

Media Release

Keppel's 1H 2018 net profit up 38% year on year to S\$583m

Dividends totaling 15.0 cents per share declared for 1H 2018 include a special dividend of 5.0 cents per share.

Singapore, 19 July 2018 – Keppel Corporation Limited (Keppel) reported a net profit of S\$583 million for half year ended 30 June 2018, 38% higher than the S\$423 million achieved a year ago. Stronger contributions from the Property and Infrastructure divisions more than offset losses incurred by the Offshore & Marine and Investments divisions in 1H 2018.

The Group's 1H 2018 revenue of S\$2,993 million was 7% higher than the S\$2,802 million for 1H 2017. Offshore & Marine and Property revenues remained stable year on year while Infrastructure revenue grew by 23% to S\$1,211 million due to better sales in the power and gas businesses, as well as progressive recognition from the Keppel Marina East Desalination Plant project.

For the first six months of 2018, the Group achieved an annualised return on equity of 9.9%. Net gearing was 0.40x as at 30 June 2018, compared to 0.46x as at 31 December 2017. Free cash inflow improved to S\$886 million in 1H 2018 compared to S\$204 million in 1H 2017.

The Group's net profit for 2Q 2018 was S\$246 million, 44% higher than the S\$171 million for 2Q 2017, bolstered by stronger Property and Infrastructure earnings which offset losses from the other divisions. Group revenue of S\$1,523 million was slightly lower than the \$1,554 million registered a year ago.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, "Keppel continued to deliver strong results in the first half of 2018. Our multi-business strategy and geographical diversification have enabled the Company to remain resilient, despite cyclical headwinds in some of our businesses.

"Taking into account the Group's better performance, including the improvement in our cash flow and net gearing, the Board has approved an interim dividend of 10.0 cents per share for 1H 2018, higher than the 8.0 cents per share for the first half of 2017. In addition, to thank shareholders for their trust and support on the occasion of Keppel Corporation's 50th anniversary, we will be giving out a special dividend of 5.0 cents per share. The interim dividend and special dividend will be paid out to shareholders on 7 August 2018."

Offshore & Marine

The Offshore & Marine (O&M) Division incurred a net loss of S\$40 million for 1H 2018, compared to a net profit of S\$11 million a year ago, due mainly to lower operating results, lower share of associated companies' profits, higher taxes in overseas operations, as well as the absence of gain from divestment of Keppel Verolme in 1H 2017, partly offset by lower net interest expense. At the operating level, the O&M Division achieved a profit of S\$14 million for 1H 2018.

As at end-June 2018, the O&M Division won new contracts worth over S\$1.2 billion, higher than the total value of new orders secured in FY 2017. The Division continues to pursue new markets and opportunities in the areas of gas, floating infrastructure and offshore renewables.

Property

The Property Division, whose net profit grew by 214% year on year to S\$603 million, was the largest contributor to the Group in 1H 2018. The increase was due mainly to the en bloc sales of development projects, a fair value gain on an investment property which has been designated for redevelopment for sale, as well as higher contributions from Singapore and China property trading, partly offset by a lower share of associated companies' profits. The Property Division will continue to expand its presence in high growth cities across Asia.

Infrastructure

The Infrastructure Division's net profit grew by 16% year on year to S\$66 million for 1H 2018 mainly due to a dilution gain following Keppel DC REIT's private placement exercise and higher contributions from Environmental Infrastructure and Infrastructure Services. This was partly offset by lower contributions from Energy Infrastructure and Keppel Infrastructure Trust, as well as the absence of gain from divestment of GE Keppel Energy Services Pte Ltd in 1H 2017.

Recurring income from Infrastructure Services is expected to grow with the onset of long-term contracts for the Keppel Marina East Desalination Plant in 2020 and the Hong Kong Integrated Waste Management Facility in 2024.

Investments

The Investments Division recorded a net loss of S\$46 million for 1H 2018, as compared to net profit of S\$163 million a year ago. In the first half of 2017, the Division benefited from the profit from land sales in the Sino-Singapore Tianjin Eco-City, write-back of provision for impairment of investment, and profit from sale of investments. The negative variance was partly offset by lower fair value loss on KrisEnergy warrants held. Meanwhile, Keppel Capital continues to seek opportunities to expand its asset classes and investor base, focusing on areas which harness the Group's capabilities.

Financial Highlights

	1H 2018 (S\$ m)	1H 2017 (S\$ m)	Change (%)	2Q 2018 (S\$ m)	2Q 2017 (S\$ m)	Change (%)
Revenue	2,993	2,802	7	1,523	1,554	(2)
Operating Profit	725	333	118	257	149	72
Net Profit	583	423	38	246	171	44
Earnings per Share	32.2 cents	23.3 cents	38	13.6 cents	9.4 cents	45

* 2Q & 1H 2017 financial figures have been restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International).

- Annualised ROE was 9.9% for 1H 2018
- Net Gearing was 0.40x at end-June 2018
- Free cash inflow was S\$886m in 1H 2018 compared to S\$204m in 1H 2017
- Declared interim cash dividend of 10.0 cents per share and special cash dividend of 5.0 cents per share for 1H 2018

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KEPPEL CORPORATION LIMITED

Co. Reg. No. 196800351N

(Incorporated in the Republic of Singapore)

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KEPPEL CORPORATION LIMITED

Second Quarter 2018 Financial Statements and Dividend Announcement

UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

The Directors of **Keppel Corporation Limited** advise the following unaudited results of the Group for the second quarter and half year ended 30 June 2018.

1. GROUP PROFIT AND LOSS ACCOUNT for the second quarter and half year ended 30 June

	Note	Second Quarter			Half Year		
		30.6.2018 \$'000	30.6.2017 \$'000 Restated	+/- %	30.6.2018 \$'000	30.6.2017 \$'000 Restated	+/- %
Revenue		1,522,816	1,554,252	-2.0	2,992,733	2,802,274	+6.8
Materials & subcontract costs	(i)	(1,127,320)	(1,041,766)	+8.2	(2,144,012)	(1,865,280)	+14.9
Staff costs	(ii)	(214,878)	(256,581)	-16.3	(453,795)	(515,120)	-11.9
Depreciation & amortisation		(43,557)	(57,119)	-23.7	(90,005)	(112,963)	-20.3
Other operating Income/(expense)	(iii)	120,301	(50,498)	NM	420,356	23,775	NM
Operating profit		257,362	148,288	+73.6	725,277	332,686	+118.0
Investment income		2,362	1,722	+37.2	3,356	4,490	-25.3
Interest income		35,389	30,324	+16.7	66,510	66,132	+0.6
Interest expenses	(iv)	(49,259)	(49,919)	-1.3	(92,959)	(99,265)	-6.4
Share of results of associated companies	(v)	35,024	83,810	-58.2	8,850	199,479	-95.6
Profit before tax		280,878	214,225	+31.1	711,034	503,522	+41.2
Taxation	1b	(31,730)	(49,242)	-35.6	(127,792)	(76,102)	+67.9
Profit for the period		249,148	164,983	+51.0	583,242	427,420	+36.5
Attributable to:							
Shareholders of the Company		246,163	170,449	+44.4	583,628	422,914	+38.0
Non-controlling interests		2,985	(5,466)	NM	(386)	4,506	NM
		249,148	164,983	+51.0	583,242	427,420	+36.5
Earnings per ordinary share							
- basic		13.6 cts	9.4 cts	+44.7	32.2 cts	23.3 cts	+38.2
- diluted		13.5 cts	9.3 cts	+45.2	32.0 cts	23.1 cts	+38.5

NM – Not Meaningful

The results for second quarter and half year ended 30 June 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	Second Quarter			Half Year		
		30.6.2018 \$'000	30.6.2017 \$'000 Restated	+/- %	30.6.2018 \$'000	30.6.2017 \$'000 Restated	+/- %
Share-based payment expenses		9,212	11,271	-18.3	18,831	11,612	+62.2
Profit on sale of investments	(vi)	–	(14,847)	NM	–	(19,066)	NM
Profit on sale of fixed assets (Write-back)/provision	(vii)	(1,637)	(17,132)	-90.4	(1,867)	(17,504)	-89.3
- Stocks	(viii)	(10,460)	(242)	NM	(23,143)	158	NM
- Doubtful debts	(ix)	(2,837)	2,376	NM	(2,885)	6,490	NM
Fair value loss/(gain)							
- Investments	(x)	1,023	35,274	-97.1	8,971	8,962	+0.1
- Forward contracts	(xi)	(9,035)	13,102	NM	10,760	21,243	-49.3
- Financial derivatives		(535)	97	NM	(1,419)	467	NM
Foreign exchange loss/(gain)	(xii)	48,026	(28,179)	NM	41,380	(45,216)	NM
Write-back of impairment of investments	(xiii)	(313)	(298)	+5.0	(626)	(46,596)	-98.7
Gain on disposal of subsidiaries	(xiv)	(88,262)	(12,660)	NM	(425,132)	(41,788)	NM
Gain on disposal of associated companies	(xv)	(36,979)	–	NM	(36,979)	(43,447)	-14.9
Fair value gain on investment property	(xvi)	(48,300)	–	NM	(48,300)	–	NM

NM – Not Meaningful

Note:

- (i) Materials & subcontract costs increased for the half year ended 30 June 2018 mainly as a result of higher revenue from the Infrastructure Division and Offshore & Marine Division, partly offset by lower revenue in the Property Division.
- (ii) Staff costs decreased for the half year ended 30 June 2018 due mainly to lower manpower cost in the Offshore & Marine Division, partly offset by higher manpower cost in the Property Division.
- (iii) Other operating income increased for the half year ended 30 June 2018 was due mainly to the higher gain on disposal of subsidiaries (Note xiv), fair value gain on investment property (Note xvi), write-back of provision for stocks (Note viii), fair value changes on forward exchange contracts (Note xi) and write-back of provision for doubtful debts (Note ix), partly offset by foreign exchange loss (Note xii), lower write-back of impairment of investments (Note xiii), lower profit on sale of fixed assets (Note vii) and lower gain on disposal of associated companies (Note xv).
- (iv) Lower interest expense for the half year ended 30 June 2018 was mainly attributable to lower average borrowings.
- (v) Share of profit of associated companies for the half year ended 30 June 2018 was lower due mainly to lower contribution from associated companies in the Property Division and Offshore & Marine Division, and share of losses of associated companies in the Investments Division.
- (vi) The profit from sale of investments in the prior period was due mainly to the disposal of listed equities and equity funds.
- (vii) Profit on sale of fixed assets in the current period was largely attributable to disposal of assets in the Offshore & Marine Division and Infrastructure Division. The profit on sale of fixed assets in the prior period arose mainly from the Offshore & Marine Division and Property Division.
- (viii) The write-back of provision for stocks in the current period arose mainly from the Property Division.

- (ix) The write-back of provision for doubtful debts arose mainly from the Offshore & Marine Division.
 - (x) Fair value loss (mark-to-market) on investment portfolio was due to decrease in prices of stocks and warrants.
 - (xi) Fair value loss on forward contracts for the half year ended 30 June 2018 arose mainly from the hedging differential on forward exchange contracts due to elapse of time and fluctuations in interest rate. Fair value hedge of United States dollar loan were also included in fair value loss and the corresponding effects from revaluation of the United States dollar loan was recorded under foreign exchange gain (Note xii).
 - (xii) Foreign exchange loss for the half year ended 30 June 2018 was mainly attributable to the realisation of fair value changes in cash flow hedge to profit & loss account, revaluation of net liabilities denominated in United States dollar, which appreciated against Brazilian Real, as well as the revaluation of net assets denominated in United States Dollar, which depreciated against Singapore dollar. It was partly offset by the foreign exchange gain arising 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).
 - (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 subsidiaries arose from the sale of Keppel China Marina Holdings Pte Ltd, Keppel Township Development (Shenyang) Co. Ltd and Keppel Bay Property Development (Shenyang) Co. Ltd. In the prior period, gain on disposal of subsidiaries arose mainly from the sale of 80% interest in PT Sentral Tunjungan Perkasa and sale of Keppel Verolme.
 - (xv) Gain on disposal of associated company in the current period arose from the sale of interest in Quoc Loc Phat Joint Stock Company. In the prior period, gain on disposal of associated companies arose from the sale of interest in GE Keppel Energy Services Pte Ltd and Cityone Development (Wuxi) Co., Ltd.
 - (xvi) Fair value gain on investment property relates to Nassim Woods which has been designated for redevelopment for sale.
- 1b. Taxation expenses for the half year ended 30 June 2018 were higher because of higher taxable profits in the Property Division.
- 1c. Earnings per ordinary share

	Second Quarter			Half Year		
	30.6.2018	30.6.2017 Restated	+/--%	30.6.2018	30.6.2017 Restated	+/--%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-						
(i) Based on weighted average number of shares	13.6 cts	9.4 cts	+44.7	32.2 cts	23.3 cts	+38.2
- Weighted average number of shares (excluding treasury shares) ('000)	1,814,536	1,816,921	-0.1	1,814,536	1,816,921	-0.1
(ii) On a fully diluted basis	13.5 cts	9.3 cts	+45.2	32.0 cts	23.1 cts	+38.5
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	1,825,502	1,829,015	-0.2	1,825,502	1,829,015	-0.2

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the second quarter and half year ended 30 June

		Second Quarter			Half Year		
		30.6.2018 \$'000	30.6.2017 \$'000 Restated	+/- %	30.6.2018 \$'000	30.6.2017 \$'000 Restated	+/- %
Profit for the period		249,148	164,983	+51.0	583,242	427,420	+36.5
<u>Items that may be reclassified subsequently to profit & loss account:</u>							
Available-for-sale assets							
- Fair value changes arising during the period	(i)	-	(14,370)	NM	-	(25,080)	NM
- Realised and transferred to profit & loss account	(ii)	-	(12,573)	NM	-	(16,023)	NM
Cash flow hedges							
- Fair value changes arising during the period, net of tax	(iii)	92,835	111,935	-17.1	168,442	94,863	+77.6
- Realised and transferred to profit & loss account	(iv)	(29,413)	(34,630)	-15.1	(59,105)	(23,470)	+151.8
Foreign exchange translation							
- Exchange differences arising during the period	(v)	(14,213)	(88,203)	-83.9	44,188	(149,511)	NM
- Realised and transferred to profit & loss account		258	(9,012)	NM	4,609	(5,562)	NM
Share of other comprehensive income of associated companies							
- Available-for-sale assets		-	401	NM	-	457	NM
- Cash flow hedges		10,400	(17,871)	NM	24,464	(20,116)	NM
- Foreign exchange translation		12,306	(42,163)	NM	15,202	(63,157)	NM
		72,173	(106,486)	NM	197,800	(207,599)	NM
<u>Items that will not be reclassified subsequently to profit & loss account:</u>							
Financial assets, at FVOCI							
- Fair value changes arising during the period	(i)	15,517	-	NM	(7,578)	-	NM
Foreign exchange translation							
- Exchange differences arising during the period	(v)	(4,428)	(2,948)	+50.2	7,075	(16,494)	NM
Share of other comprehensive income of associated companies							
- Financial assets, at FVOCI		7	-	NM	733	-	NM
		11,096	(2,948)	NM	230	(16,494)	NM
Other comprehensive income for the period, net of tax		83,269	(109,434)	NM	198,030	(224,093)	NM
Total comprehensive income for the period		332,417	55,549	NM	781,272	203,327	+284.2
Attributable to:							
Shareholders of the Company		333,395	64,217	NM	774,257	215,473	+259.3
Non-controlling interests		(978)	(8,668)	-88.7	7,015	(12,146)	NM
		332,417	55,549	NM	781,272	203,327	+284.2

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 30 June

	Group			Company	
	30.6.2018	31.12.2017	01.01.2017	30.6.2018	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	(38,869)	(74)	(15,523)	(38,869)	(74)
Reserves	10,414,521	10,151,498	10,395,101	6,704,095	6,341,656
Share capital & reserves	11,667,374	11,442,734	11,667,972	7,956,948	7,632,892
Non-controlling interests	535,097	530,225	676,918	–	–
Total equity	12,202,471	11,972,959	12,344,890	7,956,948	7,632,892
Represented by:					
Fixed assets	2,387,184	2,432,963	2,645,456	574	296
Investment properties	3,438,766	3,460,608	3,550,290	–	–
Subsidiaries	–	–	–	7,972,849	7,972,849
Associated companies	5,799,928	5,913,777	5,423,831	–	–
Investments	488,499	458,638	377,704	15,012	15,012
Long term assets	630,201	774,316	814,438	6,817	14,346
Intangibles	130,301	132,594	140,669	–	–
	12,874,879	13,172,896	12,952,388	7,995,252	8,002,503
Current assets					
Stocks	5,476,740	5,765,337	6,545,568	–	–
Contract assets	2,491,522	3,016,914	3,480,237	–	–
Amounts due from:					
- subsidiaries	–	–	–	3,973,496	3,498,920
- associated companies	405,234	342,960	433,380	935	733
Debtors	3,133,257	3,169,417	3,373,841	42,687	4,590
Derivative assets	147,898	181,226	98,984	28,046	93,530
Short term investments	207,883	202,776	273,928	26,768	–
Bank balances, deposits & cash	2,223,198	2,273,788	2,087,078	1,034	2,213
	14,085,732	14,952,418	16,293,016	4,072,966	3,599,986
Current liabilities					
Creditors	4,820,810	5,371,618	4,753,492	63,792	68,585
Derivative liabilities	48,655	37,969	379,910	40,469	29,528
Contract liabilities	1,821,703	1,764,874	1,669,466	–	–
Provisions	109,798	115,972	81,679	–	–
Amounts due to:					
- subsidiaries	–	–	–	165,783	236,403
- associated companies	88,400	253,331	111,543	–	–
Term loans	1,193,156	1,714,084	1,835,321	341,848	551,530
Taxation	193,762	194,299	339,108	37,019	33,955
	8,276,284	9,452,147	9,170,519	648,911	920,001
Net current assets	5,809,448	5,500,271	7,122,497	3,424,055	2,679,985
Non-current liabilities					
Term loans	5,903,893	6,078,919	7,217,721	3,383,496	2,939,800
Deferred taxation	342,201	334,674	331,175	–	–
Other non-current liabilities	235,762	286,615	181,099	78,863	109,796
	6,481,856	6,700,208	7,729,995	3,462,359	3,049,596
Net assets	12,202,471	11,972,959	12,344,890	7,956,948	7,632,892
<i>Group net debt</i>	4,873,851	5,519,215	6,965,964	<i>n.a.</i>	<i>n.a.</i>
<i>Group net gearing ratio</i>	0.40x	0.46x	0.56x	<i>n.a.</i>	<i>n.a.</i>

NOTES TO BALANCE SHEETS

3a. Group's borrowings and debt securities

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

As at 30.6.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
110,904	1,082,252	150,591	1,563,493

(ii) Amount repayable after one year

As at 30.6.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
184,401	5,719,492	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 \$637,245,000 (31 December 2017: \$1,894,728,000) to banks for loan facilities.

3b. Net asset value

	Group			Company		
	30.6.2018	31.12.2017 Restated	+/-%	30.6.2018	31.12.2017	+/-%
Net asset value per ordinary share *	\$6.43	\$6.29	+2.2	\$4.39	\$4.20	+4.5
Net tangible asset per ordinary share *	\$6.36	\$6.22	+2.3	\$4.39	\$4.20	+4.5

* Based on share capital of 1,813,339,459 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 \$0.22 billion to \$11.67 billion at 30 June 2018. The increase was mainly attributable to retained profits for the half year ended 30 June 2018, increase in fair value on cash flow hedges and foreign exchange translation gains, partly offset by the payment of final dividend of 14.0 cents per share in respect of financial year 2017, the decrease in revenue reserves arising from the adoption of SFRS(I) 9 *Financial Instruments* and purchase of treasury shares for the half year ended 30 June 2018.

Group total assets were \$26.96 billion at 30 June 2018, \$1.16 billion lower than the previous year end. Decrease in current assets was due mainly to decrease in contract assets, stocks and bank balances, deposits & cash. Non-current assets decreased due mainly to decrease in long term assets arising from the adoption of SFRS(I) 9 and decrease in investment in associated companies due mainly to dividends received from associated companies.

Group total liabilities of \$14.76 billion at 30 June 2018 were \$1.39 billion lower than the previous year end. Total liabilities decreased due mainly to the reduction in creditors and net repayment of term loans.

Group net debt decreased by \$0.65 billion to \$4.87 billion at 30 June 2018.

Group net gearing ratio improved from 46% at 31 December 2017 to 40% at 30 June 2018. This was largely driven by decrease in group net debt.

4. STATEMENTS OF CHANGES IN EQUITY for the second quarter and half year ended 30 June

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 first quarter								
Profit for first 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 first quarter	-	-	37,749	337,465	65,648	440,862	7,993	448,855
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
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)
<u>Changes in ownership interests in subsidiaries</u>								
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

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

	Attributable to owners of the Company							Total Equity \$'000
	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	
2018								
Total comprehensive income for second quarter								
Profit for second quarter	-	-	-	246,163	-	246,163	2,985	249,148
Other comprehensive income *	-	-	88,881	-	(1,649)	87,232	(3,963)	83,269
Total comprehensive income for second quarter	-	-	88,881	246,163	(1,649)	333,395	(978)	332,417
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
Dividend paid	-	-	-	(254,290)	-	(254,290)	-	(254,290)
Share-based payment	-	-	8,800	-	-	8,800	132	8,932
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(10,834)	(10,834)
Purchase of treasury shares	-	(21,893)	-	-	-	(21,893)	-	(21,893)
Treasury shares reissued pursuant to share plans and share option scheme	-	2,884	(1,019)	-	-	1,865	-	1,865
Transfer of statutory, capital and other reserves to revenue reserves	-	-	(16)	16	-	-	-	-
Contributions to defined benefits plans	-	-	17	-	-	17	-	17
Total contributions by and distributions to owners	-	(19,009)	7,782	(254,274)	-	(265,501)	(10,702)	(276,203)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	(1,283)	(1,283)
Disposal of interest in subsidiaries	-	-	-	-	-	-	(14)	(14)
Total change in ownership interests in subsidiaries	-	-	-	-	-	-	(1,297)	(1,297)
Total transactions with owners	-	(19,009)	7,782	(254,274)	-	(265,501)	(11,999)	(277,500)
As at 30 June 2018	1,291,722	(38,869)	396,976	10,277,102	(259,557)	11,667,374	535,097	12,202,471

* 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 SFRS(I) 1	–	–	–	(280,787)	280,787	–	–	–
Adoption of 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 first quarter								
Profit for first 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 first quarter	–	–	(22,344)	252,465	(78,865)	151,256	(3,491)	147,765
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
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)
<u>Changes in ownership interests in subsidiaries</u>								
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

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								
Total comprehensive income for second quarter								
Profit for second quarter	–	–	–	170,449	–	170,449	(5,466)	164,983
Other comprehensive income *	–	–	33,120	–	(139,352)	(106,232)	(3,189)	(109,421)
Total comprehensive income for second quarter	–	–	33,120	170,449	(139,352)	64,217	(8,655)	55,562
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
Dividend paid	–	–	–	(218,117)	–	(218,117)	–	(218,117)
Share-based payment	–	–	10,937	–	–	10,937	86	11,023
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	(11,217)	(11,217)
Treasury shares reissued pursuant to share plans and share option scheme	–	783	(770)	–	–	13	–	13
Transfer of statutory, capital and other reserves from revenue reserves	–	–	119	(119)	–	–	–	–
Return of capital to non-controlling shareholders	–	–	–	–	–	–	(584)	(584)
Total contributions by and distributions to owners	–	783	10,286	(218,236)	–	(207,167)	(11,715)	(218,882)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of additional interest in subsidiaries	–	–	898	–	–	898	(2,955)	(2,057)
Total change in ownership interests in subsidiaries	–	–	898	–	–	898	(2,955)	(2,057)
Total transactions with owners	–	783	11,184	(218,236)	–	(206,269)	(14,670)	(220,939)
As at 30 June 2017	1,288,394	(1,676)	(5,994)	10,588,293	(218,217)	11,650,800	615,568	12,266,368

* 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 2018	1,291,310	(74)	209,506	6,132,150	7,632,892
Profit / Total comprehensive income for first 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 2018	1,291,722	(19,860)	178,720	6,761,092	8,211,674
Profit / Total comprehensive income for second quarter	–	–	–	11,326	11,326
Transactions with owners, recognised directly in equity					
Dividend paid	–	–	–	(254,290)	(254,290)
Share-based payment	–	–	8,266	–	8,266
Purchase of treasury shares	–	(21,893)	–	–	(21,893)
Treasury shares reissued pursuant to share plans and share option scheme	–	2,884	(1,019)	–	1,865
Total transactions with owners	–	(19,009)	7,247	(254,290)	(266,052)
As at 30 June 2018	1,291,722	(38,869)	185,967	6,518,128	7,956,948
2017					
As at 1 January 2017	1,288,394	(15,523)	213,116	5,133,722	6,619,709
Profit / Total comprehensive income for first 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 2017	1,288,394	(2,459)	180,971	5,135,312	6,602,218
Profit / Total comprehensive income for second quarter	–	–	–	1,428,141	1,428,141
Transactions with owners, recognised directly in equity					
Dividend paid	–	–	–	(218,117)	(218,117)
Share-based payment	–	–	10,586	–	10,586
Treasury shares reissued pursuant to share plans and share option scheme	–	783	(770)	–	13
Total transactions with owners	–	783	9,816	(218,117)	(207,518)
As at 30 June 2017	1,288,394	(1,676)	190,787	6,345,336	7,822,841

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 transferred pursuant to share option scheme	–	(319,300)
Treasury shares transferred pursuant to restricted share plan	–	(19,385)
Treasury shares purchased	–	3,061,000
As at 30 June 2018	1,818,394,180	5,054,721

Treasury shares

During the six months ended 30 June 2018, the Company transferred 5,317,067 (30 June 2017: 4,838,764) treasury shares to employees upon vesting of shares released under the KCL Share Plans and Share Option Scheme. The Company also purchased 10,361,000 treasury shares (30 June 2017: 2,850,000) during the period. As at 30 June 2018, the number of treasury shares held by the Company represented 0.28% (30 June 2017: 0.01%) 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 six months ended 30 June 2018.

Share options

As at 30 June 2018, there were unexercised options for 3,734,185 of unissued ordinary shares (30 June 2017: 12,079,474 ordinary shares) under the KCL Share Options Scheme. 766,000 options (30 June 2017: 15,400) and 1,383,500 options were exercised during the six months and twelve months ended 30 June 2018 respectively. Unexercised options for 1,588,600 (30 June 2017: 1,931,100) and 6,961,789 of unissued ordinary shares were cancelled during the six months and twelve months ended 30 June 2018 respectively.

KCL Performance Share Plan ("KCL PSP")

As at 30 June 2018, the number of contingent shares granted but not released were 2,980,000 (30 June 2017: 2,707,130) 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 4,470,000 under KCL PSP.

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

As at 30 June 2018, the number of contingent shares granted but not released were 6,347,491 (30 June 2017: 7,065,000) 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 30 June 2018 and 30 June 2017.

As at 30 June 2018, the number of awards released but not vested was 1,711,918 (30 June 2017: 5,270,257) for KCL RSP.

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

There are no contingent shares granted but not released as at 30 June 2018 and 30 June 2017.

As at 30 June 2018, the number of awards released but not vested was 2,734,968 (30 June 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:

Date of Grant	Number of shares					
	At 1.1.18	Contingent awards granted	Adjustment upon release	Released	Cancelled	At 30.6.18
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
30.4.2018	–	1,180,000	–	–	–	1,180,000
	2,525,000	1,180,000	(575,000)	–	(150,000)	2,980,000
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

Awards:

Date of Grant	Number of shares					
	At 1.1.18	Awards granted	Adjustment upon release	Released	Cancelled	At 30.6.18
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:

Date of Grant	Number of shares					
	At 1.1.18	Released	Vested	Cancelled	Other adjustments	At 30.6.18
KCL RSP						
31.3.2014	5,400	–	–	(1,200)	–	4,200
31.3.2015	1,359,391	–	(1,308,918)	(35,473)	–	15,000
30.7.2015	224,325	–	(222,825)	(400)	–	1,100
29.4.2016	3,513,249	–	(1,724,200)	(97,431)	–	1,691,618
	5,102,365	–	(3,255,943)	(134,504)	–	1,711,918
KCL RSP-Deferred shares						
23.2.2018	–	4,097,507	(1,355,124)	(7,415)	–	2,734,968
	–	4,097,507	(1,355,124)	(7,415)	–	2,734,968

4d. Capital reserves

	Group		Company	
	30.6.2018 \$'000	30.6.2017 \$'000	30.6.2018 \$'000	30.6.2017 \$'000
Share option and share plan reserve	188,732	182,822	163,197	159,530
Fair value reserve	93,334	85,494	15,012	14,340
Hedging reserve	21,593	(359,501)	–	–
Bonus issue by subsidiaries	40,000	40,000	–	–
Others	53,317	45,191	7,758	16,917
	<u>396,976</u>	<u>(5,994)</u>	<u>185,967</u>	<u>190,787</u>

5. CONSOLIDATED STATEMENT OF CASH FLOWS
for the second quarter and half year ended 30 June

	Second Quarter		Half Year	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	\$'000	\$'000	\$'000	\$'000
Note		Restated		Restated
OPERATING ACTIVITIES				
Operating profit	257,362	148,288	725,277	332,686
Adjustments:				
Depreciation and amortisation	43,557	57,119	90,005	112,963
Share-based payment expenses	9,212	11,271	18,831	11,612
Profit on sale of investments	–	(14,847)	–	(19,066)
Profit on sale of fixed assets	(1,637)	(17,132)	(1,867)	(17,504)
Write-back of impairment of investments	(313)	(298)	(626)	(46,596)
Gain on disposal of subsidiaries	(88,262)	(12,660)	(425,132)	(41,788)
Gain on disposal of associated companies	(36,979)	–	(36,979)	(43,447)
Fair value gain on investment properties	(48,300)	–	(48,300)	–
Unrealised foreign exchange differences	29,037	(22,476)	4,109	(44,320)
Operational cash flow before changes in working capital	163,677	149,265	325,318	244,540
Working capital changes:				
Stocks	8,197	250,115	(175,048)	280,428
Contract assets	70,354	223,438	557,335	176,707
Debtors	161,171	(91,114)	(453)	163,130
Creditors	154,336	(236,656)	(204,867)	(421,319)
Contract liabilities	(86,939)	796	33,473	(43,368)
Investments	(12,599)	57,893	(26,055)	(16,745)
Amount due to/from associated companies	172	(15,402)	(5,652)	(24,126)
	458,369	338,335	504,051	359,247
Interest received	35,389	30,324	66,510	66,132
Interest paid	(49,259)	(49,919)	(92,959)	(99,265)
Income taxes paid, net of refunds received	(77,376)	(147,040)	(120,802)	(199,350)
Net cash from operating activities	367,123	171,700	356,800	126,764
INVESTING ACTIVITIES				
Acquisition and further investment in associated companies	(1,614)	(9,006)	(2,786)	(110,712)
Acquisition of fixed assets and investment properties	(73,703)	(101,899)	(130,966)	(230,548)
Disposal of subsidiaries	248,125	36,425	661,601	223,102
Proceeds from disposal of fixed assets	2,588	21,839	3,038	24,208
Proceeds from disposal of associated companies and return of capital	–	12,763	590	39,612
Advances to/from associated companies	(27,882)	51,317	(239,309)	(32,373)
Dividends received from investments and associated companies	65,635	63,555	167,929	107,225
Net cash from investing activities	213,149	74,994	460,097	20,514
FINANCING ACTIVITIES				
Acquisition of additional interest in subsidiaries	(1,283)	(2,057)	(1,535)	(32,659)
Proceeds from share options exercised with issue of treasury shares	1,865	13	4,871	47
Purchase of treasury shares	(21,893)	–	(84,116)	(19,428)
(Return of capital to)/proceeds from non-controlling shareholders of subsidiaries	–	(584)	–	77
Proceeds from share issues	–	–	412	–
Proceeds from term loans	425,630	392,469	1,097,873	972,675
Repayment of term loans	(1,211,572)	(485,395)	(1,606,578)	(1,076,815)
Dividend paid to shareholders of the Company	(254,290)	(218,117)	(254,290)	(218,117)
Dividend paid to non-controlling shareholders of subsidiaries	(10,834)	(11,217)	(12,259)	(17,798)
Net cash used in financing activities	(1,072,377)	(324,888)	(855,622)	(392,018)
Net decrease in cash and cash equivalents	(492,105)	(78,194)	(38,725)	(244,740)
Cash and cash equivalents				
as at beginning of period	2,698,143	1,839,804	2,241,448	2,018,772
Effects of exchange rate changes on the balance of cash held in foreign currencies	(22,083)	(25,312)	(18,768)	(37,734)
Cash and cash equivalents				
as at end of period	2,183,955	1,736,298	2,183,955	1,736,298

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:

	Second Quarter		Half Year	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	\$'000	\$'000	\$'000	\$'000
		Restated		Restated
Fixed assets and investment properties	(52)	(11,767)	(4,122)	(236,786)
Stocks	(183,586)	–	(692,651)	(29,798)
Debtors and other assets	(2,343)	(34,356)	(7,103)	(46,146)
Bank balances and cash	(36,499)	–	(38,344)	(11,164)
Creditors and other liabilities	273	10,399	75,265	19,627
Current and deferred taxation	–	–	–	8,880
Borrowings	–	–	171,380	80,000
Non-controlling interest	–	–	(5,610)	5,877
	(222,207)	(35,724)	(501,185)	(209,510)
Amount accounted for as associated company	–	–	–	4,962
Net assets disposed of	(222,207)	(35,724)	(501,185)	(204,548)
Net gain on disposal	(88,262)	(12,660)	(425,132)	(41,788)
Realisation of foreign currency translation reserve	601	11,959	(3,768)	12,070
Sale proceeds	(309,868)	(36,425)	(930,085)	(234,266)
Less: Bank balances and cash disposed	36,499	–	38,344	11,164
Less: Advanced payments received in prior year	–	–	174,538	–
Less: Deferred proceeds	25,244	–	55,602	–
Cash flow on disposal	(248,125)	(36,425)	(661,601)	(223,102)

During the six months, significant disposal of subsidiaries relates to the sale of Keppel China Marina Holdings Pte Ltd, Keppel Township Development (Shenyang) Co. Ltd and Keppel Bay Property Development (Shenyang) Co. Ltd.

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

5b. Cash and cash equivalents

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

	Group	
	30.6.2018	30.6.2017
	\$'000	\$'000
Bank balances, deposits and cash	2,223,198	1,743,246
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and liabilities	(39,243)	(6,948)
	2,183,955	1,736,298

5c. Cash flow analysis

(i) Second Quarter

Net cash from operating activities for the quarter was \$367 million compared to \$172 million for the corresponding quarter last year. This was due mainly to higher cash inflow from working capital changes, as well as lower income taxes paid.

Net cash from investing activities for the quarter was \$213 million. Divestments and dividend income amounted to \$316 million. This was partly offset by the acquisitions and capital expenditure as well as payments to associated companies of \$103 million. The acquisitions and capital expenditure comprised principally the acquisitions of fixed assets and investment properties.

Net cash used in financing activities was \$1,072 million. This was mainly attributable to the net repayment of term loans of \$786 million and the dividend of \$265 million that was paid to both shareholders of the Company and non-controlling shareholders of subsidiaries during the quarter.

(ii) Half Year

Net cash from operating activities was \$357 million compared to \$127 million in the prior period. This was due mainly to higher operational cash inflow.

Net cash from investing activities was \$460 million. Divestments and dividend income amounted to \$833 million. This was partly offset by the acquisitions and capital expenditure as well as payments to associated companies of \$373 million. The acquisitions and capital expenditure comprised principally the acquisitions of fixed assets and investment properties.

Net cash used in financing activities was \$856 million. This was mainly attributable to the net repayment of term loans of \$509 million, the dividend of \$267 million that was paid to both shareholders of the Company and non-controlling shareholders of subsidiaries during the period and purchase of treasury shares during the period.

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 financial information under SFRS(I)s for the second quarter and half year ended 30 June 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 the second quarter and half year ended 30 June 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 SFRS(I) 9 *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 Second Quarter and Half Year ended 30 June 2018 Financial Statements

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

	Second Quarter 30.6.2017 \$'000	Half Year 30.6.2017 \$'000
Group Profit and Loss Account		
Increase in other operating income	9,660	6,799
Increase in operating profit	9,660	6,799
Decrease in share of results of associated companies	(12,823)	(67,465)
Decrease in taxation	13,458	63,001
Increase in profit for the period	10,295	2,335
Attributable to:		
Shareholders of the Company	10,169	2,270
Non-controlling interests	126	65
	10,295	2,335
Increase in basic EPS	0.5 cts	0.1 cts
Increase in diluted EPS	0.5 cts	0.1 cts

	01.01.2018 \$'000	31.12.2017 \$'000	01.01.2017 \$'000
Group Balance Sheets			
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
(Decrease)/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

(i) Second Quarter

Group revenue for 2Q 2018 of \$1,523 million was \$31 million or 2% below that of 2Q 2017. Revenue from the Offshore & Marine Division increased by \$158 million to \$607 million due mainly to revenue recognition in relation to the jackup rigs sold to Borr Drilling Limited. Revenue from the Property Division declined by \$298 million to \$244 million due mainly to lower revenue from Singapore and China property trading. The Infrastructure Division's revenue grew by \$126 million to \$647 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 for 2Q 2018 increased by \$66 million or 31% to \$281 million. The Offshore & Marine Division's pre-tax loss was \$11 million as compared to pre-tax profit of \$15 million in the second quarter of 2017. This was mainly due to lower operating results and the absence of gain from divestment of Keppel Verolme, partly offset by higher share of associated companies' profits and lower net interest expense. Pre-tax profit of the Property Division increased by \$122 million to \$243 million due mainly to en-bloc sales of development projects (Keppel Bay Property Development (Shenyang) Co. Ltd., Keppel Township Development (Shenyang) Co. Ltd. and Quoc Loc Phat Joint Stock Company) and fair value gain on Nassim Woods which has been designated for redevelopment for sale. The positive variance was partly offset by lower contribution from Singapore and China property trading. Pre-tax profit of the Infrastructure Division increased by \$9 million to \$44 million due mainly to dilution gain following Keppel DC REIT's private placement exercise as well as higher contribution from Environmental Infrastructure and Infrastructure Services, partly offset by lower contribution from Energy Infrastructure and share of Keppel Infrastructure Trust's loss. Pre-tax profit of the Investments Division declined by \$39 million to \$5 million due mainly to share of associated companies' losses in the current period as compared to share of associated companies' profits in the same period last year.

Tax expenses decreased by \$17 million due mainly to the reversal of tax provision following the finalisation of withholding tax for the divestment of Keppel China Marina Holdings Pte Ltd. Non-controlling interests were \$8 million higher than those of 2Q 2017. After taking into account income tax expenses and non-controlling interests, net profit attributable to shareholders for 2Q 2018 was \$246 million, 44% above the same quarter in the previous year.

(ii) Half Year

Group net profit attributable to shareholders was \$583 million, an increase of 38% over the same period in 2017. Earnings per share increased correspondingly by 38% to 32.2 cents. Annualised return on equity was 9.9% and Economic Value Added was \$275 million.

Group revenue of \$2,993 million for the six months ended 30 June 2018 was \$191 million or 7% higher than that of the corresponding period in 2017. Revenue from the Offshore & Marine Division of \$939 million was slightly above the same period in 2017 due mainly to revenue recognition in relation to the jackup rigs sold to Borr Drilling Limited, partly offset by lower volume of work. Major jobs completed and delivered in 2018 include two jackup rigs, a gas carrier refurbishment, a FPSO conversion, a RORO conversion and a dual-fuel LNG tug. Revenue from the Property Division declined by \$17 million to \$787 million due mainly to lower revenue from hotels and resorts segment and property services segment. Revenue from the Infrastructure Division grew by \$223 million to \$1,211 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 \$711 million, \$207 million or 41% above the same period in 2017. The Offshore & Marine Division's pre-tax loss was \$26 million as compared to pre-tax profit of \$13 million in 2017. This was mainly due to lower operating results, lower share of associated companies' profit as well as the absence of gain from divestment of Keppel Verolme, partly offset by lower net interest expense. Pre-tax profit from the Property Division increased by \$464 million to \$698 million due mainly to en-bloc sales of development projects (Keppel China Marina Holdings Pte Ltd, Keppel Bay Property Development (Shenyang) Co. Ltd., Keppel Township Development (Shenyang) Co. Ltd. and Quoc Loc Phat Joint Stock Company), fair value gain on Nassim Woods which has been designated for redevelopment for sale and higher contribution from Singapore and China property trading. The positive variance was partly offset by lower share of associated companies' profits. Pre-tax profit of the Infrastructure Division was \$74 million, \$2 million above the same period in 2017. This was mainly due to dilution gain following Keppel DC REIT's private placement exercise as well as higher contribution from Environmental Infrastructure and Infrastructure Services, partly offset by lower contribution from Energy Infrastructure, lower share of profits from Keppel Infrastructure Trust, and absence of gain from divestment of GE Keppel Energy Services Pte Ltd. Pre-tax loss of the Investments Division was \$35 million as compared to pre-tax profit of \$185 million in 2017. In the first half of 2017, the Division benefited from the profit from land sales in the Sino-Singapore Tianjin Eco-City, write-back of provision for impairment of investment, and profit from sale of investments. The negative variance was partly offset by lower fair value loss on KrisEnergy warrants.

Taxation expenses increased by \$52 million due mainly to higher taxable profits. Non-controlling interests were \$5 million lower than the corresponding period in 2017. Taking into account income tax expenses and non-controlling interests, net profit attributable to shareholders was \$583 million, an increase of \$160 million from \$423 million last year. The Property Division was the largest contributor to the Group's net profit with a 104% share, followed by the Infrastructure Division's 11% while the Offshore & Marine Division and Investments Division contributed negative 7% and negative 8% 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 \$4.6 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, floating infrastructure and offshore renewables, as well as exploring ways to re-purpose its technology in the offshore industry for other uses.

The Property Division sold about 1,420 homes in the first half of 2018, comprising about 130 in Singapore, 800 in China, 80 in Vietnam, 150 in Indonesia, 225 in India and 35 in Thailand. Keppel REIT's office buildings in Singapore and Australia maintained a high portfolio committed occupancy rate of 99.3% as at end-June 2018. Market sentiments in Singapore are expected to be dampened by new government cooling measures effective from 6 July 2018, which include higher Additional Buyer Stamp Duty rates for home buyers, investors and developers as well as the tightening of Loan-to-Value on housing loans. 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? Yes

Name of Dividend	Interim	Special
Dividend type Dividend per share Tax rate	Cash 10.0 cents Tax exempt	Cash 5.0 cents Tax exempt

The Directors are pleased to declare a tax exempt one-tier interim cash dividend of 10.0 cents per share and a tax exempt one-tier special cash dividend of 5.0 cents per share (2017: interim cash dividend of 8.0 cents per share tax exempt one-tier) in respect of the half year ended 30 June 2018. The special dividend is to commemorate the Company's 50th anniversary since its incorporation. The interim and special dividends will be paid to shareholders on 7 August 2018.

13b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend type Dividend per share Tax rate	Cash 8.0 cents Tax exempt

13c. Date Payable

7 August 2018.

13d. Books Closure Date

Notice is hereby given that, the Share Transfer Books and Register of Members of the Company will be closed on 27 July 2018 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544 up to 5.00 p.m. on 27 July 2018 will be registered to determine shareholders' entitlement to the interim and special dividends. Shareholders whose securities accounts with The Central Depository (Pte) Limited (CDP) are credited with Shares at 5.00 p.m. on 27 July 2018 will be entitled to the interim and special dividends.

14. SEGMENT ANALYSIS

Half year ended 30 June 2018

	Offshore & Marine \$'000	Property \$'000	Infra- structure \$'000	Invest- ments \$'000	Elimination \$'000	Total \$'000
Revenue						
External sales	939,024	787,152	1,210,468	56,089	–	2,992,733
Inter-segment sales	–	3,250	11,758	32,145	(47,153)	–
Total	939,024	790,402	1,222,226	88,234	(47,153)	2,992,733
Segment Results						
Operating profit	14,113	657,932	52,672	503	57	725,277
Investment income	247	134	1,120	1,855	–	3,356
Interest income	20,816	20,632	26,872	141,106	(142,916)	66,510
Interest expenses	(65,898)	(35,073)	(7,901)	(126,946)	142,859	(92,959)
Share of results of associated companies	5,157	53,685	1,681	(51,673)	–	8,850
(Loss)/profit before tax	(25,565)	697,310	74,444	(35,155)	–	711,034
Taxation	(15,766)	(98,696)	(4,111)	(9,219)	–	(127,792)
(Loss)/profit for the period	(41,331)	598,614	70,333	(44,374)	–	583,242
Attributable to:						
Shareholders of Company	(39,522)	602,686	66,337	(45,873)	–	583,628
Non-controlling interests	(1,809)	(4,072)	3,996	1,499	–	(386)
	(41,331)	598,614	70,333	(44,374)	–	583,242
Other Information						
Segment assets	8,362,127	14,379,729	3,512,625	7,499,699	(6,793,569)	26,960,611
Segment liabilities	7,439,288	6,121,273	1,837,665	6,153,483	(6,793,569)	14,758,140
Net assets	922,839	8,258,456	1,674,960	1,346,216	–	12,202,471
Investment in associated companies	697,817	2,909,344	1,025,115	1,167,652	–	5,799,928
Additions to non-current assets	52,083	83,450	13,849	2,126	–	151,508
Depreciation and amortisation	50,643	16,220	21,769	1,373	–	90,005
Write-back of impairment loss	(923)	(22,226)	(620)	–	–	(23,769)

Geographical Information

	Singapore \$'000	China \$'000	Brazil \$'000	Far East & Other ASEAN Countries \$'000	Other Countries \$'000	Elimination \$'000	Total \$'000
External sales	2,217,225	412,153	146,023	112,565	104,767	–	2,992,733
Non-current assets	5,755,852	3,494,960	225,923	1,386,184	893,260	–	11,756,179

Half year ended 30 June 2017

	Offshore & Marine \$'000	Property \$'000	Infra- structure \$'000	Invest- ments \$'000	Elimination \$'000	Total \$'000
Revenue						
External sales	931,582	804,234	987,972	78,486	–	2,802,274
Inter-segment sales	350	3,168	9,679	31,081	(44,278)	–
Total	931,932	807,402	997,651	109,567	(44,278)	2,802,274
Segment Results						
Operating profit	45,739	167,294	49,839	70,041	(227)	332,686
Investment income	294	2,361	–	1,835	–	4,490
Interest income	22,921	20,537	22,959	140,099	(140,384)	66,132
Interest expenses	(77,110)	(35,035)	(8,264)	(119,467)	140,611	(99,265)
Share of results of associated companies	21,330	79,012	6,504	92,633	–	199,479
Profit before tax	13,174	234,169	71,038	185,141	–	503,522
Taxation	(13,202)	(47,461)	(10,428)	(5,011)	–	(76,102)
(Loss)/profit for the period	(28)	186,708	60,610	180,130	–	427,420
Attributable to:						
Shareholders of Company	11,048	191,445	57,023	163,398	–	422,914
Non-controlling interests	(11,076)	(4,737)	3,587	16,732	–	4,506
	(28)	186,708	60,610	180,130	–	427,420
Other Information						
Segment assets	9,906,090	14,644,009	3,126,825	7,507,005	(6,922,866)	28,261,063
Segment liabilities	7,910,701	6,930,640	1,683,569	6,392,651	(6,922,866)	15,994,695
Net assets	1,995,389	7,713,369	1,443,256	1,114,354	–	12,266,368
Investment in associated companies	600,324	2,735,511	979,375	1,259,839	–	5,575,049
Additions to non-current assets	52,573	110,010	117,384	62,679	–	342,646
Depreciation and amortisation	70,059	20,044	21,872	988	–	112,963
Impairment loss/(write- back of impairment loss)	152	–	(590)	(46,000)	–	(46,438)

Geographical Information

	Singapore \$'000	China \$'000	Brazil \$'000	Far East & Other ASEAN Countries \$'000	Other Countries \$'000	Elimination \$'000	Total \$'000
External sales	1,851,766	412,710	263,241	143,129	131,428	–	2,802,274
Non-current assets	5,986,302	3,183,139	312,692	1,477,680	753,338	–	11,713,151

Note:

- 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.
- Pricing of inter-segment goods and services is at fair market value.
- For the half year ended 30 June 2018 and 30 June 2017, other than Singapore and China, no single country accounted for 10% or more of the Group's revenue.
- Revenue of \$370,457,000 is derived from a single external customer and is attributable to the Offshore & Marine Division for the half year ended 30 June 2018. No single external customer accounted for 10% or more of the Group's revenue for the half year ended 30 June 2017.

15. REVIEW OF SEGMENT PERFORMANCE

15a. Revenue by Segments

Group revenue of \$2,993 million was \$191 million or 7% higher than the corresponding period in 2017. Revenue from the Offshore & Marine Division of \$939 million was slightly above the same period in 2017 due mainly to revenue recognition in relation to the jackup rigs sold to Borr Drilling Limited, partly offset by lower volume of work. The Property Division saw its revenue decrease by 2% to \$787 million due mainly to lower revenue from hotels and resorts segment and property services segment. Revenue from the Infrastructure Division grew by \$223 million to \$1,211 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.

15b. Net profit by Segments

Group net profit of \$583 million was \$160 million or 38% higher than that of corresponding period in 2017. The Offshore & Marine Division's loss was \$40 million as compared to profit of \$11 million in 2017. This was mainly due to lower operating results as well as lower share of associated companies' profit, partly offset by lower net interest expense. Profit from the Property Division increased by \$411 million to \$603 million due mainly to en-bloc sales of development projects, fair value gain on Nassim Woods which has been designated for redevelopment for sale and higher contribution from Singapore and China property trading. The positive variance was partly offset by lower share of associated companies' profits. Profit of the Infrastructure Division was \$66 million, \$9 million above the same period in 2017. This was mainly due to dilution gain following Keppel DC REIT's private placement exercise and higher contribution from Environmental Infrastructure and Infrastructure Services, partly offset by lower contribution from Energy Infrastructure, lower share of profits from Keppel Infrastructure Trust, and absence of gain from divestment of GE Keppel Energy Services Pte Ltd. Loss of the Investments Division was \$46 million as compared to profit of \$163 million in 2017. In the first half of 2017, the Division benefited from the profit from land sales in the Sino-Singapore Tianjin Eco-City, write-back of provision for impairment of investment and profit from sale of investments. The negative variance was partly offset by lower fair value loss on KrisEnergy warrants. The Property Division was the largest contributor to Group net profit with 104% share, followed by the Infrastructure Division at 11%, while the Offshore & Marine Division and the Investments Division contributed negative 7% and negative 8% respectively.

15c. Revenue by Geographical Segments

Revenue from Singapore of \$2,217 million was \$365 million higher than that of corresponding period in 2017, due largely to higher revenue from the Infrastructure Division and the Offshore & Marine 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 20 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 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)	
	Half Year 30.6.2018 \$'000	Half Year 30.6.2017 \$'000	Half Year 30.6.2018 \$'000	Half Year 30.6.2017 \$'000
Transaction for the Sale of Goods and Services				
CapitaLand Group	–	–	–	165,000
PSA International Group	–	–	62	5,003
SATS Group	–	–	–	24,400
SembCorp Marine Group	–	–	1,355	1,783
Singapore Power Group	–	–	451	900
Singapore Technologies Engineering Group	–	–	187	90
Transaction for the Purchase of Goods and Services				
CapitaMalls Asia Group	–	–	–	254
Certis CISCO Security Group	–	–	8	289
Mapletree Investments Group	–	–	–	1,020
Pavilion Gas Pte Ltd	–	–	52,000	51,000
PSA International Group	–	–	120	69
Singapore Power Group	–	–	–	348
Singapore Technologies Engineering Group	–	–	–	4,048
Singapore Telecommunications Group	–	–	–	39
SMRT Corporation Group	–	–	209	–
Temasek Holdings Group (other than the above)	–	–	212	406
Total Interested Person Transactions	–	–	54,604	254,649

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 July 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 second 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 July 2018