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KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

17 October 2018

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 2018.

These figures have not been audited.

3Q & 9M 2018 RESULTS HIGHLIGHTS

Keppel T&T's net profit rises to S\$47.2 million for 9M 2018

3Q 2018 net profit was S\$11.8 million compared to S\$13.5 million a year ago.

Keppel Telecommunications & Transportation Ltd (Keppel T&T) registered a net profit of S\$47.2 million for the first nine months of 2018, up 32% from S\$35.7 million a year ago. The increase was due mainly to a dilution gain from Keppel DC REIT's private placement exercised in May 2018, partly offset by higher operating expenses and the absence of gain on disposal of subsidiaries.

9M 2018 revenue was S\$136.0 million, up 2% from S\$133.3 million a year ago. Higher data centre facility management income and revenue from the warehousing and channel management businesses offset lower revenue from port operations in China.

Net profit for 3Q 2018 was S\$11.8 million, 12% lower than S\$13.5 million for 3Q 2017. The decrease was due mainly to higher operating costs which corresponded with higher revenue, as well as the absence of gain from the partial disposal of Keppel DC Singapore 4 in 3Q 2017. This was partially offset by a higher share of profits from associated companies and joint ventures, which increased by 25% to S\$20.1 million for 3Q 2018 from S\$16.1 million for 3Q 2017.

Revenue for 3Q 2018 was S\$47.9 million, up 7% from S\$45.0 million a year ago. During the period, higher data centre facility management income and revenue from the warehousing and channel management businesses offset lower revenue from port operations in China.

Keppel T&T's earnings per share was 8.5 cents for 9M 2018, compared to 6.4 cents for 9M 2017. Earnings per share was 2.1 cents for 3Q 2018 compared to 2.4 cents for 3Q 2017.

Keppel T&T's net asset value per ordinary share increased to S\$1.56 per share as at 30 September 2018, compared to S\$1.52 per share as at end-2017. Net gearing was 0.31x as at 30 September 2018, compared to 0.38x as at end-2017.

During the quarter, Keppel T&T inked conditional agreements to embark on its first data centre development in Indonesia, in collaboration with Alpha DC Fund and the Salim Group. UrbanFox's online marketplace also expanded its channel management solutions to over 260 brands from 110 at the end of 2Q 2018.

On 27 September 2018, Keppel Corporation and Keppel T&T jointly proposed a Scheme of Arrangement, for Keppel Corporation to acquire all the issued ordinary shares of Keppel T&T (Shares), for a cash consideration of S\$1.91 per share. At the same time, Keppel Corporation and Singapore Press Holdings announced the intention to make a pre-conditional voluntary general offer for the shares in M1 Limited (M1). Keppel T&T will remain invested in M1 at its current stake and will be part of Keppel Corporation's initiative to drive the business transformation of M1.

Further information on the Scheme of Arrangement will be set out in the document to be issued by Keppel T&T to the shareholders in due course. In the meantime, Shareholders are advised to exercise caution when dealing in the Shares and refrain from taking any action which may be prejudicial to their interests until they have considered the information set out in the Scheme Document.

- End -

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

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KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Co Reg No: 196500115G)

(Incorporated in the Republic of Singapore)

THIRD QUARTER 2018 FINANCIAL STATEMENTS

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Third Quarter 2018 Financial Statements

1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

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 2018.

1(a) GROUP PROFIT AND LOSS ACCOUNT for the third quarter and nine months ended 30 September 2018

	Third Quarter			Nine Months		
	2018 \$'000	2017 \$'000 (Restated)	+ / (-) %	2018 \$'000	2017 \$'000 (Restated)	+ / (-) %
REVENUE	47,939	44,966	6.6	136,024	133,304	2.0
Operating expenses	(52,556)	(45,346)	15.9	(147,894)	(134,122)	10.3
Other income	640	3,575	(82.1)	20,465	4,737	332.0
OPERATING (LOSS)/PROFIT	(3,977)	3,195	nm	8,595	3,919	119.3
Interest income	277	287	(3.5)	639	1,047	(39.0)
Interest expense	(2,615)	(2,790)	(6.3)	(7,755)	(8,810)	(12.0)
Share of results of associated companies and joint ventures	20,114	16,107	24.9	50,780	47,581	6.7
PROFIT BEFORE TAXATION	13,799	16,799	(17.9)	52,259	43,737	19.5
Taxation	(1,347)	(1,948)	(30.9)	(4,187)	(4,561)	(8.2)
PROFIT FOR THE PERIOD	<u>12,452</u>	<u>14,851</u>	(16.2)	<u>48,072</u>	<u>39,176</u>	22.7
Attributable to:						
Shareholders of the Company	11,847	13,502	(12.3)	47,237	35,685	32.4
Non-controlling interests	605	1,349	(55.2)	835	3,491	(76.1)
	<u>12,452</u>	<u>14,851</u>	(16.2)	<u>48,072</u>	<u>39,176</u>	22.7
Earnings per share						
- basic	2.1 cts	2.4 cts	(12.5)	8.5 cts	6.4 cts	32.8
- diluted	2.1 cts	2.4 cts	(12.5)	8.4 cts	6.4 cts	31.3

nm – not meaningful

1(a) GROUP PROFIT AND LOSS ACCOUNT (cont'd)
for the third quarter and nine months ended 30 September 2018

Notes to Group Profit and Loss Account

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

	Third Quarter			Nine Months		
	2018	2017	+/(-) %	2018	2017	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
Purchase of goods and services ^(a)	14,413	13,701	5.2	42,086	37,611	11.9
Staff costs ^(b)	15,700	13,217	18.8	46,826	42,658	9.8
Share-based payment expenses	704	866	(18.7)	2,111	1,845	14.4
Depreciation of fixed assets	5,103	5,275	(3.3)	15,457	15,452	<0.1
Equipment rental and facilities expenses ^(c)	12,171	10,788	12.8	31,912	29,628	7.7
Other operating expenses ^(d)	4,465	1,499	197.9	9,502	6,928	37.2
Operating expenses	<u>52,556</u>	<u>45,346</u>	15.9	<u>147,894</u>	<u>134,122</u>	10.3
Other income ^(e)	<u>640</u>	<u>3,575</u>	(82.1)	<u>20,465</u>	<u>4,737</u>	332.0

Notes:

- (a) Purchase of goods and services increased due mainly to higher transportation, contract labour and subcontract costs in Logistics Division.
- (b) Staff costs was higher due mainly to increase in headcount in Logistics and Data Centre Divisions to support new business opportunities and developments.
- (c) Equipment rental and facilities expenses increased due mainly to higher expenditure on property upkeep, lease rental and maintenance expense.
- (d) Other operating expenses increased due mainly to higher legal and professional fees, sales and marketing expense and shared services cost.
- (e) Other income for nine months 2018 increased due mainly to recognition of dilution gain arising from a change in the equity interest of an associated company and distributions received from other investments, partly offset by absence of gain on disposal of subsidiaries. During the third quarter of 2018, other income was lower mainly due to absence of gain on disposal of a subsidiary.

1(a) GROUP PROFIT AND LOSS ACCOUNT (cont'd)
for the third quarter and nine months ended 30 September 2018

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

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

	Third Quarter			Nine Months		
	2018	2017	+ / (-)	2018	2017	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Loss/(gain) on disposal of fixed assets	6	21	(71.4)	(186)	-	nm
Gain on disposal of subsidiaries	-	(3,535)	nm	-	(3,537)	nm
(Write-back of)/provision for doubtful debts and bad debts written off	(131)	(66)	98.5	444	(77)	nm
Amortisation of intangibles	265	209	26.8	727	627	15.9
Fair value gain on other investments	(1,100)	-	nm	(475)	-	nm
Dilution gain in an associated company	-	-	nm	(19,595)	-	nm
Distributions received from other investments	(5)	-	nm	(1,125)	-	nm
Foreign exchange loss/(gain)	413	(134)	nm	344	(460)	nm

nm – not meaningful

(iii) Taxation expense in the third quarter 2018 included adjustment for under provision amounted to \$489,000 in respect of prior years (3Q 2017: \$6,000).

1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the third quarter and nine months ended 30 September 2018

	Third Quarter			Nine Months		
	2018 \$'000	2017 \$'000	+ / (-) %	2018 \$'000	2017 \$'000	+ / (-) %
	(Restated)			(Restated)		
Profit for the period	12,452	14,851	(16.2)	48,072	39,176	22.7
<u>Items that may be reclassified</u> <u>subsequently to profit and loss</u> <u>account:</u>						
Financial assets, at FVOCI						
- Fair value changes	(2,054)	690	nm	(3,650)	76	nm
Cash flow hedge						
- Fair value changes	(482)	(98)	(391.8)	(383)	(252)	52.0
- Realised and transferred to profit and loss account	114	209	(45.5)	218	485	(55.1)
Foreign currency translation						
- Exchange differences arising on consolidation	(3,429)	1,397	nm	(1,488)	(1,445)	3.0
Share of other comprehensive income of associated companies						
- Cash flow hedge	(600)	(486)	23.5	602	(1,288)	nm
- Financial assets, at FVOCI	47	1	>500.0	855	(23)	nm
- Foreign currency translation	740	2,872	(74.2)	(1,027)	3,424	nm
Other comprehensive income for the period, net of tax	(5,664)	4,585	nm	(4,873)	977	nm
Total comprehensive income for the period	6,788	19,436	(65.1)	43,199	40,153	7.6
Attributable to:						
Shareholders of the Company	7,541	17,591	(57.1)	42,995	36,981	16.3
Non-controlling interests	(753)	1,845	nm	204	3,172	(93.6)
	6,788	19,436	(65.1)	43,199	40,153	7.6

nm – not meaningful

1(c)(i) BALANCE SHEETS as at 30 September 2018

	Group			Company	
	30.9.2018	31.12.2017	1.1.2017	30.9.2018	31.12.2017
	\$'000	\$'000	\$'000	\$'000	\$'000
		(Restated)	(Restated)		
Share capital	83,101	81,489	79,867	83,101	81,489
Reserves	786,421	765,742	728,047	200,444	211,711
Share capital and reserves	869,522	847,231	807,914	283,545	293,200
Non-controlling interests	115,249	113,499	111,363	-	-
Total equity	984,771	960,730	919,277	283,545	293,200
Represented by:					
<u>Non-current assets</u>					
Fixed assets	364,056	373,283	367,731	-	-
Investment properties	74,010	74,586	183,902	-	-
Investments					
Subsidiaries	-	-	-	138,141	138,141
Associated companies and joint ventures	840,894	820,823	693,498	25,974	25,974
Others	2,684	6,252	4,661	-	-
Intangibles	1,607	1,964	2,209	-	-
Long-term receivables	-	-	-	148,540	148,548
	1,283,251	1,276,908	1,252,001	312,655	312,663
<u>Current assets</u>					
Stocks	611	680	669	-	-
Debtors	100,221	70,127	60,090	3,097	1,442
Amounts owing by holding and related companies	1,550	725	324	15,290	39,928
Amounts owing by associated companies	33,551	62,006	29,317	-	-
Bank balances, deposits and cash	178,869	96,028	102,950	20,142	8,335
	314,802	229,566	193,350	38,529	49,705
Assets classified as held for sale (Note 1(c)(iv))	43,725	43,250	288,765	43,725	43,250
	358,527	272,816	482,115	82,254	92,955
<u>Current liabilities</u>					
Creditors	106,002	88,895	138,388	1,675	2,766
Amounts owing to holding and related companies	1,679	683	836	9,647	9,599
Amounts owing to associated companies	31,899	13,416	5,407	-	-
Short-term borrowings	71,293	115,423	72,762	-	-
Taxation	5,717	4,568	4,896	40	51
	216,590	222,985	222,289	11,362	12,416
Liabilities directly associated with assets classified as held for sale	-	-	115,002	-	-
	216,590	222,985	337,291	11,362	12,416
Net current assets	141,937	49,831	144,824	70,892	80,539
<u>Non-current liabilities</u>					
Long-term borrowings	415,919	341,964	456,003	100,000	100,000
Deferred taxation	10,437	11,642	9,980	2	2
Other non-current liabilities	14,061	12,403	11,565	-	-
	440,417	366,009	477,548	100,002	100,002
Net assets	984,771	960,730	919,277	283,545	293,200
Group net debt	308,343	361,359	482,249	n.a.	n.a.
Group net gearing ratio	0.31x	0.38x	0.52x	n.a.	n.a.

1(c)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES**Amount repayable in one year or less, or on demand**

As at 30.9.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,206	70,087	2,657	112,766

Amount repayable after one year

As at 30.9.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,723	411,196	5,543	336,421

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

Details of any collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The Group has mortgaged certain properties and assets of up to an aggregate amount of \$9,020,000 (31 December 2017: \$56,357,000) to banks for loan facilities.

1(c)(iii) BALANCE SHEET ANALYSIS

Group shareholders' funds increased by \$22.3 million to \$869.5 million as at 30 September 2018. This was mainly attributable to retained profits for the period, partly offset by dividends.

Group total assets of \$1,641.8 million as at 30 September 2018 were \$92.1 million higher than the previous year end. Fixed assets reduced by \$9.2 million due mainly to depreciation charge during the period, partly offset by capital expenditure for logistics facilities. Associated companies and joint ventures increased by \$20.1 million due mainly to equity accounting for the share of profits and recognition of dilution gain arising from a change in the equity interest of an associated company, partly offset by dividends received. Current assets increased by \$85.7 million to \$358.5 million due mainly to increase in debtors, bank balances and deposits, partly offset by decrease in amounts owing by associated companies.

Group total liabilities of \$657.0 million as at 30 September 2018 increased by \$68.0 million compared to the previous year end due mainly to higher borrowings, creditors and amounts owing to associated companies. Group total borrowings were \$487.2 million compared to \$457.4 million as at the previous year end.

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

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

	30.9.2018	31.12.2017
	\$'000	\$'000
<u>Assets classified as held for sale</u>		
Other investments	<u>43,725</u>	<u>43,250</u>

1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS
for the third quarter and nine months ended 30 September 2018

	Third Quarter		Nine Months	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating (loss)/profit	(3,977)	3,195	8,595	3,919
Adjustments:				
Depreciation of fixed assets	5,103	5,275	15,457	15,452
Amortisation of intangible assets	265	209	727	627
Share-based payment expenses	704	866	2,111	1,845
Loss/(gain) on disposal of fixed assets	6	21	(186)	-
Gain on disposal of subsidiaries	-	(3,535)	-	(3,537)
Fair value gain on other investments	(1,100)	-	(475)	-
Distributions received from other investments	(5)	-	(1,125)	-
Gain on dilution of interest in an associated company	-	-	(19,595)	-
Operating cash flows before changes in working capital	996	6,031	5,509	18,306
Working capital changes:				
Stocks	21	(22)	69	8
Debtors	(6,723)	2,249	(31,648)	(11,522)
Creditors	5,040	(717)	21,281	(1,732)
Amount due from/to associated companies	12,768	2,501	21,055	4,629
Cash flows from operations	12,102	10,042	16,266	9,689
Interest received	240	213	596	844
Interest paid	(3,800)	(3,818)	(9,474)	(10,317)
Income taxes paid	(1,220)	(1,174)	(3,756)	(3,409)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	7,322	5,263	3,632	(3,193)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition from non-controlling interests	-	-	(252)	-
Addition to fixed assets	(1,932)	(6,806)	(8,113)	(21,572)
Addition to investment properties	-	(30)	-	(106,543)
Addition to intangible assets	(113)	(119)	(431)	(189)
Investment in associated companies	-	(89,706)	-	(107,706)
Capital reduction in an associated company	-	813	-	813
Shareholders loan and advances to associated companies	-	(35,010)	(11,634)	(35,010)
Repayment of advances from associated companies	-	4,191	37,500	4,191
Proceeds from disposal of subsidiaries (Note A)	-	169,206	-	302,705
Proceeds from disposal of fixed assets	4	48	366	483
Distributions received from other investments	5	-	1,125	-
Dividends received from associated companies	22,234	21,915	50,837	46,241
NET CASH FROM INVESTING ACTIVITIES	20,198	64,502	69,398	83,413
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term loans	249	46,470	20,468	142,091
Repayment of short-term loans	(200)	(9,519)	(46,158)	(62,075)
Proceeds from long-term loans	47,100	103,863	122,734	107,568
Repayment of long-term loans	(478)	(170,015)	(65,794)	(228,848)
Repayment of lease liabilities	(54)	(54)	(162)	(162)
Dividends paid to shareholders of the Company	-	-	(19,569)	(25,113)
Dividends paid to non-controlling shareholders of subsidiaries	-	-	(1,182)	(1,010)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	46,617	(29,255)	10,337	(67,549)
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,137	40,510	83,367	12,671
Cash and cash equivalents as at beginning of period	105,666	97,097	96,028	126,516
Effect of exchange rate changes on cash and cash equivalents	(934)	550	(526)	(1,030)
Cash and cash equivalents as at end of period (Note B)	178,869	138,157	178,869	138,157

1(d)(i) CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
for the third quarter and nine months ended 30 September 2018

Notes to Consolidated Statement of Cash Flows

A. Disposal of subsidiaries

The assets and liabilities of subsidiaries disposed were as follows:

	Third Quarter		Nine Months	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Fixed assets	-	247	-	266
Investment properties	-	180,604	-	405,604
Debtors	-	5,169	-	16,927
Amounts owing by a related company	-	29	-	40
Bank balances and cash	-	2,731	-	13,894
Creditors	-	(20,377)	-	(29,826)
Bank borrowings	-	-	-	(80,000)
Taxation	-	(1)	-	(8,881)
	-	168,402	-	318,024
Amount accounted for as amount owing from associated company	-	(170,000)	-	(270,000)
Net (liabilities)/assets disposed	-	(1,598)	-	48,024
Net assets disposed attributable to retained interest	-	-	-	(4,962)
Net (liabilities)/assets disposed attributable to interest disposed	-	(1,598)	-	43,062
Assignment of amount owing from associated company to purchaser	-	170,000	-	270,000
Net gain on disposal	-	3,535	-	3,537
Transaction costs	-	250	-	250
Sale proceeds	-	172,187	-	316,849
Less: Bank balances and cash disposed	-	(2,731)	-	(13,894)
Less: Transaction costs	-	(250)	-	(250)
Cash inflow on disposal	-	169,206	-	302,705

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	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Bank balances, deposits and cash	178,869	138,157	178,869	138,157

1(d)(ii) CASH FLOW ANALYSIS

Third Quarter

Net cash from operating activities for the quarter was \$7.3 million compared to \$5.3 million in the corresponding quarter last year due mainly to higher cash inflow from working capital changes.

Net cash from investing activities for the quarter was \$20.2 million due largely to dividends received from associated companies.

Net cash from financing activities for the quarter was \$46.6 million due mainly to proceeds from loans.

Nine Months

Net cash from operating activities was \$3.6 million compared to \$3.2 million net cash used in operating activities in the corresponding period last year. This was due mainly to higher cash inflow from operations after working capital changes.

Net cash from investing activities was \$69.4 million due mainly to repayment of advances from an associated company and dividends received from associated companies, partly offset by capital expenditure for logistics facilities and shareholders' loan and advances to associated companies.

Net cash from financing activities was \$10.3 million due mainly to proceeds from loans, partly offset by 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 2018

	Attributable to owners of the Company						
	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non-Controlling Interests \$'000	Total Equity \$'000
Group							
Balance at 31 December 2017 (Restated)	81,489	38,749	722,697	4,296	847,231	113,499	960,730
Adoption of SFRS(I) 9 (Note 5(b)(ii))	-	-	(1,069)	-	(1,069)	-	(1,069)
Balance at 1 January 2018	81,489	38,749	721,628	4,296	846,162	113,499	959,661
Total comprehensive income for the period							
Profit for the period	-	-	35,390	-	35,390	230	35,620
Other comprehensive income for the period *	-	617	-	(553)	64	727	791
Total comprehensive income for the period	-	617	35,390	(553)	35,454	957	36,411
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares	1,612	(1,612)	-	-	-	-	-
Cost of share-based payment	-	1,221	-	-	1,221	-	1,221
Dividend paid to non-controlling shareholders	-	-	-	-	-	(203)	(203)
Dividend paid for 2017	-	-	(19,569)	-	(19,569)	-	(19,569)
Total contributions by and distributions to owners	1,612	(391)	(19,569)	-	(18,348)	(203)	(18,551)
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of non-controlling interests without change in control	-	(2,001)	-	-	(2,001)	1,749	(252)
Total changes in ownership interests in subsidiaries	-	(2,001)	-	-	(2,001)	1,749	(252)
Total transactions with owners	1,612	(2,392)	(19,569)	-	(20,349)	1,546	(18,803)
Share of reserves of associated companies	-	133	-	-	133	-	133
Balance at 30 June 2018	83,101	37,107	737,449	3,743	861,400	116,002	977,402

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

1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the third quarter and nine months ended 30 September 2018

	Attributable to owners of the Company						
	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
Group							
Balance at 30 June 2018	83,101	37,107	737,449	3,743	861,400	116,002	977,402
Total comprehensive income for the period							
Profit for the period	-	-	11,847	-	11,847	605	12,452
Other comprehensive income for the period *	-	(2,975)	-	(1,331)	(4,306)	(1,358)	(5,664)
Total comprehensive income for the period	-	(2,975)	11,847	(1,331)	7,541	(753)	6,788
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Cost of share-based payment	-	611	-	-	611	-	611
Total contributions by and distributions to owners	-	611	-	-	611	-	611
Total transactions with owners	-	611	-	-	611	-	611
Share of reserves of associated companies	-	(30)	-	-	(30)	-	(30)
Balance at 30 September 2018	<u>83,101</u>	<u>34,713</u>	<u>749,296</u>	<u>2,412</u>	<u>869,522</u>	<u>115,249</u>	<u>984,771</u>

* 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 2018

	Attributable to owners of the Company						Total Equity \$'000
	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non- Controlling Interests \$'000	
<u>Group</u> <u>(Restated)</u>							
Balance at 1 January 2017	79,867	36,015	692,032	-	807,914	111,363	919,277
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	22,183	-	22,183	2,142	24,325
Other comprehensive income for the period *	-	(1,318)	-	(1,475)	(2,793)	(815)	(3,608)
<i>Total comprehensive income for the period</i>	-	(1,318)	22,183	(1,475)	19,390	1,327	20,717
<i>Transactions with owners, recognised directly in equity</i>							
<u>Contributions by and distributions to owners</u>							
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)
<i>Share of reserves of associated companies</i>	-	22	-	-	22	-	22
Balance at 30 June 2017	81,489	34,005	689,102	(1,475)	803,121	112,565	915,686

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

1(e)(i) STATEMENTS OF CHANGES IN EQUITY (cont'd)
for the third quarter and nine months ended 30 September 2018

	Attributable to owners of the Company						
	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Foreign Currency Translation Account \$'000	Share Capital & Reserves \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
<u>Group</u>							
<u>(Restated)</u>							
Balance at 30 June 2017	81,489	34,005	689,102	(1,475)	803,121	112,565	915,686
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	13,502	-	13,502	1,349	14,851
Other comprehensive income for the period *	-	316	-	3,773	4,089	496	4,585
<i>Total comprehensive income for the period</i>	-	316	13,502	3,773	17,591	1,845	19,436
<i>Transactions with owners, recognised directly in equity</i>							
<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
<i>Share of reserves of associated companies</i>	-	63	-	-	63	-	63
Balance at 30 September 2017	<u>81,489</u>	<u>35,215</u>	<u>702,604</u>	<u>2,298</u>	<u>821,606</u>	<u>114,410</u>	<u>936,016</u>

* 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 2018

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserve \$'000	Total Equity \$'000
<u>Company</u>				
Balance at 1 January 2018	81,489	7,175	204,536	293,200
Period for the period, representing total comprehensive income for the period	-	-	6,738	6,738
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares	1,612	(1,612)	-	-
Cost of share-based payment	-	1,221	-	1,221
Dividend paid for 2017	-	-	(19,569)	(19,569)
Total transactions with owners	1,612	(391)	(19,569)	(18,348)
Balance at 30 June 2018	83,101	6,784	191,705	281,590
Profit for the period, representing total comprehensive income for the period	-	-	1,344	1,344
<i>Transactions with owners, recognised directly in equity</i>				
Cost of share-based payment	-	611	-	611
Total transactions with owners	-	611	-	611
Balance at 30 September 2018	83,101	7,395	193,049	283,545
Balance at 1 January 2017	79,867	6,477	149,099	235,443
Profit for the period, representing total comprehensive income for the period	-	-	10,523	10,523
<i>Transactions with owners, recognised directly in equity</i>				
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
<i>Transactions with owners, recognised directly in equity</i>				
Cost of share-based payment	-	831	-	831
Total transactions with owners	-	831	-	831
Balance at 30 September 2017	81,489	6,594	173,249	261,332

1(e)(ii) SHARE CAPITAL

Issued share capital and treasury shares

	<u>Number of shares</u>
Balance at 1 January 2018	558,066,383
Issue of shares under restricted share plan	<u>1,046,277</u>
Balance at 30 June 2018 and 30 September 2018	<u>559,112,660</u>

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

Share Options

As at 30 September 2018, there was no unexercised options (30 September 2017: 250,000) of unissued ordinary shares under the Company's Share Option Scheme. Unexercised options for 250,000 of unissued ordinary shares were cancelled during the nine months ended 30 September 2018 (30 September 2017: 235,000).

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

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

As at 30 September 2018, the number of restricted shares released but not vested was 1,227,385 (30 September 2017: 956,315) for KT&T RSP.

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

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

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

Contingent awards:

Date of Grant	Number of Shares					At 30.9.18
	At 1.1.18	Contingent shares granted	Adjustment upon release	Released	Cancelled	
<u>KT&T RSP</u>						
23.2.18	-	1,337,715	-	(1,337,715)	-	-
	-	1,337,715	-	(1,337,715)	-	-
<u>KT&T PSP</u>						
10.4.15	240,000	-	(240,000)	-	-	-
29.4.16	270,000	-	-	-	-	270,000
28.4.17	230,000	-	-	-	-	230,000
30.4.18	-	330,000	-	-	-	330,000
	<u>740,000</u>	<u>330,000</u>	<u>(240,000)</u>	<u>-</u>	<u>-</u>	<u>830,000</u>

1(e)(ii) SHARE CAPITAL (cont'd)Awards released but not vested:

Date of Grant	Number of Shares				
	At 1.1.18	Released	Vested	Cancelled	At 30.9.18
<u>KT&T RSP</u>					
10.4.15	262,000	-	(262,000)	-	-
29.4.16	679,315	-	(338,400)	(2,700)	338,215
23.2.18	-	1,337,715	(445,877)	(2,668)	889,170
	<u>941,315</u>	<u>1,337,715</u>	<u>(1,046,277)</u>	<u>(5,368)</u>	<u>1,227,385</u>

2. AUDIT

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

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

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

5. CHANGES IN ACCOUNTING POLICIES

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

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

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

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

5. CHANGES IN ACCOUNTING POLICIES (cont'd)

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

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

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

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

b) Adoption of SFRS(I) 9 Financial Instruments

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

(i) Classification and measurement

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

(ii) Impairment of financial assets

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

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

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

5. CHANGES IN ACCOUNTING POLICIES (cont'd)

d) Comparatives

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

	Third Quarter 2017		9 months 2017	
Group Profit and Loss Account and Consolidated Statement of Comprehensive Income	Reported under SFRS \$'000	Reported under SFRS(I) \$'000	Reported under SFRS \$'000	Reported under SFRS(I) \$'000
Share of results of associated companies and joint ventures (net of tax)	15,391	16,107	46,538	47,581
Profit for the period	14,135	14,851	38,133	39,176
<u>Attributable to:</u>				
Shareholders of the Company	12,786	13,502	34,642	35,685
Non-controlling interests	1,349	1,349	3,491	3,491
	14,135	14,851	38,133	39,176
Earnings per share				
- basic	2.3 cts	2.4 cts	6.2 cts	6.4 cts
- diluted	2.3 cts	2.4 cts	6.2 cts	6.4 cts
Total comprehensive income for the period	18,720	19,436	39,110	40,153
<u>Attributable to:</u>				
Shareholders of the Company	16,875	17,591	35,938	36,981
Non-controlling interests	1,845	1,845	3,172	3,172
	18,720	19,436	39,110	40,153

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

6. EARNINGS PER ORDINARY SHARE

	G R O U P					
	Third Quarter			Nine Months		
	2018	2017	+/(-)%	2018	2017	+/(-)%
Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders of the Company:-		(Restated)			(Restated)	
(i) Based on the weighted average number of shares (cents)	2.1	2.4	(12.5)	8.5	6.4	32.8
- Weighted average number of shares ('000)	558,992	557,951	0.2	558,992	557,951	0.2
(ii) On a fully diluted basis (cents)	2.1	2.4	(12.5)	8.4	6.4	31.3
- Adjusted weighted average number of shares ('000)	560,307	559,482	0.1	560,307	559,482	0.1

7. NET ASSET VALUE

	G R O U P			C O M P A N Y		
	30.9.2018	31.12.2017	+/(-)%	30.9.2018	31.12.2017	+/(-)%
		(Restated)				
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (\$)	1.56	1.52	2.6	0.51	0.53	(3.8)

8. REVIEW OF GROUP PERFORMANCE

Third Quarter and Nine Months

Group revenue for the third quarter and nine months 2018 of \$47.9 million and \$136.0 million increased by 7% and 2% respectively compared to the corresponding periods in 2017 due mainly to higher data centre facility management income and logistics warehousing and channel management business revenue, partly offset by lower revenue generated from China port operations as a result of decline in container throughput.

Operating loss for the third quarter 2018 was \$4.0 million compared to \$3.2 million profit in the corresponding quarter of 2017 due mainly to higher operating costs and manpower employed to support new developments in the data centre business and logistics operations as well as absence of gain on disposal of a subsidiary. For the nine months 2018, operating profit at \$8.6 million was higher due largely to gain on dilution of interest in an associated company, partly offset by higher operating expenses and absence of gain on disposal of subsidiaries.

Profit before taxation for the third quarter 2018 at \$13.8 million decreased by 18% compared to corresponding quarter in 2017 due mainly to operating loss, partly offset by higher contribution from associated companies and lower interest expense. For the nine months 2018, profit before taxation increased by 20% to \$52.3 million due mainly to higher profit at operating level, contribution from associated companies and lower net interest expense.

After taking into account taxation and non-controlling interests, the Group's net profit attributable to shareholders for the third quarter and nine months 2018 was \$11.8 million and \$47.2 million respectively.

9. VARIANCE FROM FORECAST STATEMENT

No forecast for the nine months ended 30 September 2018 was previously provided.

10. PROSPECTS

The Data Centre Division has signed conditional agreements with the Salim Group to jointly build and operate a 105,300 sq. ft data centre in Bogor, Indonesia. It is envisioned that the 3ha land plot will be the first phase of a larger 7ha data centre campus development, with the first phase to be completed by the first half of 2020. The Division will continue to pursue new development and acquisition opportunities across Asia and Europe.

The Logistics Division continues to seek opportunities in urban logistics and expand its channel management solutions for B2B2E (Business-to-Business-to-Employee) segment. To date, UrbanFox has onboarded over 260 brands and preparations are underway for the expansion of urban logistics in Southeast Asia, leveraging on the Division's existing presence. The strategic review of its China logistics portfolio is ongoing.

On 27 September 2018, Keppel Corporation and Keppel T&T jointly proposed a Scheme of Arrangement, for Keppel Corporation to acquire all the issued ordinary shares of Keppel T&T (Shares), for a cash consideration of S\$1.91 per share. At the same time, Keppel Corporation and Singapore Press Holdings announced the intention to make a pre-conditional voluntary general offer for the shares in M1 Limited (M1). Keppel T&T will remain invested in M1 at its current stake and will be part of Keppel Corporation's initiative to drive the business transformation of M1.

Further information on the Scheme of Arrangement will be set out in the document to be issued by Keppel T&T to the shareholders in due course. In the meantime, Shareholders are advised to exercise caution when dealing in the Shares and refrain from taking any action which may be prejudicial to their interests until they have considered the information set out in the Scheme Document.

11. DIVIDENDS

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

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

No interim dividend has been declared for the period ended 30 September 2018 (30 September 2017: Nil).

13. SEGMENT ANALYSIS

Nine months ended 30 September 2018

By business segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000
<u>Revenue</u>					
External sales	104,871	31,153	-	-	136,024
Inter-segment sales	124	-	-	(124)	-
Total	<u>104,995</u>	<u>31,153</u>	<u>-</u>	<u>(124)</u>	<u>136,024</u>
<u>Segment results</u>					
Operating (loss)/profit	(5,198)	22,045	(8,252)	-	8,595
Interest income	255	303	2,213	(2,132)	639
Interest expense	(2,492)	(5,263)	(2,132)	2,132	(7,755)
Share of results of associated companies and joint ventures	32	27,487	23,261	-	50,780
(Loss)/profit before taxation	(7,403)	44,572	15,090	-	52,259
Taxation	(1,534)	(2,552)	(101)	-	(4,187)
(Loss)/profit for the period	<u>(8,937)</u>	<u>42,020</u>	<u>14,989</u>	<u>-</u>	<u>48,072</u>
Attributable to:					
Shareholders of the Company	(8,288)	40,589	14,936	-	47,237
Non-controlling interests	(649)	1,431	53	-	835
	<u>(8,937)</u>	<u>42,020</u>	<u>14,989</u>	<u>-</u>	<u>48,072</u>
<u>Other Information</u>					
Segment assets	562,301	837,822	555,831	(314,176)	1,641,778
Segment liabilities	(311,283)	(435,609)	(224,291)	314,176	(657,007)
Net assets	<u>251,018</u>	<u>402,213</u>	<u>331,540</u>	<u>-</u>	<u>984,771</u>
Investment in associated companies and joint ventures	25,964	537,340	277,590	-	840,894
Additions to non-current assets	8,863	426	130	-	9,419
Depreciation and amortisation	15,197	918	69	-	16,184

By geographical information

	Singapore \$'000	China \$'000	ASEAN other than Singapore \$'000	Others \$'000	Consolidated Total \$'000
External sales	72,240	39,382	14,200	10,202	136,024
Non-current assets	838,690	249,302	48,314	146,945	1,283,251

Information about major customers

For the nine months ended 30 September 2018, revenue of \$26,537,000 was derived from a single external customer in the Data Centre segment for the provision of data centre facility management services.

13. SEGMENT ANALYSIS (cont'd)

Nine months ended 30 September 2017

By business segments

	Logistics \$'000	Data Centre \$'000	Investments \$'000	Eliminations \$'000	Consolidated Total \$'000 (Restated)
<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	(319)	22,987	24,913	-	47,581
Profit before taxation	747	26,689	16,301	-	43,737
Taxation	(2,120)	(2,380)	(61)	-	(4,561)
(Loss)/profit for the period	<u>(1,373)</u>	<u>24,309</u>	<u>16,240</u>	<u>-</u>	<u>39,176</u>
Attributable to:					
Shareholders of the Company	(2,386)	21,912	16,159	-	35,685
Non-controlling interests	1,013	2,397	81	-	3,491
	<u>(1,373)</u>	<u>24,309</u>	<u>16,240</u>	<u>-</u>	<u>39,176</u>
<u>Other Information</u>					
Segment assets	570,703	797,812	549,392	(354,100)	1,563,807
Segment liabilities	(281,911)	(430,117)	(269,863)	354,100	(627,791)
Net assets	<u>288,792</u>	<u>367,695</u>	<u>279,529</u>	<u>-</u>	<u>936,016</u>
Investment in associated companies and joint ventures	26,719	518,844	265,332	-	810,895
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	945,541	242,209	45,899	36,287	1,269,936

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 facility management services.

13. SEGMENT ANALYSIS (cont'd)

Notes:

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

14. REVIEW OF SEGMENT PERFORMANCE

Logistics Division's revenue of \$105.0 million decreased by \$0.4 million compared to the same period last year due mainly to lower container throughput from China operations, partly offset by higher revenue from warehousing and channel management in Southeast Asia. Operating loss was \$5.2 million due mainly to higher overheads incurred on the development of new channel management business. Loss before taxation was \$7.4 million compared to profit of \$0.7 million due mainly to operating loss, partly offset by higher contribution from an associated company. After taking into account taxation and non-controlling interests, net loss attributable to shareholders was \$8.3 million.

Data Centre Division's revenue of \$31.2 million increased by \$3.1 million due mainly to higher facility management fee income, partly offset by lower project management fee income during the period. Operating profit at \$22.0 million, increased by \$13.1 million compared to the same period last year due mainly to recognition of dilution gain in an associated company, partly offset by absence of gain on disposal of subsidiaries. Share of profits from associated companies increased by \$4.5 million to \$27.5 million. Net profit attributable to shareholders of \$40.6 million increased by \$18.7 million compared to same period last year after taking into account taxation and non-controlling interests.

Investments Division's profit before taxation of \$15.1 million decreased by \$1.2 million compared to the same period last year due mainly to lower contribution from associated companies, partly offset by lower net interest expense. Consequently, net profit attributable to shareholders was lower at \$14.9 million.

15. INTERESTED PERSON TRANSACTIONS

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
	2018 9 Months \$'000	2017 9 Months \$'000	2018 9 Months \$'000	2017 9 Months \$'000
General Transactions				
Keppel Corporation Limited Group	383	469	4,130	9,585
Singapore Telecommunications Limited Group	-	-	984	1,580
Singapore Technologies Engineering Group	-	-	99	167
SP Group	-	-	83	801
Sembcorp Industries Group	-	-	-	133
Mapletree Group	-	-	1,803	-
Treasury Transactions				
Keppel Corporation Limited Group	-	-	111,832	79,360
- Deposits outstanding at period-end	-	-		
- Interest income / Interest expense and related charges / Foreign exchange transactions	-	-	3,566	50,615
Management Services				
Keppel Corporation Limited Group	-	-	1,317	3,292
	383	469	123,814	145,533

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.

17. THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS ("TAKE-OVERS CODE")

The unaudited consolidated financial information of the Group for the third quarter ended 30 September 2018 have not been reported on in accordance with Rule 25 of the Take-overs Code by the auditors of the Group, PricewaterhouseCoopers. The report of PricewaterhouseCoopers will be provided in a subsequent announcement to be made by the Company by 24 October 2018.

BY ORDER OF THE BOARD

KENNY LEE
Company Secretary
17 October 2018

Confirmation by the Board

We, LOH CHIN HUA and NEO BOON SIONG being two directors of Keppel Telecommunications & Transportation Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the third quarter 2018 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 2018