OPERATING PROFIT</b>  | <b>11,361</b>  | <b>5,112</b>   | <b>122.2</b> | <b>28,024</b>  | <b>20,592</b>  | <b>36.1</b> |
| Interest income  | 91             | 157            | (42.0)       | 228            | 506            | (54.9)      |
| Interest expense   | (3,260)        | (1,874)        | 74.0         | (8,731)        | (5,477)        | 59.4        |
| Share of results of associated companies and jointly controlled entities | 16,204         | 15,551         | 4.2          | 46,530         | 44,887         | 3.7         |
| <b>PROFIT BEFORE TAXATION</b>  | <b>24,396</b>  | <b>18,946</b>  | <b>28.8</b>  | <b>66,051</b>  | <b>60,508</b>  | <b>9.2</b>  |
| Taxation   | (3,672)        | (3,480)        | 5.5          | (11,501)       | (10,652)       | 8.0         |
| <b>PROFIT FOR THE PERIOD</b>   | <b>20,724</b>  | <b>15,466</b>  | <b>34.0</b>  | <b>54,550</b>  | <b>49,856</b>  | <b>9.4</b>  |
| Attributable to:   |                |                |              |                |                |             |
| Shareholders of the Company  | 18,469         | 14,072         | 31.2         | 48,180         | 45,454         | 6.0         |
| Non-controlling interests  | 2,255          | 1,394          | 61.8         | 6,370          | 4,402          | 44.7        |
|  | <u>20,724</u>  | <u>15,466</u>  | 34.0         | <u>54,550</u>  | <u>49,856</u>  | 9.4         |
| Earnings per share   |                |                |              |                |                |             |
| - basic  | 3.3 cts        | 2.5 cts        | 32.0         | 8.7 cts        | 8.2 cts        | 6.1         |
| - diluted  | 3.3 cts        | 2.5 cts        | 32.0         | 8.7 cts        | 8.2 cts        | 6.1         |

Notes to Group Profit and Loss Account

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

|  | Third Quarter  |                |             | Nine Months    |                |             |
|--|----------------|----------------|-------------|----------------|----------------|-------------|
|  | 2014<br>\$'000 | 2013<br>\$'000 | + /(-)<br>% | 2014<br>\$'000 | 2013<br>\$'000 | + /(-)<br>% |
| Purchase of goods and services <sup>(a)</sup>              | 15,821         | 10,811         | 46.3        | 44,256         | 31,332         | 41.2        |
| Staff costs <sup>(b)</sup>                                 | 12,993         | 10,473         | 24.1        | 37,187         | 30,271         | 22.8        |
| Share-based payment expenses                               | 561            | 407            | 37.8        | 1,398          | 1,035          | 35.1        |
| Depreciation of fixed assets <sup>(c)</sup>                | 6,969          | 5,598          | 24.5        | 19,922         | 14,362         | 38.7        |
| Rental of equipment and facilities expenses <sup>(d)</sup> | 7,810          | 7,568          | 3.2         | 23,338         | 20,592         | 13.3        |
| Other operating expenses <sup>(e)</sup>                    | 3,285          | 2,351          | 39.7        | 9,049          | 7,236          | 25.1        |
| Operating expenses   | <u>47,439</u>  | <u>37,208</u>  | 27.5        | <u>135,150</u> | <u>104,828</u> | 28.9        |
| Other income <sup>(f)</sup>                                | <u>5,150</u>   | <u>877</u>     | 487.2       | <u>9,535</u>   | <u>3,554</u>   | 168.3       |

Notes:

- (a) Purchase of goods and services increased due mainly to expenses incurred by new subsidiaries.
- (b) Staff costs increased due mainly to staff costs incurred by new subsidiaries and higher headcount in Logistics division.
- (c) Higher depreciation due mainly to depreciation charges incurred by new subsidiaries and additional capital expenditure for data centres' equipment.
- (d) Rental of equipment and facilities expenses increased due mainly to expenses incurred by new subsidiaries and higher facilities expenses due to increase in property tax.
- (e) Other operating expenses increased due to expenses incurred by new subsidiaries and higher general and administrative expenses.
- (f) Other income for the period increased due largely to higher sundry income, partly offset by fair value loss on forward foreign currency contracts and lower dilution gain in an associated company. During the quarter, other income increased due mainly to distributions received from other investments, fair value gain on forward foreign currency contracts and other sundry income.

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

|   | Third Quarter  |                |             | Nine Months    |                |             |
|---|----------------|----------------|-------------|----------------|----------------|-------------|
|   | 2014<br>\$'000 | 2013<br>\$'000 | + /(-)<br>% | 2014<br>\$'000 | 2013<br>\$'000 | + /(-)<br>% |
| Fair value gain on<br>remeasurement of<br>previously held equity<br>interests in subsidiaries<br>acquired | -              | -              | nm          | (219)          | -              | nm          |
| Write-back of doubtful debts  | (4)            | (3)            | 33.3        | (12)           | (2)            | 500.0       |
| Bad debts written off   | -              | -              | nm          | 91             | -              | nm          |
| Write-back of provision for<br>stock obsolescence   | -              | (23)           | nm          | (2)            | (174)          | (98.9)      |
| Foreign exchange<br>loss /(gain)  | 63             | 472            | (86.7)      | (16)           | 877            | nm          |
| Loss/(gain) on disposal of<br>fixed assets  | 8              | (2)            | nm          | 7              | (12)           | nm          |
| Impairment loss on<br>investments   | -              | 823            | nm          | -              | 823            | nm          |
| Fair value (gain)/loss on<br>forward foreign currency<br>contracts  | (869)          | 103            | nm          | 807            | 103            | >500.0      |

(iii) There was no adjustment for taxation expenses in respect of prior years for the current quarter. In the corresponding quarter last year, write-back of over provision for taxation and tax assets recognised under Group Relief System were \$3,000 and \$354,000 respectively.

(iv) There was no extraordinary item during the quarter.

nm – not meaningful

**1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the third quarter and nine months ended 30 September 2014**

|   | Third Quarter  |                |              | Nine Months    |                |              |
|---|----------------|----------------|--------------|----------------|----------------|--------------|
|   | 2014<br>\$'000 | 2013<br>\$'000 | + / (-)<br>% | 2014<br>\$'000 | 2013<br>\$'000 | + / (-)<br>% |
| Profit for the period   | 20,724         | 15,466         | 34.0         | 54,550         | 49,856         | 9.4          |
| <u>Items that may be reclassified<br/>subsequently to profit or loss:</u> |                |                |              |                |                |              |
| Available-for-sale financial assets                                       |                |                |              |                |                |              |
| - Fair value changes  | -              | (305)          | nm           | -              | (425)          | nm           |
| - Fair value loss realised and transferred to profit and loss account     | -              | 407            | nm           | -              | 407            | nm           |
| Foreign currency translation  |                |                |              |                |                |              |
| - Exchange differences arising on consolidation                           | 2,700          | 1,669          | 61.8         | 25             | 5,158          | (99.5)       |
| - Realised and transferred to profit & loss account                       | -              | -              | nm           | 470            | -              | nm           |
| Share of other comprehensive income / (expense) of associated companies   |                |                |              |                |                |              |
| - Cash flow hedge   | -              | -              | nm           | -              | 38             | nm           |
| - Foreign currency translation  | 1,132          | (906)          | nm           | 1,605          | (1,908)        | nm           |
| Other comprehensive income for the period, net of tax                     | 3,832          | 865            | 343.0        | 2,100          | 3,270          | (35.8)       |
| Total comprehensive income for the period                                 | 24,556         | 16,331         | 50.4         | 56,650         | 53,126         | 6.6          |
| Attributable to:  |                |                |              |                |                |              |
| Shareholders of the Company   | 21,171         | 14,521         | 45.8         | 50,246         | 47,359         | 6.1          |
| Non-controlling interests   | 3,385          | 1,810          | 87.0         | 6,404          | 5,767          | 11.0         |
|   | 24,556         | 16,331         | 50.4         | 56,650         | 53,126         | 6.6          |

nm – not meaningful

**1(c)(i) BALANCE SHEETS as at 30 September 2014**

|   | Group                 |                       | Company               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 30.9.2014<br>\$'000   | 31.12.2013<br>\$'000  | 30.9.2014<br>\$'000   | 31.12.2013<br>\$'000  |
| SHARE CAPITAL   | 76,741                | 75,468                | 76,741                | 75,468                |
| RESERVES  | 426,116               | 394,990               | 57,653                | 67,742                |
| SHARE CAPITAL AND RESERVES                              | <u>502,857</u>        | <u>470,458</u>        | <u>134,394</u>        | <u>143,210</u>        |
| NON-CONTROLLING INTERESTS                               | <u>89,595</u>         | <u>74,430</u>         | -                     | -                     |
| <b>CAPITAL EMPLOYED</b>                                 | <b><u>592,452</u></b> | <b><u>544,888</u></b> | <b><u>134,394</u></b> | <b><u>143,210</u></b> |
| Represented by:   |                       |                       |                       |                       |
| FIXED ASSETS  | 623,808               | 507,446               | -                     | -                     |
| INVESTMENTS   |                       |                       |                       |                       |
| Subsidiaries  | -                     | -                     | 87,307                | 87,307                |
| Associated companies and jointly<br>controlled entities | 436,012               | 462,776               | 34,572                | 34,572                |
| Others  | 236                   | 236                   | -                     | -                     |
|   | <u>436,248</u>        | <u>463,012</u>        | <u>121,879</u>        | <u>121,879</u>        |
| INTANGIBLES   | 1,472                 | -                     | -                     | -                     |
| LONG-TERM RECEIVABLES                                   | -                     | -                     | 94,850                | 94,850                |
| CURRENT ASSETS  |                       |                       |                       |                       |
| Stocks  | 691                   | 754                   | -                     | -                     |
| Debtors   | 77,913                | 85,255                | 998                   | 191                   |
| Amounts owing by holding and<br>related companies       | 1,754                 | 1,824                 | 66,756                | 73,355                |
| Amounts owing by associated<br>companies                | 15,524                | 10,036                | 10,678                | 4,781                 |
| Fixed deposits  | 50,751                | 45,245                | 15,039                | 11,483                |
| Bank balances and cash                                  | 44,181                | 34,933                | 171                   | 231                   |
|   | <u>190,814</u>        | <u>178,047</u>        | <u>93,642</u>         | <u>90,041</u>         |
| LESS: CURRENT LIABILITIES                               |                       |                       |                       |                       |
| Creditors   | 79,673                | 85,652                | 1,985                 | 3,331                 |
| Amounts owing to holding and<br>related companies       | 535                   | 790                   | 40,472                | 1,749                 |
| Amounts owing to associated<br>companies                | 6                     | 13                    | -                     | -                     |
| Short-term borrowings                                   | 49,210                | 38,480                | 13,520                | 38,480                |
| Taxation  | 3,744                 | 1,389                 | -                     | -                     |
|   | <u>133,168</u>        | <u>126,324</u>        | <u>55,977</u>         | <u>43,560</u>         |
| <b>NET CURRENT ASSETS</b>                               | <b><u>57,646</u></b>  | <b><u>51,723</u></b>  | <b><u>37,665</u></b>  | <b><u>46,481</u></b>  |
| NON-CURRENT LIABILITIES                                 |                       |                       |                       |                       |
| Long-term borrowings                                    | 510,632               | 461,203               | 120,000               | 120,000               |
| Deferred taxation                                       | 16,090                | 16,090                | -                     | -                     |
|   | <u>526,722</u>        | <u>477,293</u>        | <u>120,000</u>        | <u>120,000</u>        |
| <b>NET ASSETS</b>                                       | <b><u>592,452</u></b> | <b><u>544,888</u></b> | <b><u>134,394</u></b> | <b><u>143,210</u></b> |

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

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

| As at 30.9.2014   |                     | As at 31.12.2013  |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| 3,117             | 46,093              | -                 | 38,480              |

### Amount repayable after one year

| As at 30.9.2014   |                     | As at 31.12.2013  |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| 42,874            | 467,758             | 12,607            | 448,596             |

The Group funds its operations from internal sources, banks and related companies. On 29 June 2012, the Group established a S\$500 million Medium Term Note ("MTN") Programme and on 13 August 2012, it issued a S\$120 million 7-year Fixed Rate Note from the programme at 2.625% per annum for the first five years and 3.825% per annum for the remaining two years.

### 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 \$95,198,000 (31 December 2013: \$63,516,000) to banks for loan facilities.

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

Group shareholders' funds increased by \$32.4 million to \$502.9 million as at 30 September 2014 due mainly to retained profits for the period.

Group total assets of \$1,252.3 million as at 30 September 2014 were \$103.8 million higher than as at the previous year end. Fixed assets increased by \$116.4 million to \$623.8 million due mainly to construction of logistics warehouses, fit-out of data centres and subsidiaries acquired. Associated companies and jointly controlled entities decreased by \$26.8 million to \$436.0 million due to dividends received, partly offset by equity accounting for share of profits. Current assets increased by \$12.8 million to \$190.8 million due largely to higher dividends receivable from associated companies and bank balances, partly offset by lower debtors.

Group total liabilities of \$659.9 million as at 30 September 2014 were \$56.3 million higher than as at the previous year end due mainly to increase in borrowings partly offset by decrease in creditors. Decrease in creditors was due largely to payment made for acquisition of a subsidiary. Increase in borrowings was mainly for capital expenditure. Group total borrowings as at 30 September 2014 were \$559.8 million.



**1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the third quarter and nine months ended 30 September 2014**

|   | Third Quarter   |                 | Nine Months     |                  |
|---|-----------------|-----------------|-----------------|------------------|
|   | 2014<br>\$'000  | 2013<br>\$'000  | 2014<br>\$'000  | 2013<br>\$'000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                 |                 |                 |                  |
| Operating profit  | 11,361          | 5,112           | 28,024          | 20,592           |
| Adjustments for non-cash items:   |                 |                 |                 |                  |
| Depreciation of fixed assets  | 6,969           | 5,598           | 19,922          | 14,362           |
| Gain on disposal of fixed assets  | 8               | (2)             | 7               | (12)             |
| Impairment loss on investments  | -               | 823             | -               | 823              |
| Fair value gain on remeasurement of previously held equity interests in subsidiaries acquired | -               | -               | (219)           | -                |
| Fair value (gain)/loss on forward foreign currency contracts                                  | (869)           | 103             | 807             | 103              |
| Share-based payment expenses  | 561             | 407             | 1,398           | 1,035            |
| Gain on dilution of an associated company   | (1,061)         | (1,244)         | (3,144)         | (3,769)          |
| Translation of foreign companies  | 278             | 186             | 126             | 749              |
| Operating cash flows before changes in working capital  | 17,247          | 10,983          | 46,921          | 33,883           |
| Working capital changes:  |                 |                 |                 |                  |
| Stocks  | 36              | (9)             | 63              | 37               |
| Debtors   | (1,564)         | 147             | 1,030           | (2,647)          |
| Creditors   | 3,110           | 965             | 8,263           | 5,948            |
| Cash flows from operations  | 18,829          | 12,086          | 56,277          | 37,221           |
| Interest received   | 96              | 116             | 231             | 427              |
| Interest paid   | (3,637)         | (2,717)         | (9,322)         | (6,205)          |
| Income taxes paid   | (614)           | (678)           | (1,828)         | (1,983)          |
| Proceeds from tax losses transferred under group relief system                                | -               | 354             | -               | 2,922            |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>   | <b>14,674</b>   | <b>9,161</b>    | <b>45,358</b>   | <b>32,382</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                 |                 |                 |                  |
| Acquisition of subsidiaries (Note A)  | -               | -               | (327)           | -                |
| Advance payment for acquisition of a subsidiary   | -               | (17,153)        | -               | (17,153)         |
| Settlement of consideration payable for acquisition of a subsidiary                           | (3,414)         | -               | (17,070)        | -                |
| Investment in associated companies  | -               | -               | -               | (36,757)         |
| Proceeds from capital reduction of a jointly controlled entity                                | -               | -               | 2,000           | -                |
| Proceeds from disposal of fixed assets  | -               | 17              | 1               | 27               |
| Purchase of fixed assets  | (54,148)        | (31,897)        | (118,781)       | (110,594)        |
| Dividends received from associated companies  | 24,638          | 14,349          | 58,779          | 31,291           |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  | <b>(32,924)</b> | <b>(34,684)</b> | <b>(75,398)</b> | <b>(133,186)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                 |                 |                 |                  |
| Proceeds from share issues  | 48              | -               | 276             | 29               |
| Proceeds from short-term loans  | 5,335           | -               | 22,775          | 88,880           |
| Repayment of short-term loans   | (27,626)        | -               | (46,926)        | (25,000)         |
| Proceeds from long-term loans   | 11,037          | -               | 90,698          | 70,000           |
| Repayment of long-term loans  | (497)           | -               | (7,666)         | -                |
| Funds from an associated company  | -               | 1,000           | -               | 1,000            |
| Proceeds from non-controlling shareholders of subsidiaries                                    | 5,487           | -               | 5,487           | 11,406           |
| Dividends paid to shareholders of the company   | -               | -               | (19,421)        | (19,382)         |
| Dividends paid to non-controlling shareholders of subsidiaries                                | (340)           | (197)           | (463)           | (602)            |
| <b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>   | <b>(6,556)</b>  | <b>803</b>      | <b>44,760</b>   | <b>126,331</b>   |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>                                   |                 |                 |                 |                  |
|   | (24,806)        | (24,720)        | 14,720          | 25,527           |
| Cash and cash equivalents at beginning of period  | 119,244         | 115,109         | 80,178          | 63,729           |
| Effect of exchange rate changes on cash and cash equivalents                                  | 494             | 352             | 34              | 1,485            |
| Cash and cash equivalents at end of period (Note B)   | 94,932          | 90,741          | 94,932          | 90,741           |

## Notes to Consolidated Statement of Cash Flows

### A. Acquisition of subsidiaries

During the financial period, the fair values of net assets and liabilities of subsidiaries acquired were as follows:

|   | Third Quarter  |                | Nine Months    |                |
|---|----------------|----------------|----------------|----------------|
|   | 2014<br>\$'000 | 2013<br>\$'000 | 2014<br>\$'000 | 2013<br>\$'000 |
| Fixed assets  | -              | -              | 5,929          | -              |
| Trade debtors   | -              | -              | 4,431          | -              |
| Other debtors   | -              | -              | 3,065          | -              |
| Bank balances and cash  | -              | -              | 717            | -              |
| Creditors   | -              | -              | (4,227)        | -              |
| Short-term borrowings   | -              | -              | (927)          | -              |
| Taxation  | -              | -              | (86)           | -              |
| Long-term borrowings  | -              | -              | (1,487)        | -              |
| Total identifiable net assets at fair value   | -              | -              | 7,415          | -              |
| Non-controlling interests measured at non-controlling interests' proportionate share of net identifiable assets | -              | -              | (3,737)        | -              |
| Amounts previously accounted for as associated companies  | -              | -              | (3,887)        | -              |
| Fair value gain on remeasurement of previously held equity interests in subsidiaries acquired                   | -              | -              | (219)          | -              |
| Goodwill arising from acquisition   | -              | -              | 1,472          | -              |
| Purchase consideration  | -              | -              | 1,044          | -              |
| Less: Bank balances and cash acquired   | -              | -              | (717)          | -              |
| Cash outflow on acquisition, net of cash acquired   | -              | -              | 327            | -              |

### 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 balance sheet amounts:

|                        | Third Quarter  |                | Nine Months    |                |
|------------------------|----------------|----------------|----------------|----------------|
|                        | 2014<br>\$'000 | 2013<br>\$'000 | 2014<br>\$'000 | 2013<br>\$'000 |
| Fixed deposits         | 50,751         | 57,209         | 50,751         | 57,209         |
| Bank balances and cash | 44,181         | 33,532         | 44,181         | 33,532         |
|                        | 94,932         | 90,741         | 94,932         | 90,741         |

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

### Third Quarter

Net cash from operating activities for the quarter was \$14.7 million compared to \$9.2 million for the corresponding quarter last year. This is due mainly to higher operating cash flow, after taking into account working capital requirements and higher interest cost.

Net cash used in investing activities for the quarter was \$32.9 million, compared to the corresponding quarter's net cash used in investing activities of \$34.7 million. Current quarter's requirement was for investment in a subsidiary, fit-out of data centres and development of logistics facilities, partly offset by dividends received from associated companies.

Net cash outflow from financing activities for the quarter of \$6.6 million was due largely to net repayment of loans, partly offset by cash contribution from non-controlling interest.

### Nine Months

Net cash from operating activities was \$45.4 million compared to \$32.4 million for the corresponding period last year due to higher operating cash flow after taking into account interest charges and working capital requirements.

Net cash used in investing activities was \$75.4 million mainly for fit-out of data centres, development of logistics facilities and investment in subsidiaries. The outflow was partly offset by dividends received from associated companies and proceeds from capital reduction of a jointly controlled entity.

Net cash from financing activities was \$44.8 million mainly from drawdown of loans and cash contribution from non-controlling interest, partly offset by dividends paid to shareholders of the Company.

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY**  
**for the third quarter and nine months ended 30 September 2014**

|  | Attributable to owners of the Company |                            |                           |  |                                    |                                     |                            |
|--|---------------------------------------|----------------------------|---------------------------|--|------------------------------------|-------------------------------------|----------------------------|
|  | Share Capital<br>\$'000               | Capital Reserves<br>\$'000 | Revenue Reserve<br>\$'000 | Foreign Currency Translation Account<br>\$'000 | Share Capital & Reserves<br>\$'000 | Non-Controlling Interests<br>\$'000 | Capital Employed<br>\$'000 |
| <u>The Group</u>   |                                       |                            |                           |  |                                    |                                     |                            |
| Balance at 1 January 2014                                      | 75,468                                | 30,533                     | 379,943                   | (15,486)                                       | 470,458                            | 74,430                              | 544,888                    |
| <b>Total comprehensive income for the period</b>               |                                       |                            |                           |  |                                    |                                     |                            |
| Profit for the period  | -                                     | -                          | 29,711                    | -  | 29,711                             | 4,115                               | 33,826                     |
| Other comprehensive loss for the period *                      | -                                     | -                          | -                         | (636)  | (636)                              | (1,096)                             | (1,732)                    |
| <b>Total comprehensive income for the period</b>               | -                                     | -                          | 29,711                    | (636)  | 29,075                             | 3,019                               | 32,094                     |
| <b>Transactions with owners, recognised directly in equity</b> |                                       |                            |                           |  |                                    |                                     |                            |
| <u>Contribution by and distributions to owners</u>             |                                       |                            |                           |  |                                    |                                     |                            |
| Issue of shares  | 1,225                                 | (997)                      | -                         | -  | 228                                | -                                   | 228                        |
| Cost of share-based payment                                    | -                                     | 789                        | -                         | -  | 789                                | -                                   | 789                        |
| Dividend paid to non-controlling shareholders                  | -                                     | -                          | -                         | -  | -                                  | (123)                               | (123)                      |
| Dividend paid for 2013   | -                                     | -                          | (19,421)                  | -  | (19,421)                           | -                                   | (19,421)                   |
| Total contributions by and distributions to owners             | 1,225                                 | (208)                      | (19,421)                  | -  | (18,404)                           | (123)                               | (18,527)                   |
| <u>Changes in ownership interests in subsidiaries</u>          |                                       |                            |                           |  |                                    |                                     |                            |
| Acquisition of subsidiaries                                    | -                                     | -                          | -                         | -  | -                                  | 3,737                               | 3,737                      |
| Total changes in ownership interests in subsidiaries           | -                                     | -                          | -                         | -  | -                                  | 3,737                               | 3,737                      |
| <b>Total transactions with owners</b>                          | 1,225                                 | (208)                      | (19,421)                  | -  | (18,404)                           | 3,614                               | (14,790)                   |
| <b>Share of reserves of associated companies</b>               | -                                     | 43                         | -                         | -  | 43                                 | -                                   | 43                         |
| Balance at 30 June 2014  | 76,693                                | 30,368                     | 390,233                   | (16,122)                                       | 481,172                            | 81,063                              | 562,235                    |

|  | Attributable to owners of the Company |                            |                           |  |                                    |                                     |                            |
|--|---------------------------------------|----------------------------|---------------------------|--|------------------------------------|-------------------------------------|----------------------------|
|  | Share Capital<br>\$'000               | Capital Reserves<br>\$'000 | Revenue Reserve<br>\$'000 | Foreign Currency Translation Account<br>\$'000 | Share Capital & Reserves<br>\$'000 | Non-Controlling Interests<br>\$'000 | Capital Employed<br>\$'000 |
| <u>The Group</u>   |                                       |                            |                           |  |                                    |                                     |                            |
| Balance at 30 June 2014  | 76,693                                | 30,368                     | 390,233                   | (16,122)                                       | 481,172                            | 81,063                              | 562,235                    |
| <b>Total comprehensive income for the period</b>               |                                       |                            |                           |  |                                    |                                     |                            |
| Profit for the period  | -                                     | -                          | 18,469                    | -  | 18,469                             | 2,255                               | 20,724                     |
| Other comprehensive income for the period *                    | -                                     | -                          | -                         | 2,702  | 2,702                              | 1,130                               | 3,832                      |
| <b>Total comprehensive income for the period</b>               | -                                     | -                          | 18,469                    | 2,702  | 21,171                             | 3,385                               | 24,556                     |
| <b>Transactions with owners, recognised directly in equity</b> |                                       |                            |                           |  |                                    |                                     |                            |
| <u>Contribution by and distributions to owners</u>             |                                       |                            |                           |  |                                    |                                     |                            |
| Issue of shares  | 48                                    | -                          | -                         | -  | 48                                 | -                                   | 48                         |
| Cost of share-based payment                                    | -                                     | 536                        | -                         | -  | 536                                | -                                   | 536                        |
| Dividend paid to non-controlling shareholders                  | -                                     | -                          | -                         | -  | -                                  | (340)                               | (340)                      |
| Total contributions by and distributions to owners             | 48                                    | 536                        | -                         | -  | 584                                | (340)                               | 244                        |
| <u>Changes in ownership interests in subsidiaries</u>          |                                       |                            |                           |  |                                    |                                     |                            |
| Cash subscribed by non-controlling shareholders                | -                                     | -                          | -                         | -  | -                                  | 5,487                               | 5,487                      |
| Total changes in ownership interests in subsidiaries           | -                                     | -                          | -                         | -  | -                                  | 5,487                               | 5,487                      |
| <b>Total transactions with owners</b>                          | 48                                    | 536                        | -                         | -  | 584                                | 5,147                               | 5,731                      |
| <b>Share of reserves of associated companies</b>               | -                                     | (70)                       | -                         | -  | (70)                               | -                                   | (70)                       |
| Balance at 30 September 2014                                   | <u>76,741</u>                         | <u>30,834</u>              | <u>408,702</u>            | <u>(13,420)</u>                                | <u>502,857</u>                     | <u>89,595</u>                       | <u>592,452</u>             |

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

|  | Attributable to owners of the Company |                            |                           |  |                                    |                                     |                            |
|--|---------------------------------------|----------------------------|---------------------------|--|------------------------------------|-------------------------------------|----------------------------|
|  | Share Capital<br>\$'000               | Capital Reserves<br>\$'000 | Revenue Reserve<br>\$'000 | Foreign Currency Translation Account<br>\$'000 | Share Capital & Reserves<br>\$'000 | Non-Controlling Interests<br>\$'000 | Capital Employed<br>\$'000 |
| <u>The Group</u>   |                                       |                            |                           |  |                                    |                                     |                            |
| Balance at 1 January 2013                                      | 74,565                                | 30,663                     | 336,209                   | (14,346)                                       | 427,091                            | 33,262                              | 460,353                    |
| <b>Total comprehensive income for the period</b>               |                                       |                            |                           |  |                                    |                                     |                            |
| Profit for the period  | -                                     | -                          | 31,382                    | -  | 31,382                             | 3,008                               | 34,390                     |
| Other comprehensive income for the period *                    | -                                     | (82)                       | -                         | 1,538  | 1,456                              | 949                                 | 2,405                      |
| <b>Total comprehensive income for the period</b>               | -                                     | (82)                       | 31,382                    | 1,538  | 32,838                             | 3,957                               | 36,795                     |
| <b>Transactions with owners, recognised directly in equity</b> |                                       |                            |                           |  |                                    |                                     |                            |
| <u>Contribution by and distributions to owners</u>             |                                       |                            |                           |  |                                    |                                     |                            |
| Issue of shares  | 787                                   | (758)                      | -                         | -  | 29                                 | -                                   | 29                         |
| Cost of share-based payment                                    | -                                     | 596                        | -                         | -  | 596                                | -                                   | 596                        |
| Transfer from revenue reserve to capital reserves              | -                                     | 1                          | (1)                       | -  | -                                  | -                                   | -                          |
| Dividend paid to non-controlling shareholders                  | -                                     | -                          | -                         | -  | -                                  | (405)                               | (405)                      |
| Dividend paid for 2012   | -                                     | -                          | (19,382)                  | -  | (19,382)                           | -                                   | (19,382)                   |
| Total contributions by and distributions to owners             | 787                                   | (161)                      | (19,383)                  | -  | (18,757)                           | (405)                               | (19,162)                   |
| <u>Changes in ownership interests in subsidiaries</u>          |                                       |                            |                           |  |                                    |                                     |                            |
| Cash subscribed by non-controlling shareholders                | -                                     | -                          | -                         | -  | -                                  | 11,406                              | 11,406                     |
| Total changes in ownership interests in subsidiaries           | -                                     | -                          | -                         | -  | -                                  | 11,406                              | 11,406                     |
| <b>Total transactions with owners</b>                          | 787                                   | (161)                      | (19,383)                  | -  | (18,757)                           | 11,001                              | (7,756)                    |
| <b>Share of reserves of associated companies</b>               | -                                     | (347)                      | -                         | -  | (347)                              | -                                   | (347)                      |
| Balance at 30 June 2013  | 75,352                                | 30,073                     | 348,208                   | (12,808)                                       | 440,825                            | 48,220                              | 489,045                    |

|  | Attributable to owners of the Company |                            |                           |  |                                    |                                     |                            |
|--|---------------------------------------|----------------------------|---------------------------|--|------------------------------------|-------------------------------------|----------------------------|
|  | Share Capital<br>\$'000               | Capital Reserves<br>\$'000 | Revenue Reserve<br>\$'000 | Foreign Currency Translation Account<br>\$'000 | Share Capital & Reserves<br>\$'000 | Non-Controlling Interests<br>\$'000 | Capital Employed<br>\$'000 |
| <u>The Group</u>   |                                       |                            |                           |  |                                    |                                     |                            |
| Balance at 30 June 2013  | 75,352                                | 30,073                     | 348,208                   | (12,808)                                       | 440,825                            | 48,220                              | 489,045                    |
| <b>Total comprehensive income for the period</b>               |                                       |                            |                           |  |                                    |                                     |                            |
| Profit for the period  | -                                     | -                          | 14,072                    | -  | 14,072                             | 1,394                               | 15,466                     |
| Other comprehensive income for the period *                    | -                                     | 102                        | -                         | 347  | 449                                | 416                                 | 865                        |
| <b>Total comprehensive income for the period</b>               | -                                     | 102                        | 14,072                    | 347  | 14,521                             | 1,810                               | 16,331                     |
| <b>Transactions with owners, recognised directly in equity</b> |                                       |                            |                           |  |                                    |                                     |                            |
| <u>Contribution by and distributions to owners</u>             |                                       |                            |                           |  |                                    |                                     |                            |
| Cost of share-based payment                                    | -                                     | 380                        | -                         | -  | 380                                | -                                   | 380                        |
| Transfer from revenue reserve to capital reserves              | -                                     | (1)                        | 1                         | -  | -                                  | -                                   | -                          |
| Dividend paid to non-controlling shareholders                  | -                                     | -                          | -                         | -  | -                                  | (197)                               | (197)                      |
| Total contributions by and distributions to owners             | -                                     | 379                        | 1                         | -  | 380                                | (197)                               | 183                        |
| <b>Total transactions with owners</b>                          | -                                     | 379                        | 1                         | -  | 380                                | (197)                               | 183                        |
| <b>Share of reserves of associated companies</b>               | -                                     | (76)                       | -                         | -  | (76)                               | -                                   | (76)                       |
| Balance at 30 September 2013                                   | 75,352                                | 30,478                     | 362,281                   | (12,461)                                       | 455,650                            | 49,833                              | 505,483                    |

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

|   | Share<br>Capital<br>\$'000 | Capital<br>Reserves<br>\$'000 | Revenue<br>Reserve<br>\$'000 | Total<br>\$'000 |
|---|----------------------------|-------------------------------|------------------------------|-----------------|
| <u>The Company</u>  |                            |                               |                              |                 |
| Balance at 1 January 2014   | 75,468                     | 5,781                         | 61,961                       | 143,210         |
| Profit for the period, representing total comprehensive income for the period | -                          | -                             | 3,278                        | 3,278           |
| <b><i>Transactions with owners, recognised directly in equity</i></b>         |                            |                               |                              |                 |
| Issue of shares   | 1,225                      | (997)                         | -                            | 228             |
| Cost of share-based payment   | -                          | 789                           | -                            | 789             |
| Dividend paid for 2013  | -                          | -                             | (19,421)                     | (19,421)        |
| <b>Total transactions with owners</b>   | <b>1,225</b>               | <b>(208)</b>                  | <b>(19,421)</b>              | <b>(18,404)</b> |
| Balance at 30 June 2014   | 76,693                     | 5,573                         | 45,818                       | 128,084         |
| Profit for the period, representing total comprehensive income for the period | -                          | -                             | 5,726                        | 5,726           |
| <b><i>Transactions with owners, recognised directly in equity</i></b>         |                            |                               |                              |                 |
| Issue of shares   | 48                         | -                             | -                            | 48              |
| Cost of share-based payment   | -                          | 536                           | -                            | 536             |
| <b>Total transactions with owners</b>   | <b>48</b>                  | <b>536</b>                    | <b>-</b>                     | <b>584</b>      |
| Balance at 30 September 2014  | <u>76,741</u>              | <u>6,109</u>                  | <u>51,544</u>                | <u>134,394</u>  |
| Balance at 1 January 2013   | 74,565                     | 5,565                         | 52,912                       | 133,042         |
| Profit for the period, representing total comprehensive income for the period | -                          | -                             | 2,874                        | 2,874           |
| <b><i>Transactions with owners, recognised directly in equity</i></b>         |                            |                               |                              |                 |
| Issue of shares   | 787                        | (758)                         | -                            | 29              |
| Cost of share-based payment   | -                          | 596                           | -                            | 596             |
| Dividend paid for 2012  | -                          | -                             | (19,382)                     | (19,382)        |
| <b>Total transactions with owners</b>   | <b>787</b>                 | <b>(162)</b>                  | <b>(19,382)</b>              | <b>(18,757)</b> |
| Balance at 30 June 2013   | 75,352                     | 5,403                         | 36,404                       | 117,159         |
| Loss for the period, representing total comprehensive income for the period   | -                          | -                             | (296)                        | (296)           |
| <b><i>Transactions with owners, recognised directly in equity</i></b>         |                            |                               |                              |                 |
| Cost of share-based payment   | -                          | 380                           | -                            | 380             |
| <b>Total transactions with owners</b>   | <b>-</b>                   | <b>380</b>                    | <b>-</b>                     | <b>380</b>      |
| As at 30 September 2013   | <u>75,352</u>              | <u>5,783</u>                  | <u>36,108</u>                | <u>117,243</u>  |



## 1(e)(ii) SHARE CAPITAL

### Issued share capital and treasury shares

|  | <u>Number of shares</u>   |
|--|---------------------------|
| Balance at 1 January 2014  | 553,891,937               |
| Issue of shares under share option scheme                              | 185,000                   |
| Issue of shares under restricted share plan and performance share plan | <u>799,900</u>            |
| Balance at 30 June 2014  | 554,876,837               |
| Issue of shares under share option scheme                              | <u>35,000</u>             |
| Balance at 30 September 2014   | <u><u>554,911,837</u></u> |

As at 30 September 2014, the number of ordinary shares in issue was 554,911,837 of which none were held by the Company as treasury shares (30 September 2013: 553,781,937 ordinary shares of which none were held as treasury shares; 31 December 2013: 553,891,937 ordinary shares of which none were held as treasury shares).

### Share Options

As at 30 September 2014, there were unexercised options for 800,000 (30 September 2013: 1,385,000) of unissued ordinary shares under the Company's Share Option Scheme. Unexercised options of 255,000 unissued ordinary shares were cancelled during the nine months ended 30 September 2014 (30 September 2013: Nil).

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

As at 30 September 2014, the number of contingent shares granted and not released was 1,015,000 (30 September 2013: 1,054,000) for KT&T Restricted Share Plan ("KT&T RSP"). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 1,015,000 ordinary shares of the Company for KT&T RSP.

As at 30 September 2014, the number of restricted shares released but not vested was 747,600 (30 September 2013: 546,700) for KT&T RSP.

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

As at 30 September 2014, the number of contingent shares granted and not released was 325,000 (30 September 2013: 680,000) 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 487,500 ordinary shares of the Company for KT&T PSP.

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

Contingent awards:

| Date of Grant       | Number of Shares |                           |                    |                  |                  |
|---------------------|------------------|---------------------------|--------------------|------------------|------------------|
|                     | At 1.1.14        | Contingent shares granted | Released           | Cancelled        | At 30.9.14       |
| <b>KT&amp;T RSP</b> |                  |                           |                    |                  |                  |
| 3.4.13              | 1,042,000        | -                         | (1,042,000)        | -                | -                |
| 7.4.14              | -                | 1,176,000                 | -                  | (161,000)        | 1,015,000        |
|                     | <u>1,042,000</u> | <u>1,176,000</u>          | <u>(1,042,000)</u> | <u>(161,000)</u> | <u>1,015,000</u> |
| <b>KT&amp;T PSP</b> |                  |                           |                    |                  |                  |
| 1.7.11              | 180,000          | -                         | (95,400)           | (84,600)         | -                |
| 2.7.12              | 225,000          | -                         | -                  | (150,000)        | 75,000           |
| 3.4.13              | 275,000          | -                         | -                  | (150,000)        | 125,000          |
| 7.4.14              | -                | 275,000                   | -                  | (150,000)        | 125,000          |
|                     | <u>680,000</u>   | <u>275,000</u>            | <u>(95,400)</u>    | <u>(534,600)</u> | <u>325,000</u>   |

Awards released but not vested:

| Date of Grant       | Number of Shares |                  |                  |                  |                |
|---------------------|------------------|------------------|------------------|------------------|----------------|
|                     | At 1.1.14        | Released         | Vested           | Cancelled        | At 30.9.14     |
| <b>KT&amp;T RSP</b> |                  |                  |                  |                  |                |
| 1.7.11              | 166,600          | -                | (166,600)        | -                | -              |
| 2.7.12              | 380,100          | -                | (190,900)        | (28,600)         | 160,600        |
| 3.4.13              | -                | 1,042,000        | (347,000)        | (108,000)        | 587,000        |
|                     | <u>546,700</u>   | <u>1,042,000</u> | <u>(704,500)</u> | <u>(136,600)</u> | <u>747,600</u> |
| <b>KT&amp;T PSP</b> |                  |                  |                  |                  |                |
| 1.7.11              | -                | 95,400           | (95,400)         | -                | -              |
|                     | -                | <u>95,400</u>    | <u>(95,400)</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 2013, 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 2014.

Revised FRS 27 Separate Financial Statements  
 Revised FRS 28 Investments in Associates and Joint Ventures  
 FRS 110 Consolidated Financial Statements  
 FRS 111 Joint Arrangements  
 FRS 112 Disclosure of Interests in Other Entities  
 Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities  
 Amendments to FRS 36: Recoverable Amount Disclosures for Non-financial Assets  
 Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting  
 Improvements to FRSs

The adoption of these FRS 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 |         |        |
|  | 2014          | 2013    | +/(-)% | 2014        | 2013    | +/(-)% |
| Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:- |               |         |        |             |         |        |
| (i) Based on the weighted average number of shares (cents)   | 3.3           | 2.5     | 32.0   | 8.7         | 8.2     | 6.1    |
| - Weighted average number of shares ('000)   | 554,759       | 553,662 | 0.2    | 554,759     | 553,662 | 0.2    |
| (ii) On a fully diluted basis (cents)  | 3.3           | 2.5     | 32.0   | 8.7         | 8.2     | 6.1    |
| - Adjusted weighted average number of shares ('000)  | 556,747       | 555,636 | 0.2    | 556,747     | 555,636 | 0.2    |

## 7. NET ASSET VALUE

|   | GROUP     |            |        | COMPANY   |            |        |
|---|-----------|------------|--------|-----------|------------|--------|
|   | 30.9.2014 | 31.12.2013 | +/(-)% | 30.9.2014 | 31.12.2013 | +/(-)% |
| Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$) | 0.91      | 0.85       | 7.1    | 0.24      | 0.26       | (7.7)  |

## **8. REVIEW OF GROUP PERFORMANCE**

### Third Quarter

Group revenue in the third quarter at \$53.7 million was 30% higher compared to the corresponding quarter in 2013 due mainly to higher revenue from Data Centre and Logistics Divisions. Operating profit increased by 122% to \$11.4 million due to higher revenue, unrealised hedging gain, distributions received from other investments and sundry income.

Profit before taxation at \$24.4 million increased by 29% due to higher operating profit and higher share of results of associated companies, partly offset by higher interest expense.

After taking into account higher taxation and non-controlling interests, the Group's net profit attributable to shareholders increased by 31% to \$18.5 million.

### Nine Months

Group revenue for the nine months increased by 26% to \$153.6 million compared to the corresponding period in 2013 due to higher revenue from Data Centre and Logistics Divisions. Operating profit increased by 36% to \$28.0 million due mainly to higher revenue, distributions received from other investments and sundry income, partly offset by unrealised year-to-date hedging loss.

Profit before taxation increased by 9% to \$66.1 million compared to the corresponding period in 2013. Higher operating profit and share of results of associated companies was partly offset by higher interest expense.

After taking into account higher taxation and non-controlling interests, the Group's net profit attributable to shareholders increased by 6% to \$48.2 million.

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

No forecast for the nine months ended 30 September 2014 was previously provided.

## **10. PROSPECTS**

In the Logistics Division, high occupancy was maintained for the Group's facilities while remaining focused on the implementation of various expansion projects. During the quarter, operations commenced at Keppel Logistics (Australia) Pty Ltd. The 10,000 square metre warehouse in Brisbane serves one of the world's leading book publishers. Over the next few months, the Group's logistics footprint will be further strengthened with the completion of Tampines Logistics Park warehouse in Singapore, and Tianjin Eco-City Distribution Centre in China. Development on the food logistics park in Anhui and Jilin provinces in China are underway. However, the Jilin project is slowing down its construction due to the overall delay in the Food Zone Development, which the project team has been working closely with the local authorities to resolve.

Driven by strong market demand, the Group's data centre facilities continue to enjoy high occupancy. Keppel Datahub 2, the newest data centre development in Singapore, has received a healthy take-up rate while fitting out work has been progressing well. The Group continues to explore development and acquisition opportunities in Asia and Europe. The planned data centre real estate investment trust to be listed on the Main Board of Singapore Exchange Securities Trading Limited is ongoing, subject to market conditions and obtaining the relevant regulatory approvals.

**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 interim dividend has been declared for the period ended 30 September 2014 (30 September 2013: Nil).

### 13. SEGMENT ANALYSIS

Nine Months ended 30 September 2014

#### Business Segments

|  | Logistics<br>\$'000 | Data Centre<br>\$'000 | Investments<br>\$'000                      | Eliminations<br>\$'000 | Consolidated<br>Total<br>\$'000 |
|--|---------------------|-----------------------|--|------------------------|---------------------------------|
| <u>Revenue</u>   |                     |                       |  |                        |                                 |
| External sales   | 107,635             | 46,004                | -  | -                      | 153,639                         |
| Inter-segment sales  | 72                  | -                     | -  | (72)                   | -                               |
| <b>Total</b>   | <b>107,707</b>      | <b>46,004</b>         | <b>-</b>                                   | <b>(72)</b>            | <b>153,639</b>                  |
| <u>Segment results</u>   |                     |                       |  |                        |                                 |
| Operating profit/(loss)  | 13,268              | 18,964                | (4,208)                                    | -                      | 28,024                          |
| Interest income  | 96                  | 136                   | 1,986                                      | (1,990)                | 228                             |
| Interest expense   | (1,407)             | (5,589)               | (3,725)                                    | 1,990                  | (8,731)                         |
| Share of results of associated companies and jointly controlled entities | 2,641               | 8,284                 | 35,605                                     | -                      | 46,530                          |
| Profit before taxation   | 14,598              | 21,795                | 29,658                                     | -                      | 66,051                          |
| Taxation   | (1,174)             | (3,029)               | (7,298)                                    | -                      | (11,501)                        |
| <b>Profit for the period</b>   | <b>13,424</b>       | <b>18,766</b>         | <b>22,360</b>                              | <b>-</b>               | <b>54,550</b>                   |
| Attributable to:   |                     |                       |  |                        |                                 |
| Shareholders of the Company  | 11,309              | 14,734                | 22,137                                     | -                      | 48,180                          |
| Non-controlling interests  | 2,115               | 4,032                 | 223  | -                      | 6,370                           |
|  | <b>13,424</b>       | <b>18,766</b>         | <b>22,360</b>                              | <b>-</b>               | <b>54,550</b>                   |
| <u>Other Information</u>   |                     |                       |  |                        |                                 |
| Segment assets   | 442,569             | 560,399               | 423,106                                    | (173,732)              | 1,252,342                       |
| Segment liabilities  | (174,124)           | (432,973)             | (226,525)                                  | 173,732                | (659,890)                       |
| <b>Net assets</b>  | <b>268,445</b>      | <b>127,426</b>        | <b>196,581</b>                             | <b>-</b>               | <b>592,452</b>                  |
| Investment in associated companies and jointly controlled entities       |                     |                       |  |                        |                                 |
| Investment in associated companies and jointly controlled entities       | 50,375              | 155,343               | 230,294                                    | -                      | 436,012                         |
| Additions to non-current assets  | 67,696              | 62,715                | 13   | -                      | 130,424                         |
| Depreciation   | 8,073               | 11,788                | 61   | -                      | 19,922                          |
| <u>Geographical Information</u>  |                     |                       |  |                        |                                 |
|  | Singapore<br>\$'000 | China<br>\$'000       | ASEAN<br>other than<br>Singapore<br>\$'000 | Others<br>\$'000       | Consolidated<br>Total<br>\$'000 |
| External sales   | 97,333              | 38,955                | 14,564                                     | 2,787                  | 153,639                         |
| Non-current assets   | 724,354             | 192,897               | 42,877                                     | 101,400                | 1,061,528                       |

Nine Months ended 30 September 2013  
Business Segments

|  | Logistics<br>\$'000 | Data Centre<br>\$'000 | Investments<br>\$'000                      | Eliminations<br>\$'000 | Consolidated<br>Total<br>\$'000 |
|--|---------------------|-----------------------|--|------------------------|---------------------------------|
| <u>Revenue</u>   |                     |                       |  |                        |                                 |
| External sales   | 83,735              | 38,131                | -  | -                      | 121,866                         |
| Inter-segment sales  | 1,750               | 212                   | -  | (1,962)                | -                               |
| <b>Total</b>   | <b>85,485</b>       | <b>38,343</b>         | <b>-</b>                                   | <b>(1,962)</b>         | <b>121,866</b>                  |
| <u>Segment results</u>   |                     |                       |  |                        |                                 |
| Operating profit/(loss)  | 8,747               | 16,579                | (4,734)                                    | -                      | 20,592                          |
| Interest income  | 475                 | 697                   | 2,001                                      | (2,667)                | 506                             |
| Interest expense   | (396)               | (4,032)               | (3,716)                                    | 2,667                  | (5,477)                         |
| Share of results of associated<br>companies and jointly<br>controlled entities | 3,638               | 8,343                 | 32,906                                     | -                      | 44,887                          |
| Profit before taxation   | 12,464              | 21,587                | 26,457                                     | -                      | 60,508                          |
| Taxation   | (1,826)             | (2,648)               | (6,178)                                    | -                      | (10,652)                        |
| <b>Profit for the period</b>   | <b>10,638</b>       | <b>18,939</b>         | <b>20,279</b>                              | <b>-</b>               | <b>49,856</b>                   |
| Attributable to:   |                     |                       |  |                        |                                 |
| Shareholders of the Company  | 10,017              | 15,344                | 20,093                                     | -                      | 45,454                          |
| Non-controlling interests  | 621                 | 3,595                 | 186  | -                      | 4,402                           |
|  | <b>10,638</b>       | <b>18,939</b>         | <b>20,279</b>                              | <b>-</b>               | <b>49,856</b>                   |
| <u>Other Information</u>   |                     |                       |  |                        |                                 |
| Segment assets   | 322,122             | 502,255               | 421,590                                    | (172,159)              | 1,073,808                       |
| Segment liabilities  | (94,970)            | (396,342)             | (249,172)                                  | 172,159                | (568,325)                       |
| <b>Net assets</b>  | <b>227,152</b>      | <b>105,913</b>        | <b>172,418</b>                             | <b>-</b>               | <b>505,483</b>                  |
| Investment in associated companies<br>and jointly controlled entities          | 58,632              | 153,968               | 230,864                                    | -                      | 443,464                         |
| Additions to non-current assets  | 11,335              | 128,414               | 36   | -                      | 139,785                         |
| Depreciation   | 5,964               | 8,337                 | 61   | -                      | 14,362                          |
| <u>Geographical Information</u>  |                     |                       |  |                        |                                 |
|  | Singapore<br>\$'000 | China<br>\$'000       | ASEAN<br>other than<br>Singapore<br>\$'000 | Others<br>\$'000       | Consolidated<br>Total<br>\$'000 |
| External sales   | 85,055              | 30,877                | 3,400                                      | 2,534                  | 121,866                         |
| Non-current assets   | 639,441             | 95,774                | 38,579                                     | 99,904                 | 873,698                         |

The nine months ended 30 September 2013 results for Logistics Division have been reclassified to be in line with the reporting requirements required by the introduction of VAT in Guangdong province, China. As this is just a reclassification of revenue and expense items, there is no impact on the operating profit of Keppel Logistics (Foshan) Ltd.

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 Division 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 Division provides data centre co-location services including business continuity and disaster recovery services, and other data centre fund management services. The Investments Division is the investment holding arm for various entities not within the Logistics and Data Centre Divisions.
- (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 2014 and 30 September 2013.

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

Logistics Division's revenue of \$107.6 million increased by \$23.9 million compared to the corresponding period in 2013 due to higher warehousing, distribution and port operations income. Consequently, operating profit increased by \$4.5 million to \$13.3 million. Profit before taxation of \$14.6 million was \$2.1 million higher as result of higher operating profit, partly offset by lower share of results of associated companies and higher interest expense. After taking into account lower taxation and higher non-controlling interests, net profit attributable to shareholders was higher at \$11.3 million.

Data Centre Division's revenue of \$46.0 million rose by \$7.9 million compared to the corresponding period in 2013. Operating profit improved by \$2.4 million to \$19.0 million due to higher revenue partly offset by higher property taxes and fair value loss on forward foreign currency contracts. Profit before taxation increased by \$0.2 million to \$21.8 million due to higher operating profit largely offset by higher interest expense. Net profit attributable to shareholders was \$14.7 million after taking into account higher taxation and non-controlling interests.

Investments Division's profit before taxation of \$29.7 million increased by \$3.2 million compared to the corresponding period in 2013 due to distributions received from other investments and higher contributions from associated companies, partly offset by higher overheads. After taking into account higher taxation, net profit attributable to shareholders was \$22.1 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 30 April 2014. 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) |                            |
|--|---|----------------------------|---|----------------------------|
|  | 2014<br>9 Months<br>\$'000  | 2013<br>9 Months<br>\$'000 | 2014<br>9 Months<br>\$'000  | 2013<br>9 Months<br>\$'000 |
| <u>General Transactions</u>                |   |                            |   |                            |
| Keppel Corporation Limited Group           | 304   | -                          | 15,134  | 5,424                      |
| Singapore Telecommunications Limited Group | -   | -                          | 1,043   | 363                        |
| Mapletree Investments Pte Ltd Group        | -   | -                          | 183   | 5,019                      |
| Starhub Ltd Group                          | -   | -                          | 498   | -                          |
| <u>Treasury Transactions</u>               |   |                            |   |                            |
| Keppel Corporation Limited Group           | -   | -                          | 214,848   | 112,266                    |
| <u>Management Services</u>                 |   |                            |   |                            |
| Keppel Corporation Limited Group           | -   | -                          | 921   | 706                        |
| Keppel Land Limited Group                  | -   | 79,450                     | -   | -                          |
|  | 304   | 79,450                     | 232,627   | 123,778                    |

### BY ORDER OF THE BOARD

TOK BOON SHENG/KELVIN CHUA  
Company Secretaries  
17 October 2014

**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 2014 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 2014