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Media Release

Keppel's 1Q 2018 net profit up 34% year on year to S$337m

Singapore, 19 April 2018 – Keppel Corporation Limited (Keppel) reported a net profit of S$337 million for the first three months of 2018, 34% higher than the S$252 million net profit for 1Q 2017, bolstered by higher contributions from the Property Division.

The Group achieved revenue of S$1,470 million for 1Q 2018, which was an improvement of S$222 million or 18% over 1Q 2017. The increase was underpinned by higher revenues achieved by the Property and Infrastructure divisions, which mitigated the impact of lower work volume in the Offshore & Marine Division.

In 1Q 2018, the Group achieved an annualised return on equity of 11.4%. Net gearing was at 0.42x as at 31 March 2018, compared to 0.46x as at 31 December 2017. Free cash inflow was S$261 million in 1Q 2018 compared to an outflow of S$62 million in 1Q 2017.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, "The Keppel Group remains resilient, underpinned by our multi-business strategy, which has enabled us to deliver creditable results amidst the volatile environment.

"Charting our growth as a provider of solutions for sustainable urbanisation, we will advance our pursuit of new markets and top lines with a focus on building stable, recurring income to complement our project-based and trading income."

The Property Division, which recorded a 298% year on year increase in net profit to S$378 million, was the largest contributor to the Group's 1Q 2018 net profit. The increase was due mainly to the gain on divestment of the stake in Keppel China Marina Holdings Pte Ltd, as well as higher contributions from Singapore and China property trading, partly offset by a lower share of associated companies' profits.

The Infrastructure Division's net profit of S$26 million for 1Q 2018, was 19% lower year on year, in the absence of a gain from the divestment of interests in GE Keppel Energy Services Pte Ltd in 1Q 2017, partly offset by higher contributions from the infrastructure services and environmental infrastructure businesses.

The Investments Division recorded a net loss of S$44 million for the first quarter, as compared to net profit of S$125 million a year ago, in the absence of profit from land sales in the Sino-Singapore Tianjin Eco-City coupled with fair value loss on the KrisEnergy warrants held.

The Offshore & Marine (O&M) Division incurred a net loss of S$23 million for 1Q 2018, compared to breakeven for 1Q 2017, due mainly to share of associated companies' losses in the current period. Through enhanced efficiency, the O&M Division achieved an operating profit of S$8 million for 1Q 2018, which is an improvement over S$4 million recorded in 1Q 2017.

Meanwhile, the O&M Division continues to pursue projects and opportunities in new markets and niche segments. In the year to date, the O&M Division has won new contracts of about S$580 million, or close to half of the S$1.2 billion secured for the whole of 2017. The latest orders comprise a newbuild harsh environment semisubmersible and a contract to build Singapore's first dual-fuel bunker tanker.

Financial Highlights

	1Q 2018 (S$ m)	1Q 2017 (S$ m) Restated*	Change (%)
Revenue	1,470	1,248	18
Operating Profit	468	184	154
Net Profit	337	252	34
Earnings per Share	18.6 cents	13.9 cents	34

** 1Q 2017 financial figures have been restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International).*

- Annualised ROE was 11.4% for 1Q 2018
- Net Gearing was 0.42x at end-March 2018
- Free cash inflow was S$261m in 1Q 2018 compared to an outflow of S$62m in 1Q 2017

– END –

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Keppel Corporation

KEPPEL CORPORATION LIMITED

Co. Reg. No. 196800351N
(Incorporated in the Republic of Singapore)

FIRST QUARTER 2018 FINANCIAL STATEMENTS

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KEPPEL CORPORATION LIMITED

First Quarter 2018 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

The Directors of **Keppel Corporation Limited** advise the following unaudited results of the Group for the first quarter ended 31 March 2018.

1. GROUP PROFIT AND LOSS ACCOUNT for the first quarter ended 31 March

	Note	**1Q 2018 $'000**	1Q 2017 $'000 Restated	+/- %
Revenue		**1,469,917**	1,248,022	+17.8
Materials & subcontract costs	(i)	**(1,016,692)**	(823,514)	+23.5
Staff costs	(ii)	**(238,917)**	(258,539)	-7.6
Depreciation & amortisation		**(46,448)**	(55,844)	-16.8
Other operating income	(iii)	**300,055**	74,273	NM
Operating profit		**467,915**	184,398	+153.8
Investment income		**994**	2,768	-64.1
Interest income		**31,121**	35,808	-13.1
Interest expenses	(iv)	**(43,700)**	(49,346)	-11.4
Share of results of associated companies	(v)	**(26,174)**	115,669	NM
Profit before tax		**430,156**	289,297	+48.7
Taxation	1b	**(96,062)**	(26,860)	+257.6
Profit for the period		**334,094**	262,437	+27.3
Attributable to:				
Shareholders of the Company		**337,465**	252,465	+33.7
Non-controlling interests		**(3,371)**	9,972	NM
		334,094	262,437	+27.3
Earnings per ordinary share				
- basic		**18.6 cts**	13.9 cts	+33.8
- diluted		**18.5 cts**	13.8 cts	+34.1

NM – Not meaningful

The results for first quarter ended 31 March 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s"). Please refer to paragraph 9 for the details on the financial impact from the adoption of SFRS(I)s.

NOTES TO GROUP PROFIT AND LOSS ACCOUNT

1a. Pre-tax profit of the Group is arrived at after charging/(crediting) the following:

	Note	**1Q 2018 $'000**	1Q 2017 $'000 Restated	+/- %
Share-based payment expenses		**9,619**	341	NM
Profit on sale of investments	(vi)	**–**	(4,219)	NM
Profit on sale of fixed assets	(vii)	**(230)**	(372)	-38.2
(Write-back)/provision				
- Stocks	(viii)	**(12,683)**	400	NM
- Doubtful debts	(ix)	**(48)**	4,114	NM
Fair value loss/(gain)				
- Investments	(x)	**7,948**	(26,312)	NM
- Forward contracts	(xi)	**19,795**	8,141	+143.2
- Financial derivatives		**(884)**	370	NM
Foreign exchange gain	(xii)	**(6,646)**	(17,037)	-61.0
Write-back of impairment of investments	(xiii)	**(313)**	(46,298)	-99.3
Gain on disposal of subsidiaries	(xiv)	**(336,870)**	(29,189)	NM
Gain on disposal of associated companies	(xv)	**–**	(43,447)	NM

NM - Not Meaningful

Note:

(i) Materials & subcontract costs increased mainly as a result of higher revenue from the Property Division and Infrastructure Division, partly offset by lower revenue in the Offshore & Marine Division.

(ii) Staff costs decreased due mainly to lower manpower cost in the Offshore & Marine Division, partly offset by higher manpower cost in the Infrastructure Division.

(iii) Other operating income increased due mainly to the higher gain on disposal of subsidiaries (Note xiv) and write-back of provision for stocks (Note viii), partially offset by lower write-back of impairment of investments (Note xiii), absence of gain on disposal of associated companies (Note xv) and fair value changes on investments (Note x) and forward exchange contracts (Note xi), and lower foreign exchange gain (Note xii).

(iv) Lower interest expense was mainly attributable to lower average borrowings.

(v) Share of losses of associated companies in the current period was due mainly to share of losses from associated companies in the Offshore & Marine Division and Investments Division. Share of profits of associated companies in the prior period was due mainly to share of profits from associated companies in the Investments Division and Property Division.

(vi) The profit from sale of investments in the prior period was due mainly to the disposal of listed equities and equity fund.

(vii) Profit on sale of fixed assets in the current period was largely attributable to disposal of assets in the Infrastructure Division.

(viii) The write-back of provision for stocks in the current period arose mainly from the Property Division. The provision for stocks in the prior period arose mainly from the Offshore & Marine Division.

(ix) The write-back of provision for doubtful debts arose mainly from the Offshore & Marine Division. The provision for doubtful debts in the prior period arose mainly from the Offshore & Marine Division.

(x) Fair value loss (mark-to-market) on investment portfolio in the current period was due to decrease in prices of stocks and warrants. Fair value gain (mark-to-market) on investment portfolio in the prior period was due to increase in stock prices.

(xi) Fair value loss on forward contracts arose mainly from fair value hedge of United States dollar loan and the corresponding effects from revaluation of the United States dollar loan was recorded under foreign exchange gain (Note xii). Hedging differential on forward exchange contracts due to elapse of time and fluctuations in interest rate were also included in fair value loss.

(xii) Foreign exchange gain was mainly attributable to the revaluation of loans denominated in United States dollar, which depreciated against Singapore dollar. Part of the foreign exchange gain arose from the revaluation of United States dollar loan which was hedged using forward exchange contracts. The effects from fair value on forward contracts was recorded under fair value loss on forward contracts (Note xi). The foreign exchange gain was partly offset by foreign exchange loss arising from the revaluation of receivables denominated in United States dollar.

(xiii) The write-back in the current period was in relation to write-back of impairment of investments in the Infrastructure Division. The write-back in the prior period was in relation to write-back of impairment of investments in the Investments Division and the Infrastructure Division.

(xiv) Gain on disposal of a subsidiary arose from the sale of 100% interest in Keppel China Marina Holdings Pte Ltd. In the prior period, gain on disposal of subsidiaries arose mainly from the sale of 80% interest in PT Sentral Tunjungan Perkasa.

(xv) The gain on disposal of associated companies in the prior period arose from the sale of interest in GE Keppel Energy Services Pte Ltd and sale of interest in Cityone Development (Wuxi) Co., Ltd.

1b. Taxation expenses were higher because of higher taxable profits in the Property Division.

1c. Earnings per ordinary share

	1Q 2018	1Q 2017 Restated	+/-%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on weighted average number of shares	**18.6 cts**	13.9 cts	+33.8
- Weighted average number of shares (excluding treasury shares) ('000)	**1,815,846**	1,816,849	-0.1
(ii) On a fully diluted basis	**18.5 cts**	13.8 cts	+34.1
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	**1,826,958**	1,829,256	-0.1

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the first quarter ended 31 March

	Note	1Q 2018 $'000	1Q 2017 $'000 Restated	+/- %
Profit for the period		**334,094**	262,437	+27.3
Items that may be reclassified subsequently to profit & loss account:				
Available-for-sale assets				
- Fair value changes arising during the period	(i)	**–**	(10,710)	NM
- Realised and transferred to profit & loss account	(ii)	**–**	(3,450)	NM
Cash flow hedges				
- Fair value changes arising during the period, net of tax	(iii)	**75,607**	(17,072)	NM
- Realised and transferred to profit & loss account	(iv)	**(29,692)**	11,160	NM
Foreign exchange translation				
- Exchange differences arising during the period	(v)	**58,401**	(57,926)	NM
- Realised and transferred to profit & loss account		**4,351**	3,437	+26.6
Share of other comprehensive income of associated companies				
- Available-for-sale assets		**–**	56	NM
- Cash flow hedges		**14,064**	(2,245)	NM
- Foreign exchange translation		**2,896**	(20,994)	NM
		125,627	(97,744)	NM
Items that will not be reclassified subsequently to profit & loss account:				
Financial assets, at FVOCI				
- Fair value changes arising during the period	(i)	**(23,095)**	**–**	NM
Foreign exchange translation				
- Exchange differences arising during the period	(v)	**11,503**	(16,928)	NM
Share of other comprehensive income of associated companies				
- Financial assets, at FVOCI		**726**	**–**	NM
		(10,866)	(16,928)	-35.8
Other comprehensive income for the period, net of tax		**114,761**	(114,672)	NM
Total comprehensive income for the period		**448,855**	147,765	+203.8
Attributable to:				
Shareholders of the Company		**440,862**	151,256	+191.5
Non-controlling interests		**7,993**	(3,491)	NM
		448,855	147,765	+203.8

NM - Not Meaningful

Note:

(i) Fair value changes were attributable to movements in quoted prices of financial assets measured at fair value with fair value changes recognised in other comprehensive income.

(ii) These represented fair value changes on financial assets measured at fair value through other comprehensive income, which were transferred to profit & loss account upon realization in the prior period.

(iii) Fair value differences were due mainly to the hedging differential on forward exchange contracts and fuel oil forward contracts.

(iv) These represented cash flow hedges, which were transferred to profit & loss account upon realisation.

(v) These exchange differences arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as from the translation of foreign currency loans that form part of the Group's net investment in foreign operations. The translation gains for the current period arose largely from strengthening of foreign currencies, such as Renminbi against Singapore dollar.

The translation losses in the prior period arose largely from weakening of foreign currencies, such as United States dollar and Renminbi against Singapore dollar.

3. BALANCE SHEETS as at 31 March

	Group			Company	
	31.3.2018	31.12.2017	01.01.2017	**31.3.2018**	31.12.2017
	$'000	$'000	$'000	**$'000**	$'000
		Restated	Restated		
Share capital	**1,291,722**	1,291,310	1,288,394	**1,291,722**	1,291,310
Treasury shares	**(19,860)**	(74)	(15,523)	**(19,860)**	(74)
Reserves	**10,327,618**	10,151,498	10,395,101	**6,939,812**	6,341,656
Share capital & reserves	**11,599,480**	11,442,734	11,667,972	**8,211,674**	7,632,892
Non-controlling interests	**548,074**	530,225	676,918	**–**	–
Total equity	**12,147,554**	11,972,959	12,344,890	**8,211,674**	7,632,892
Represented by:					
Fixed assets	**2,418,150**	2,432,963	2,645,456	**244**	296
Investment properties	**3,512,954**	3,460,608	3,550,290	**–**	–
Subsidiaries	**–**	–	–	**7,972,849**	7,972,849
Associated companies	**5,831,722**	5,913,777	5,423,831	**–**	–
Investments	**498,662**	458,638	377,704	**15,012**	15,012
Long term assets	**584,678**	774,316	814,438	**6,381**	14,346
Intangibles	**130,769**	132,594	140,669	**–**	–
	12,976,935	13,172,896	12,952,388	**7,994,486**	8,002,503
Current assets					
Stocks	**5,460,247**	5,765,337	6,545,568	**–**	–
Contract assets	**2,539,402**	3,016,914	3,480,237	**–**	–
Amounts due from:					
- subsidiaries	**–**	–	–	**4,463,106**	3,498,920
- associated companies	**364,200**	342,960	433,380	**951**	733
Debtors	**3,291,165**	3,169,417	3,373,841	**12,119**	4,590
Derivative assets	**167,698**	181,226	98,984	**80,710**	93,530
Short term investments	**130,638**	202,776	273,928	**–**	–
Bank balances, deposits & cash	**2,739,801**	2,273,788	2,087,078	**596**	2,213
	14,693,151	14,952,418	16,293,016	**4,557,482**	3,599,986
Current liabilities					
Creditors	**4,698,322**	5,371,618	4,753,492	**18,437**	68,585
Derivative liabilities	**43,017**	37,969	379,910	**37,568**	29,528
Contract liabilities	**1,878,282**	1,764,874	1,669,466	**–**	–
Provisions	**112,747**	115,972	81,679	**–**	–
Amounts due to:					
- subsidiaries	**–**	–	–	**215,162**	236,403
- associated companies	**81,269**	253,331	111,543	**25**	–
Term loans	**1,675,623**	1,714,084	1,835,321	**556,852**	551,530
Taxation	**236,108**	194,299	339,108	**34,019**	33,955
	8,725,368	9,452,147	9,170,519	**862,063**	920,001
Net current assets	**5,967,783**	5,500,271	7,122,497	**3,695,419**	2,679,985
Non-current liabilities					
Term loans	**6,191,635**	6,078,919	7,217,721	**3,382,445**	2,939,800
Deferred taxation	**345,501**	334,674	331,175	**–**	–
Other non-current liabilities	**260,028**	286,615	181,099	**95,786**	109,796
	6,797,164	6,700,208	7,729,995	**3,478,231**	3,049,596
Net assets	**12,147,554**	11,972,959	12,344,890	**8,211,674**	7,632,892
Group net debt	**5,127,457**	*5,519,215*	*6,965,964*	***n.a.***	*n.a.*
Group net gearing ratio	**0.42x**	*0.46x*	*0.56x*	***n.a.***	*n.a.*

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

As at 31.3.2018		As at 31.12.2017	
Secured $'000	**Unsecured $'000**	Secured $'000	Unsecured $'000
113,241	**1,562,382**	150,591	1,563,493

(ii) Amount repayable after one year

As at 31.3.2018		As at 31.12.2017	
Secured $'000	**Unsecured $'000**	Secured $'000	Unsecured $'000
195,316	**5,996,319**	580,825	5,498,094

(iii) 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 $695,442,000 (31 December 2017: $1,894,728,000) to banks for loan facilities.

3b. Net asset value

	Group			**Company**		
	31.3.2018	31.12.2017 Restated	+/-%	**31.3.2018**	31.12.2017	+/-%
Net asset value per ordinary share *	**$6.39**	$6.29	+1.6	**$4.52**	$4.20	+7.6
Net tangible asset per ordinary share *	**$6.32**	$6.22	+1.6	**$4.52**	$4.20	+7.6

* Based on share capital of 1,816,061,774 ordinary shares (excluding treasury shares) as at the end of the financial period (31 December 2017: 1,818,323,392 ordinary shares (excluding treasury shares)).

3c. Balance sheet analysis

Group shareholder's funds increased by $0.16 billion to $11.60 billion at 31 March 2018. The increase was mainly attributable to retained profits for the quarter ended 31 March 2018, foreign exchange translation gains and increase in fair value on cash flow hedges, partly offset by decrease in revenue reserves arising from the adoption of SFRS(I) 9 *Financial Instruments*.

Group total assets were $27.67 billion at 31 March 2018, $0.46 billion lower than the previous year end. Decrease in current assets was due mainly to decrease in contract assets and stocks, partly offset by increase in bank balances, deposits & cash, largely due to net cash inflow from investing and financing activities during the quarter. Non-current assets decreased due mainly to decrease in long term assets arising from the adoption of SFRS(I) 9.

Group total liabilities of $15.52 billion at 31 March 2018 were $0.63 billion lower than the previous year end. This was largely attributable to the reduction in creditors.

Group net debt decreased by $0.39 billion to $5.13 billion at 31 March 2018.

Group net gearing ratio improved from 46% at 31 December 2017 to 42% at 31 March 2018. This was largely driven by decrease in group net debt.

4. STATEMENTS OF CHANGES IN EQUITY for the first quarter ended 31 March

4a. Statement of changes in equity of the Group

	Attributable to owners of the Company							
	Share Capital $'000	Treasury Shares $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Total Equity $'000
2018								
As at 31 December 2017								
As previously reported	**1,291,310**	**(74)**	**281,407**	**10,486,054**	**(626,009)**	**11,432,688**	**527,746**	**11,960,434**
Adoption of SFRS(I) 1	**–**	**–**	**–**	**(302,453)**	**302,453**	**–**	**–**	**–**
Adoption of SFRS(I) 15	**–**	**–**	**–**	**10,046**	**–**	**10,046**	**2,479**	**12,525**
As restated at 31 December 2017	**1,291,310**	**(74)**	**281,407**	**10,193,647**	**(323,556)**	**11,442,734**	**530,225**	**11,972,959**
Adoption of SFRS(I) 9	**–**	**–**	**1,058**	**(233,965)**	**–**	**(232,907)**	**(218)**	**(233,125)**
As restated at 1 January 2018	**1,291,310**	**(74)**	**282,465**	**9,959,682**	**(323,556)**	**11,209,827**	**530,007**	**11,739,834**
Total comprehensive income for the quarter								
Profit for the quarter	**–**	**–**	**–**	**337,465**	**–**	**337,465**	**(3,371)**	**334,094**
Other comprehensive income *	**–**	**–**	**37,749**	**–**	**65,648**	**103,397**	**11,364**	**114,761**
Total comprehensive income for the quarter	**–**	**–**	**37,749**	**337,465**	**65,648**	**440,862**	**7,993**	**448,855**
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Share-based payment	**–**	**–**	**9,197**	**–**	**–**	**9,197**	**136**	**9,333**
Dividend paid to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**(1,425)**	**(1,425)**
Shares issued	**412**	**–**	**–**	**–**	**–**	**412**	**–**	**412**
Purchase of treasury shares	**–**	**(62,223)**	**–**	**–**	**–**	**(62,223)**	**–**	**(62,223)**
Treasury shares reissued pursuant to share plans and share option scheme	**–**	**42,437**	**(39,431)**	**–**	**–**	**3,006**	**–**	**3,006**
Transfer of statutory, capital and other reserves from revenue reserves	**–**	**–**	**11,964**	**(11,964)**	**–**	**–**	**–**	**–**
Contributions to defined benefits plans	**–**	**–**	**(26)**	**–**	**–**	**(26)**	**–**	**(26)**
Other adjustments	**–**	**–**	**–**	**30**	**–**	**30**	**4,442**	**4,472**
Total contributions by and distributions to owners	**412**	**(19,786)**	**(18,296)**	**(11,934)**	**–**	**(49,604)**	**3,153**	**(46,451)**
Changes in ownership interests in subsidiaries								
Acquisition of additional interest in subsidiaries	**–**	**–**	**(1,605)**	**–**	**–**	**(1,605)**	**1,353**	**(252)**
Disposal of interest in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**5,568**	**5,568**
Total change in ownership interests in subsidiaries	**–**	**–**	**(1,605)**	**–**	**–**	**(1,605)**	**6,921**	**5,316**
Total transactions with owners	**412**	**(19,786)**	**(19,901)**	**(11,934)**	**–**	**(51,209)**	**10,074**	**(41,135)**
As at 31 March 2018	**1,291,722**	**(19,860)**	**300,313**	**10,285,213**	**(257,908)**	**11,599,480**	**548,074**	**12,147,554**

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

4a. Statement of changes in equity of the Group (cont'd)

	Attributable to owners of the Company							
	Share Capital $'000	Treasury Shares $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Total Equity $'000
2017								
As at 1 January 2017	1,288,394	(15,523)	11,486	10,655,379	(280,787)	11,658,949	674,691	12,333,640
Adoption of the SFRS(I) 1	–	–	–	(280,787)	280,787	–	–	–
Adoption of the SFRS(I) 15	–	–	–	9,023	–	9,023	2,227	11,250
As restated at 1 January 2017	1,288,394	(15,523)	11,486	10,383,615	–	11,667,972	676,918	12,344,890
Total comprehensive income for the quarter								
Profit for the quarter	–	–	–	252,465	–	252,465	9,972	262,437
Other comprehensive income *	–	–	(22,344)	–	(78,865)	(101,209)	(13,463)	(114,672)
Total comprehensive income for the quarter	–	–	(22,344)	252,465	(78,865)	151,256	(3,491)	147,765
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Share-based payment	–	–	708	–	–	708	98	806
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	(6,581)	(6,581)
Purchase of treasury shares	–	(19,428)	–	–	–	(19,428)	–	(19,428)
Treasury shares reissued pursuant to share plans and share option scheme	–	32,492	(32,458)	–	–	34	–	34
Cash subscribed by non-controlling shareholders	–	–	–	–	–	–	661	661
Contributions to defined benefits plans	–	–	77	–	–	77	–	77
Total contributions by and distributions to owners	–	13,064	(31,673)	–	–	(18,609)	(5,822)	(24,431)
Changes in ownership interests in subsidiaries								
Acquisition of additional interest in subsidiaries	–	–	(7,767)	–	–	(7,767)	(22,835)	(30,602)
Disposal of interest in subsidiaries	–	–	–	–	–	–	(5,877)	(5,877)
Total change in ownership interests in subsidiaries	–	–	(7,767)	–	–	(7,767)	(28,712)	(36,479)
Total transactions with owners	–	13,064	(39,440)	–	–	(26,376)	(34,534)	(60,910)
As at 31 March 2017	1,288,394	(2,459)	(50,298)	10,636,080	(78,865)	11,792,852	638,893	12,431,745

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

4b. Statement of changes in equity of the Company

	Share Capital $'000	Treasury Shares $'000	Capital Reserves $'000	Revenue Reserves $'000	Total $'000
2018					
As at 1 January	**1,291,310**	**(74)**	**209,506**	**6,132,150**	**7,632,892**
Profit / Total comprehensive income for the quarter	**–**	**–**	**–**	**628,912**	**628,912**
Transactions with owners, recognised directly in equity					
Share-based payment	**–**	**–**	**8,645**	**–**	**8,645**
Shares issued	**412**	**–**	**–**	**–**	**412**
Purchase of treasury shares	**–**	**(62,223)**	**–**	**–**	**(62,223)**
Treasury shares reissued pursuant to share plans and share option scheme	**–**	**42,437**	**(39,431)**	**–**	**3,006**
Other adjustments	**–**	**–**	**–**	**30**	**30**
Total transactions with owners	**412**	**(19,786)**	**(30,786)**	**30**	**(50,130)**
As at 31 March	**1,291,722**	**(19,860)**	**178,720**	**6,761,092**	**8,211,674**
2017					
As at 1 January	1,288,394	(15,523)	213,116	5,133,722	6,619,709
Profit / Total comprehensive income for the quarter	–	–	–	1,590	1,590
Transactions with owners, recognised directly in equity					
Share-based payment	–	–	313	–	313
Purchase of treasury shares	–	(19,428)	–	–	(19,428)
Treasury shares reissued pursuant to share plans and share option scheme	–	32,492	(32,458)	–	34
Total transactions with owners	–	13,064	(32,145)	–	(19,081)
As at 31 March	1,288,394	(2,459)	180,971	5,135,312	6,602,218

4c. Share capital

Issued share capital and treasury shares

	Number of ordinary shares	
	Issued Share Capital	Treasury Shares
As at 1 January 2018	1,818,334,180	10,788
Issue of shares under share option scheme	60,000	–
Treasury shares transferred pursuant to share option scheme	–	(386,700)
Treasury shares transferred pursuant to restricted share plan	–	(4,591,682)
Treasury shares purchased	–	7,300,000
As at 31 March 2018	**1,818,394,180**	**2,332,406**

Treasury shares

During the quarter, the Company transferred 4,978,382 (31 March 2017: 4,724,916) treasury shares to employees upon vesting of shares released under the KCL Share Plans and Share Option Scheme. The Company also purchased 7,300,000 treasury shares (31 March 2017: 2,850,000) during the quarter. As at 31 March 2018, the number of treasury shares held by the Company represented 0.13% (31 March 2017: 0.02%) of the total number of issued shares (excluding treasury shares). Except for the transfer, there was no other sale, disposal, cancellation and/or other use of treasury shares during the quarter ended 31 March 2018.

Share options

As at 31 March 2018, there were unexercised options for 4,252,685 of unissued ordinary shares (31 March 2017: 12,842,274 ordinary shares) under the KCL Share Options Scheme. 446,700 options (31 March 2017: 11,000) were exercised during the period. Unexercised options for 1,389,400 unissued ordinary shares were cancelled during the three months ended 31 March 2018 (31 March 2017:1,172,700).

KCL Performance Share Plan ("KCL PSP")

As at 31 March 2018, the number of contingent shares granted but not released were 1,800,000 (31 March 2017: 1,997,130) for KCL PSP. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 2,700,000 under KCL PSP.

KCL Performance Share Plan – Transformation Incentive Plan ("KCL PSP-TIP")

As at 31 March 2018, the number of contingent shares granted but not released were 6,347,491 (31 March 2017: 5,525,000) for KCL PSP-TIP. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 9,521,237 under KCL PSP-TIP.

KCL Restricted Share Plan ("KCL RSP")

There are no contingent shares granted but not released as at 31 March 2018 and 31 March 2017.

As at 31 March 2018, the number of awards released but not vested was 1,740,818 (31 March 2017: 5,785,139) for KCL RSP.

KCL Restricted Share Plan – Deferred Shares ("KCL RSP-Deferred Shares")

There are no contingent shares granted but not released as at 31 March 2018 and 31 March 2017.

As at 31 March 2018, the number of awards released but not vested was 2,753,921 (31 March 2017: Nil) for KCL RSP-Deferred Shares.

The movements in the number of shares under KCL PSP, KCL PSP-TIP, KCL RSP and KCL RSP-Deferred shares are as follows:

Contingent awards:

	Number of shares					
Date of Grant	At 1.1.18	Contingent awards granted	Adjustment upon release	Released	Cancelled	At 31.3.18
KCL PSP						
31.3.2015	405,000	–	(405,000)	–	–	–
30.7.2015	170,000	–	(170,000)	–	–	–
29.4.2016	830,000	–	–	–	(150,000)	680,000
28.4.2017	1,120,000	–	–	–	–	1,120,000
	2,525,000	–	(575,000)	–	(150,000)	1,800,000
KCL PSP-TIP						
29.4.2016	4,707,491	–	–	–	(400,000)	4,307,491
28.4.2017	2,040,000	–	–	–	–	2,040,000
	6,747,491	–	–	–	(400,000)	6,347,491
KCL RSP-Deferred shares						
23.2.2018	–	4,099,369	–	(4,097,507)	(1,862)	–
	–	4,099,369	–	(4,097,507)	(1,862)	–

Awards released but not vested:

	Number of shares					
Date of Grant	At 1.1.18	Released	Vested	Cancelled	Other adjustments	At 31.3.18
KCL RSP						
31.3.2014	5,400	–	–	(1,200)	–	4,200
31.3.2015	1,359,391	–	(1,307,671)	(30,720)	–	21,000
30.7.2015	224,325	–	(222,825)	(400)	–	1,100
29.4.2016	3,513,249	–	(1,717,600)	(81,131)	–	1,714,518
	5,102,365	–	(3,248,096)	(113,451)	–	1,740,818
KCL RSP-Deferred shares						
23.2.2018	–	4,097,507	(1,343,586)	–	–	2,753,921
	–	4,097,507	(1,343,586)	–	–	2,753,921

4d. Capital reserves

	Group		Company	
	31.3.2018	31.3.2017	**31.3.2018**	31.3.2017
	$'000	$'000	**$'000**	$'000
Share option and share plans reserve	**180,384**	172,676	**155,383**	149,735
Fair value reserve	**78,093**	111,910	**15,012**	14,340
Hedging reserve	**(52,047)**	(419,037)	**–**	–
Bonus issue by subsidiaries	**40,000**	40,000	**–**	–
Others	**53,882**	44,153	**8,325**	16,896
	300,312	(50,298)	**178,720**	180,971

5. CONSOLIDATED STATEMENT OF CASH FLOWS for the first quarter ended 31 March

	Note	1Q 2018 $'000	1Q 2017 $'000 Restated
OPERATING ACTIVITIES			
Operating profit		**467,915**	184,398
Adjustments:			
Depreciation and amortisation		**46,448**	55,844
Share-based payment expenses		**9,619**	341
Profit on sale of investments		**–**	(4,219)
Profit on sale of fixed assets		**(230)**	(372)
Write-back of impairment of investments		**(313)**	(46,298)
Gain on disposal of subsidiaries		**(336,870)**	(29,189)
Gain on disposal of associated companies		**–**	(43,447)
Unrealised foreign exchange differences		**(24,928)**	(21,844)
Operational cash flow before changes in working capital		**161,641**	95,214
Working capital changes:			
Stocks		**(183,245)**	30,313
Contract assets		**486,981**	(46,731)
Debtors		**(161,624)**	254,244
Creditors		**(359,203)**	(184,663)
Contract liabilities		**120,412**	(44,164)
Investments		**(13,456)**	(74,638)
Amount due to/from associated companies		**(5,824)**	(8,724)
		45,682	20,851
Interest received		**31,121**	35,808
Interest paid		**(43,700)**	(49,346)
Income taxes paid, net of refunds received		**(43,426)**	(52,310)
Net cash used in operating activities		**(10,323)**	(44,997)
INVESTING ACTIVITIES			
Acquisition and further investment in associated companies		**(1,172)**	(101,706)
Acquisition of fixed assets and investment properties		**(57,263)**	(128,649)
Disposal of subsidiaries	5a	**413,476**	186,738
Proceeds from disposal of fixed assets		**450**	2,369
Proceeds from disposal of associated companies and return of capital		**590**	26,849
Advances to/from associated companies		**(211,427)**	(83,690)
Dividends received from investments and associated companies		**102,294**	43,670
Net cash from/(used in) investing activities		**246,948**	(54,419)
FINANCING ACTIVITIES			
Acquisition of additional interest in subsidiaries		**(252)**	(30,602)
Proceeds from share options exercised with issue of treasury shares		**3,006**	34
Proceeds from non-controlling shareholders of subsidiaries		**–**	661
Proceeds from share issues		**412**	–
Proceeds from term loans		**672,243**	580,206
Repayment of term loans		**(395,006)**	(591,420)
Purchase of treasury shares		**(62,223)**	(19,428)
Dividend paid to non-controlling shareholders of subsidiaries		**(1,425)**	(6,581)
Net cash from/(used in) financing activities		**216,755**	(67,130)
Net increase/(decrease) in cash and cash equivalents		**453,380**	(166,546)
Cash and cash equivalents as at 1 January		**2,241,448**	2,018,772
Effects of exchange rate changes on the balance of cash held in foreign currencies		**3,315**	(12,422)
Cash and cash equivalents as at 31 March	5b	**2,698,143**	1,839,804

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

5a. Disposal of subsidiaries

During the financial period, the book values of net assets of subsidiaries disposed were as follows:

	1Q 2018 $'000	1Q 2017 $'000 Restated
Fixed assets and investment properties	**(4,070)**	(225,019)
Stocks	**(509,065)**	(29,798)
Debtors and other assets	**(4,760)**	(11,779)
Bank balances and cash	**(1,845)**	(11,164)
Amount due from associated companies	**–**	(11)
Creditors and other liabilities	**74,992**	9,228
Current and deferred taxation	**–**	8,880
Borrowings	**171,380**	80,000
Non-controlling interest deconsolidated	**(5,610)**	5,877
Net assets disposed of	**(278,978)**	(173,786)
Net gain on disposal	**(336,870)**	(29,189)
Amount accounted for as associated company	**–**	4,962
Realisation of foreign currency translation reserve	**(4,369)**	111
Sale proceeds	**(620,217)**	(197,902)
Less: Bank balances and cash disposed	**1,845**	11,164
Less: Advanced payments received in prior year	**174,538**	–
Less: Deferred proceeds	**30,358**	–
Cash flow on disposal	**(413,476)**	(186,738)

During the quarter, significant disposal of subsidiaries relates to the sale of 100% interest in Keppel China Marina Holdings Pte Ltd.

Significant disposal during the prior period relates to the sale of 80% interest in PT Sentral Tunjungan Perkasa and the sale of 90% interest in Keppel DC Singapore 3.

5b. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	1Q 2018 $'000	1Q 2017 $'000
Bank balances, deposits and cash	**2,739,801**	1,853,531
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and liabilities	**(41,658)**	(13,727)
	2,698,143	1,839,804

5c. Cash flow analysis

Net cash used in operating activities was $10 million compared to $45 million in the prior period. This was due mainly to higher operational cash inflow.

Net cash from investing activities was $247 million. Divestments and dividend income amounted to $516 million. This was partly offset by the acquisitions and capital expenditure as well as payments to associated companies of $268 million. The acquisitions and capital expenditure comprised principally the acquisitions of fixed assets and investment properties.

Net cash from financing activities was $217 million compared to net cash used in financing activities of $67 million in the previous period. This was mainly attributable to net proceeds from term loans, partly offset by the purchase of treasury shares.

6. AUDIT

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

7. AUDITORS' REPORT

Not applicable.

8. ACCOUNTING POLICIES

Except as disclosed in paragraph 9 below, 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.

9. CHANGES IN THE ACCOUNTING POLICIES

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 31 March 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening balance sheet under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

a) Application of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 January 2017. As a result, cumulative translation losses of $280,787,000 was reclassified from foreign exchange translation account to revenue reserves as at 1 January 2017.

After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition. Consequently, the gains on disposal of subsidiaries and associated companies in 1Q 2017 were restated. As at 31 December 2017, cumulative translation losses of $302,453,000 was reclassified from foreign exchange translation account to revenue reserves.

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

b) Adoption of SFRS(I)s

The following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to the Group and the Company are effective on or after the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers*
- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 16 *Leases*
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following:

i) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively.

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Following the presentation requirements in SFRS(I) 15, the Group has presented contract assets separately from stocks. In addition, the Group has equity accounted for associated companies' impact arising from the application of SFRS(I) 15.

ii) Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempt the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of FRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017.

SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

1) Classification and measurement

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9.

As a result, certain balance sheet items and reserves were adjusted as at 1 January 2018.

2) Impairment of financial assets

Financial assets are subject to expected credit loss impairment model under SFRS(I) 9. As a result, debtors and revenue reserves as at 1 January 2018 were adjusted.

Impact on the comparatives for the First Quarter 2018 Financial Statements

The financial effect of adopting SFRS(I)s is as follows:

Group Profit and Loss Account	1Q 2017 $'000
Decrease in other operating income	(2,861)
Decrease in operating profit	(2,861)
Decrease in share of results of associated companies	(54,642)
Decrease in taxation	49,543
Decrease in profit for the period	(7,960)
Attributable to:	
Shareholders of the Company	(7,899)
Non-controlling interests	(61)
	(7,960)
Decrease in basic EPS	(0.4) cts
Decrease in diluted EPS	(0.4) cts

Group Balance Sheets	01.01.2018 $'000	31.12.2017 $'000	01.01.2017 $'000
Increase in associated companies	–	12,525	11,250
Decrease in investments	(24,067)	–	–
Decrease in long term assets	(185,692)	–	–
Decrease in stocks	–	(3,016,914)	(3,480,237)
Increase in contract assets	–	3,016,914	3,480,237
Decrease in debtors	(23,366)	–	–
(Decrease)/Increase in net assets	(233,125)	12,525	11,250
Increase in capital reserves	1,058	–	–
Decrease in revenue reserves	(233,965)	(292,407)	(271,764)
Increase in foreign exchange translation account	–	302,453	280,787
Increase in non-controlling interests	(218)	2,479	2,227
(Decrease)/Increase in total equity	(233,125)	12,525	11,250

10. REVIEW OF GROUP PERFORMANCE

Group net profit attributable to shareholders was $337 million, an increase of 34% over the same quarter in 2017. Earnings per share increased correspondingly by 34% to 18.6 cents. Annualised return on equity was 11.4% and Economic Value Added was $186 million.

Group revenue of $1,470 million was $222 million or 18% higher than that in the first quarter of 2017. Revenue from the Offshore & Marine Division declined by $151 million to $332 million due to lower volume of work and deferment of some projects. Major jobs completed and delivered in 2018 include a jackup rig and a gas carrier refurbishment. Revenue from the Property Division increased by $281 million to $543 million due mainly to higher revenue from China and Singapore. Revenue from the Infrastructure Division grew by $97 million to $564 million as a result of increased sales in the power and gas businesses as well as progressive revenue recognition from the Keppel Marina East Desalination Plant project.

Group pre-tax profit was $430 million, $141 million or 49% above the same quarter in 2017. The Offshore & Marine Division's pre-tax loss was $15 million as compared to pre-tax loss of $2 million in the first quarter of 2017. This was mainly due to share of associated companies' losses in the current period as compared to share of associated companies' profits in the same period last year. The negative variance was partly offset by lower net interest expense. Pre-tax profit from the Property Division increased by $342 million to $455 million due mainly to the gain on divestment of the stake in Keppel China Marina Holdings Pte Ltd as well as higher contribution from Singapore and China property trading, partly offset by lower share of associated companies' profits. Pre-tax profit of the Infrastructure Division was $30 million. Excluding the gain from divestment of GE Keppel Energy Services Pte Ltd in the first quarter of 2017, pre-tax profit of the Infrastructure Division increased by $5 million due mainly to higher contributions from Environmental Infrastructure and Infrastructure Services. Pre-tax loss of the Investments Division was $40 million as compared to pre-tax profit of $141 million in 2017. This was due mainly to the absence of profit from land sales in the Sino-Singapore Tianjin Eco-City in the first quarter of 2018 as compared to the same quarter in 2017, absence of write-back of provision for impairment of investment, and recognition of fair value loss on KrisEnergy warrants as compared to fair value gain recognised in the same quarter of 2017. These were partly offset by lower share of loss in KrisEnergy.

Taxation expenses increased by $69 million due mainly to higher taxable profits. Non-controlling interests were $13 million lower than the same quarter in 2017. Taking into account income tax expenses and non-controlling interests, net profit attributable to shareholders was $337 million, an increase of $85 million from $252 million from last year. The Property Division was the largest contributor to the Group's net profit with a 112% share, followed by the Infrastructure Division's 8% while the Offshore & Marine Division and Investments Division contributed negative 7% and negative 13% to the Group's net profit respectively.

11. VARIANCE FROM FORECAST STATEMENT

No forecast was previously provided.

12. PROSPECTS

The Offshore & Marine Division's net order book, excluding the Sete rigs, stands at $4.3 billion. The Division will continue to focus on delivering its projects well, exploring new markets and opportunities, investing in R&D and building new capabilities to position itself for the upturn. The Division is also actively capturing opportunities in production assets, specialised vessels, gas solutions and niche markets, as well as exploring ways to re-purpose its technology in the offshore industry for other uses.

The Property Division sold about 300 homes in the first quarter of 2018, comprising about 190 in China, 50 in Vietnam and 60 in Singapore. Keppel REIT's office buildings in Singapore and Australia maintained a high portfolio committed occupancy rate of 99.4% as at end-March 2018. The Division will remain focused on strengthening its presence in its core and growth markets, while seeking opportunities to unlock value and recycle capital.

In the Infrastructure Division, Keppel Infrastructure will continue to build on its core competencies in energy and environment-related infrastructure as well as infrastructure services businesses to pursue promising growth areas. Keppel Telecommunications & Transportation will continue to develop its data centre business locally and overseas. Besides building complementary capabilities in the growing e-commerce business, it plans to transform the logistics business from an asset-heavy business to a high performing asset-light service provider in urban logistics.

In the Investments Division, Keppel Capital will continue to allow the Group to more effectively recycle capital and expand its capital base with co-investments, giving the Group greater capacity to seize opportunities for growth. Keppel Capital will also create value for investors and grow the Group's asset management business.

The newly established Keppel Urban Solutions will harness opportunities as an integrated master developer of smart, sustainable precincts, starting with Saigon Sports City in Ho Chi Minh City, while the Sino-Singapore Tianjin Eco-City Investment and Development Company Ltd will continue the development of the Eco-City, including selling further land parcels.

The Group will continue to execute its multi-business strategy, capturing value by harnessing its core strengths and growing collaboration across divisions to unleash potential synergies, while being agile and investing in the future.

13. DIVIDEND

13a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?
No

13b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No

13c. Date Payable

Not applicable

13d. Books Closure Date

Not applicable

13e. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the quarter ended 31 March 2018.

For the year ended 31 December 2017, the Directors had recommended a tax exempt one-tier final cash dividend of 14 cents per share for approval by shareholders at the Annual General Meeting to be held on 20 April 2018. If approved, the final dividend will be paid on 10 May 2018.

14. SEGMENT ANALYSIS

First Quarter ended 31 March 2018

	Offshore & Marine $'000	Property $'000	Infra-structure $'000	Invest-ments $'000	Elimina-tion $'000	Total $'000
Revenue						
External sales	**332,109**	**542,725**	**563,808**	**31,275**	**–**	**1,469,917**
Inter-segment sales	**–**	**1,608**	**5,244**	**16,043**	**(22,895)**	**–**
Total	**332,109**	**544,333**	**569,052**	**47,318**	**(22,895)**	**1,469,917**
Segment Results						
Operating profit/(loss)	**8,066**	**443,758**	**17,310**	**(1,333)**	**114**	**467,915**
Investment income	**–**	**134**	**–**	**860**	**–**	**994**
Interest income	**10,133**	**8,539**	**13,063**	**68,319**	**(68,933)**	**31,121**
Interest expenses	**(31,825)**	**(15,177)**	**(3,876)**	**(61,641)**	**68,819**	**(43,700)**
Share of results of associated companies	**(1,649)**	**18,037**	**3,784**	**(46,346)**	**–**	**(26,174)**
(Loss)/profit before tax	**(15,275)**	**455,291**	**30,281**	**(40,141)**	**–**	**430,156**
Taxation	**(8,980)**	**(79,831)**	**(4,008)**	**(3,243)**	**–**	**(96,062)**
(Loss)/profit for the period	**(24,255)**	**375,460**	**26,273**	**(43,384)**	**–**	**334,094**
Attributable to:						
Shareholders of Company	**(22,777)**	**377,821**	**26,188**	**(43,767)**	**–**	**337,465**
Non-controlling interests	**(1,478)**	**(2,361)**	**85**	**383**	**–**	**(3,371)**
	(24,255)	**375,460**	**26,273**	**(43,384)**	**–**	**334,094**
Other information						
Segment assets	**8,849,712**	**14,649,840**	**3,480,112**	**7,886,985**	**(7,196,563)**	**27,670,086**
Segment liabilities	**7,889,864**	**6,639,448**	**1,900,915**	**6,288,868**	**(7,196,563)**	**15,522,532**
Net assets	**959,848**	**8,010,392**	**1,579,197**	**1,598,117**	**–**	**12,147,554**
Investment in associated companies	**688,130**	**2,938,851**	**1,024,916**	**1,179,825**	**–**	**5,831,722**
Additions to non-current assets	**30,504**	**44,610**	**7,240**	**30**	**–**	**82,384**
Depreciation and amortisation	**26,262**	**8,861**	**10,901**	**424**	**–**	**46,448**
Write-back of Impairment loss	**(296)**	**(12,390)**	**(310)**	**–**	**–**	**(12,996)**

GEOGRAPHICAL SEGMENT

	Singapore $'000	China $'000	Brazil $'000	Far East & Other ASEAN Countries $'000	Other Countries $'000	Elimination $'000	Total $'000
External sales	**974,012**	**293,461**	**95,849**	**55,271**	**51,324**	**–**	**1,469,917**
Non-current assets	**5,853,361**	**3,444,958**	**263,865**	**1,441,197**	**890,214**	**–**	**11,893,595**

First Quarter ended 31 March 2017

	Offshore & Marine $'000	Property $'000	Infra-structure $'000	Invest-ments $'000	Elimina-tion $'000	Total $'000
Revenue						
External sales	483,208	262,047	467,086	35,681	–	1,248,022
Inter-segment sales	181	1,678	4,883	12,171	(18,913)	–
Total	483,389	263,725	471,969	47,852	(18,913)	1,248,022
Segment Results						
Operating profit	3,737	68,425	26,261	86,154	(179)	184,398
Investment income	288	1,543	–	937	–	2,768
Interest income	13,439	11,293	11,462	68,827	(69,213)	35,808
Interest expenses	(38,376)	(18,090)	(4,090)	(58,182)	69,392	(49,346)
Share of results of associated companies	18,082	50,251	3,461	43,875	–	115,669
(Loss)/profit before tax	(2,830)	113,422	37,094	141,611	–	289,297
Taxation	(564)	(20,661)	(3,542)	(2,093)	–	(26,860)
(Loss)/profit for the period	(3,394)	92,761	33,552	139,518	–	262,437
Attributable to:						
Shareholders of Company	95	94,845	32,435	125,090	–	252,465
Non-controlling interests	(3,489)	(2,084)	1,117	14,428	–	9,972
	(3,394)	92,761	33,552	139,518	–	262,437
Other information						
Segment assets	10,233,436	15,602,758	3,228,088	7,086,961	(7,241,278)	28,909,965
Segment liabilities	8,277,139	6,492,070	1,760,419	7,189,870	(7,241,278)	16,478,220
Net assets	1,956,297	9,110,688	1,467,669	(102,909)	–	12,431,745
Investment in associated companies	603,201	2,793,895	991,138	1,230,926	–	5,619,160
Additions to non-current assets	25,995	91,801	54,721	61,835	–	234,352
Depreciation and amortisation	36,128	8,599	10,692	425	–	55,844
Impairment loss/(Write-back of impairment loss)	397	–	(295)	(46,000)	–	(45,898)

GEOGRAPHICAL SEGMENT

	Singapore $'000	China $'000	Brazil $'000	Far East & Other ASEAN Countries $'000	Other Countries $'000	Elimination $'000	Total $'000
External sales	855,193	156,006	107,755	73,433	55,635	–	1,248,022
Non-current assets	5,948,857	3,212,396	332,051	1,503,561	772,147	–	11,769,012

Note:

(a) The Group is organised into business units based on their products and services, and has four reportable operating segments: Offshore & Marine, Property, Infrastructure and Investments. Investments consist mainly of the Group's investments in fund management, M1 Limited, KrisEnergy Limited, k1 Ventures Limited, Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited and equities.

(b) Pricing of inter-segment goods and services is at fair market value.

(c) In 1Q 2018 and 1Q 2017, other than Singapore and China, no single country accounted for 10% or more of the Group's revenue.

(d) No single external customer accounted for 10% or more of the Group's revenue for 1Q 2018 and 1Q 2017.

15. REVIEW OF SEGMENT PERFORMANCE

15a. Revenue by Segments

Group revenue of $1,470 million was $222 million or 18% above that of the first quarter of 2017. Revenue from the Offshore & Marine Division decreased by $151 million to $332 million due to lower volume of work. The Property Division saw its revenue increase by 107% to $543 million due mainly to higher revenue from China and Singapore. Revenue from the Infrastructure Division grew by $97 million to $564 million as a result of increased sales in the power and gas business and recognition of progressive revenue from Keppel Marina East Desalination Plant project.

15b. Net profit by Segments

Group net profit of $337 million was $85 million or 34% higher than that of corresponding period in 2017. Net loss from the Offshore & Marine Division of $23 million as compared to net profit of $0.1 million in the first quarter of 2017 was mainly due to share of associated companies' losses in the current period as compared to share of associated companies' profits in the same period last year. Profit from the Property Division of $378 million increased by $283 million due mainly to the gain on divestment of the stake in Keppel China Marina Holdings Pte Ltd as well as higher contribution from Singapore and China property trading, partly offset by lower share of associated companies' profits and higher taxation. Profit from the Infrastructure Division was $26 million. Excluding the gain from divestment of GE Keppel Energy Services Pte Ltd in the first quarter of 2017, net profit of the Infrastructure Division increased by $6 million or 30% due mainly to higher contributions from Environmental Infrastructure and Infrastructure Services. Net loss from the Investments Division was $44 million as compared to profit of $125 million for the corresponding period in the prior year due mainly to the absence of profit from land sales in the Sino-Singapore Tianjin Eco-City in the first quarter of 2018 as compared to the same quarter in 2017, absence of write-back of provision for impairment of investment, and recognition of fair value loss on KrisEnergy warrants as compared to fair value gain recognised in the same quarter of 2017. These were partly offset by lower share of loss in KrisEnergy. The Property Division was the largest contributor to Group net profit with 112% share. Infrastructure Division contributed 8%, while Offshore & Marine and Investments Divisions contributed negative 7% and negative 13% respectively.

15c. Revenue by Geographical Segments

Revenue from Singapore of $974 million was $119 million higher than the first quarter of 2017, due largely to higher revenue from the Property Division.

16. 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 21 April 2017. During the financial period, the following interested person transactions were entered into by the Group:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)	
	3 months 31.3.2018 $'000	3 months 31.3.2017 $'000	**3 months 31.3.2018 $'000**	3 months 31.3.2017 $'000
Transaction for the Sale of Goods and Services				
Sembcorp Marine Group	**–**	–	**3**	1,233
Singapore Power Group	**–**	–	**261**	–
Singapore Technologies Engineering Group	**–**	–	**20**	74
Transaction for the Purchase of Goods and Services				
Mapletree Investments Group	**–**	–	**–**	1,020
Pavilion Gas Pte Ltd	**–**	–	**52,000**	51,000
Singapore Technologies Engineering Group	**–**	–	–	2,230
Temasek Holdings Group (other than the above)	**–**	–	**–**	102
Total Interested Person Transactions	**–**	–	**52,284**	55,659

17. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

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

BY ORDER OF THE BOARD

CAROLINE CHANG/LEON NG
Company Secretaries

19 April 2018

CONFIRMATION BY THE BOARD

We, LEE BOON YANG and LOH CHIN HUA, being two directors of Keppel Corporation Limited (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 first quarter 2018 financial statements to be false or misleading in any material respect.

On behalf of the board of directors

LEE BOON YANG
Chairman

LOH CHIN HUA
Chief Executive Officer

Singapore, 19 April 2018