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ANNOUNCEMENT

PROPOSED DIVESTMENT OF 90.0% INTEREST IN

KEPPEL DC SINGAPORE 3 TO KEPPEL DC REIT

1. INTRODUCTION

1.1 The Proposed Transactions

Keppel Telecommunications & Transportation Ltd ("**Company**") is pleased to announce that its subsidiary, Keppel Data Centres Holding Pte. Ltd., as vendor (the "**Vendor**") has, on 17 October 2016, entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Perpetual (Asia) Limited, in its capacity as trustee of Keppel DC REIT (the "**Trustee**"), as purchaser, in relation to the proposed divestment (the "**Proposed Divestment**") of 90 ordinary shares (the "**Sale Shares**"), being 90.0% of the issued share capital in Keppel DC Singapore 3 Pte. Ltd. (formerly known as Keppel Datahub 2 Pte. Ltd.) (the "**Subject Company**"), which in turn, holds the data centre known as Keppel DC Singapore 3 (also known as "**KDC SGP 3**") (the "**Property**").

The Vendor is a joint venture company held by the Company and Keppel Land Limited ("**KLL**") in the proportion of 70.0% and 30.0% respectively. Both the Company and KLL are in turn subsidiaries of Keppel Corporation Limited ("**KCL**").

Currently, S$180.0 million of shareholder's loans have been extended to the Subject Company, comprising: (i) a shareholder loan of S$100 million extended directly to the Subject Company by the Vendor; and (ii) a shareholder loan of S$80 million which has been extended jointly by the Company and Keppel Land Financial Services. S$80 million of such shareholder's loans is intended to be refinanced with an external bank loan prior to Completion while the remaining balance of S$100 million, together with all accrued interest thereon, will be assigned to Keppel DC REIT on Completion pursuant to the Share Purchase Agreement (the "**Assigned Shareholder Loan**").

In connection with the Proposed Divestment and on the date of completion of the Proposed Divestment (the "**Completion Date**"), the Subject Company will also enter into:

(i) a lease agreement (the "**Keppel Lease Agreement**") with Keppel DCS3 Services Pte. Ltd. ("**KDCS3**"), a wholly-owned subsidiary of the Vendor, in relation to the lease of the Property to KDCS3 for a term of ten years with an option to renew for a further term of five years (the "**Lease**"); and

(ii) a facility management agreement (the "**Facility Management Agreement**") with KDCS3 where KDCS3 will be appointed as facility manager to provide certain facilities management and maintenance services in relation to the Property (the "**KDC SGP 3 Services**").

Following the completion of the Proposed Divestment ("**Completion**"), the Subject Company will enter into a business transfer agreement with KDCS3 to transfer the employees, contracts and certain assets (assets for the purpose of providing facility management services) of the Subject Company (the "**Business Transfer Agreement**") to KDCS3. As soon as practicable following Completion, the Subject Company will be converted to a limited liability partnership ("**KDCS3 LLP**") pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore) and the Vendor and the Trustee, as shareholders of the Subject Company, will enter into a limited liability partnership agreement (the "**LLP Agreement**") to regulate the relationship between them *inter se* as partners of the limited liability partnership.

Following the conversion into the limited liability partnership, the Trustee and the Vendor as partners of the limited liability partnership, would inject equity in the proportion of 90.0% and 10.0% (being their proportionate interest in the limited liability partnership) (the "**Equity Injection**") to repay the Assigned Shareholder Loan of S$100.0 million assigned to Keppel DC REIT on Completion and to repay the external bank loan of S$80.0 million. The Vendor's share of this equity injection is S$18.0 million (the "**Equity Injection Amount**").

The Proposed Divestment, the entry into of the Keppel Lease Agreement, the Facility Management Agreement, the Business Transfer Agreement and the LLP Agreement and the Equity Injection collectively constitute the "**Proposed Transactions**".

1.2 Commitment to Keppel DC REIT

For purposes of, among others, funding the acquisition by Keppel DC REIT of the Sale Shares, Keppel DC REIT Management Pte. Ltd., in its capacity as manager of Keppel DC REIT (the "**Manager**"), intends to undertake a *pro rata* and non-renounceable preferential offering of 241,988,877 new units in Keppel DC REIT ("**New Units**") on the basis of 274 New Units for every 1,000 existing units in Keppel DC REIT ("**Units**") held as at 5.00 p.m. on Tuesday, 25 October 2016 to entitled unitholders of Keppel DC REIT (fractions of a New Unit to be disregarded) at an issue price of S$1.155 per New Unit (the "**Issue Price**") to raise gross proceeds of approximately S$279.5 million (the "**Preferential Offering**").

To demonstrate its support for Keppel DC REIT's long-term growth and the Preferential Offering, Keppel DC Investment Holdings Pte. Ltd. ("**KDCIH**"), which is a wholly-owned subsidiary of the Company, has provided an irrevocable undertaking to the Manager that KDCIH will accept, subscribe and pay in full its total provisional allotment of New Units under the Preferential Offering.

2. DETAILS OF THE PROPOSED TRANSACTIONS

2.1 Purchase Consideration payable for the Sale Shares and Valuation

The estimated purchase consideration (the "**Purchase Consideration**") payable by Keppel DC REIT to the Vendor for the Sale Shares is approximately S$140.8 million[1] and is derived from:

(i) S$202.5 million, being 90.0% of the agreed value of the Property (the "**Agreed**

1 The actual amount of the Purchase Consideration payable by the Trustee to the Vendor will only be determined after the Completion Date.

Value"); less

(ii) S$161.7 million, being the adjustments for the 90.0% share of the Subject Company's adjusted net liabilities (excluding the carrying value of the Property) as at the Completion Date; plus

(iii) the Assigned Shareholder Loan of S$100.0 million owed by Subject Company to the Vendor, to be assigned to Keppel DC REIT on Completion.

The Agreed Value was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuation of 100% interest in the Property (the "**KDC SGP 3 Interest**") by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. ("**Colliers**"). The independent valuation by Colliers was commissioned by the Subject Company.

The open market value of the KDC SGP 3 Interest is S$225.0 million as stated by Colliers in its valuation report dated 19 September 2016. 90% of such KDC SGP 3 Interest is S$202.5 million.

The primary method used by Colliers was the income capitalisation method. The valuation by Colliers took into account the Client II Colocation Charge Guarantee (as defined below) to be provided by the Vendor to Keppel DC REIT.

2.2 Terms of Payment

It is intended that the Purchase Consideration will be paid to the Vendor fully in cash.

2.3 Use of Proceeds

The Proposed Divestment is estimated to raise gross proceeds of approximately S$140.8 million. The Company expects to use the gross proceeds as follows:

(i) approximately S$18.0 million as payment of the Equity Injection Amount in connection with the Equity Injection; and

(ii) approximately S$1.58 million as payment for the Client II Colocation Charge Guarantee; and

(iii) approximately S$0.1 million for the estimated professional and other fees and expenses incurred or to be incurred by the Company in connection with the Proposed Transactions.

The balance of approximately S$121.1 million is currently intended to be used by the Company to pursue its growth strategies by funding investments in its logistics, data centre and other businesses, with the remaining amount to be used for general corporate and working capital requirements.

Pending deployment, the proceeds may be deposited with banks and/or financial institutions, or invested for any other purpose as the Company may, in its absolute discretion, deem fit.

2.4 Certain Terms and Conditions of the Share Purchase Agreement

The principal terms of the Share Purchase Agreement include, among others, the following conditions precedent:

2.4.1 the Proposed Divestment having been approved by the unitholders of Keppel DC

REIT at an extraordinary general meeting to be convened;

2.4.2 there being no resolution, proposal, scheme or order for the compulsory acquisition by the Singapore Government of the Property for 3% or more of the land area of the Property on or before the date fixed for Completion;

2.4.3 there being no material damage to the Property and/or the plant, mechanical and electrical equipment, fixtures and fittings located in or on or which otherwise relate to the Property ("**Mechanical and Electrical Equipment**") on or before Completion;

2.4.4 the completion of the drawdown of the refinancing loan to repay the S$80 million shareholder loan extended jointly by the Company and Keppel Land Financial Services Pte. Ltd. in favour of the Subject Company;

2.4.5 obtaining the approval of the Housing and Development Board ("**HDB**"), and where required by HDB, the competent authorities, to the sale of the Sale Shares, being 90.0% of the issued share capital of the Subject Company, by the Vendor to the Trustee;

2.4.6 obtaining the approval of HDB, and where required by HDB, the competent authorities, to the lease of the Property by the Subject Company (as landlord) to KDCS3 (as lessee) for no less than an initial lease term commencing from Completion and ending on the month in which the HDB lease term expires subject to and on the terms of the Keppel Lease Agreement;

2.4.7 obtaining the approval of HDB, and where required by HDB, the competent authorities, to conversion of the Subject Company into a limited liability partnership and to the vesting of the Property to such limited liability partnership;

2.4.8 obtaining the written confirmation from HDB that there is no subsisting breach by the Subject Company of the HDB lease and that the Subject Company has, as at the date of such written confirmation, performed and complied in all respects with the terms and conditions contained therein;

2.4.9 the Vendor procuring that a waiver from an existing client of the Subject Company be obtained from such existing client's termination rights arising out of or in connection to a change in control of the Subject Company and/or assignment of the relevant agreement entered into between such existing client, and Keppel DC Singapore 2 Pte. Ltd. (formerly known as Keppel Datahub Pte. Ltd.) and/or the Subject Company; and

2.4.10 all third party consent, licences, approvals, authorisations or waivers required from third parties to complete the Business Transfer Agreement.

2.5 Principal Terms and Conditions of the Keppel Lease Agreement

The Keppel Lease is essentially a pass-through arrangement whereby a significant portion of the rent payable to the Subject Company by KDCS3 is made up of variable rent based on the earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") (after deducting the fixed rent and operating expenses) derived from the underlying end-users (being the clients) who have entered into colocation arrangements with KDCS3. Due to the pass-through arrangement of the Keppel Lease, the Subject Company will substantially enjoy the benefits and assume the liabilities of the colocation arrangements entered into by

KDCS3 with the underlying end-users (being the clients).

The Keppel Lease Agreement will commence on the Completion Date and will be for a term of 10 years with an option to renew for a further term of five years, subject to the terms of the Keppel Lease Agreement.

The principal terms of the Keppel Lease Agreement include, among others, the following:

2.5.1 the term of the Keppel Lease Agreement is for 10 years commencing from (and including) the commencement date of the Keppel Lease Agreement, and KDCS3 will be given an option to renew the Keppel Lease Agreement for a further five years subject to HDB's consent and the compliance of any regulatory requirement by the Subject Company and at such revised rent and on terms and conditions as may be mutually agreed between the parties;

2.5.2 KDCS3 is required to pay rent on a quarterly basis, in arrears, on the date falling 14 days after the end of each quarterly period. Such rent shall comprise:

(i) a fixed rent of S$5 million for the first year, with an annual escalation of 3.0%[1]; and

(ii) a variable rent computed in respect of each financial year, based on an amount equivalent to 99.0% of the Cash EBITDA Amount[2] in respect of each financial year (or such larger amount as the parties may agree in writing) less the amount equivalent to 8.5% of the gross revenue of the Subject Company in any such financial year to be set aside for each monthly period towards the reserve established for the purpose of funding capex works,

with the aggregate of the power service charges, the additional security services charges and the maintenance costs which form part of the EBITDA computation based on agreed amounts; and

2.5.3 the quantum of the variable rent will be adjusted at the end of each financial year based on the agreed computation of the variable rent or an expert's determination on the Cash EBITDA Amount for that financial year.

2.6 Principal Terms and Conditions of the Facility Management Agreement

The Facility Management Agreement will commence on the Completion Date**.** The principal terms of the Facility Management Agreement include, among others, the following:

2.6.1 the term of the Facility Management Agreement shall commence on and from the commencement date of the Facility Management Agreement and shall be for a period of 10 years or until terminated in accordance with the terms of the Facility Management Agreement. In the event the Keppel Lease Agreement is renewed for a further term of five years, the Facility Management Agreement shall also be

1 As mentioned above in paragraph 2.5, the Keppel Lease is a pass-through arrangement whereby the Subject Company will substantially enjoy the benefits and assume the liabilities of the colocation arrangements entered into by KDCS3. The amount of variable rent expected to be paid is more than the fixed rent and for the 12 months ended 30 September 2016, the gross revenue received by the Subject Company is significantly more than the S$5.0 million fixed rent amount per annum.

2 "**Cash EBITDA Amount**" refers to the total cash revenue received by KDCS3 in a financial year less operating expenses less the fixed rent for KDP SGP 3 in a financial year.

automatically renewed for a further term of five years on the same terms as the Facility Management Agreement;

2.6.2 the facility manager will be entitled to the facility management fee of an amount equivalent to 4.0% of the Cash EBITDA Amount in respect of each financial year;

2.6.3 the facility manager will be entitled to the following project management fees for the refurbishment, retrofitting and renovation works on the Property:

(i) where the construction costs are S$2.0 million or less, a fee of 3.0% of the construction costs;

(ii) where the construction costs exceed S$2.0 million but do not exceed S$20.0 million, a fee of 2.0% of the construction costs or S$60,000, whichever is the higher;

(iii) where the construction costs exceed S$20.0 million but do not exceed S$50.0 million, a fee of 1.5% of the construction costs or S$400,000, whichever is the higher; and

(iv) where the construction costs exceed S$50.0 million, a fee of not more than 1.5% of the construction costs; and

2.6.4 the Facility Management Agreement shall terminate if the Keppel Lease Agreement is terminated for any reason whatsoever in accordance with its terms.

2.7 Principal Terms and Conditions of the Limited Liability Partnership

Under the terms of the LLP Agreement, each partner of KDCS3 LLP shall have the right to appoint members to the management committee. Under the terms of the LLP Agreement, the following matters shall require unanimous approval of the partners:

2.7.1 amendment of the LLP Agreement or (where applicable) other constitutive documents of KDCS3 LLP;

2.7.2 cessation or change or expansion of the business of KDCS3 LLP;

2.7.3 (i) the consolidation, merger or amalgamation of KDCS3 LLP with or into any other person, or (ii) any internal restructuring involving KDCS3 LLP and where applicable, its subsidiaries;

2.7.4 the winding up or dissolution (as the case may be) of KDCS3 LLP;

2.7.5 entering into or modifying any existing agreement, transaction, obligation, commitment, understanding, arrangement or liability (whether to lease, licence, sell, transfer or in any other way dispose the whole or any part of its undertaking, assets or property or otherwise) the value of which exceeds S$10 million, other than (i) any leases and licenses entered into in the ordinary course of business, or (ii) any transactions which has been approved as a unanimous resolution;

2.7.6 the giving of any loan, guarantee or indemnity by KDCS3 LLP to secure the liabilities or obligations of any person;

2.7.7 the raising of any financing or the procurement of any financial support by KDCS3 LLP from its partners;

2.7.8 creation of any form of security over any assets held by KDCS3 LLP;

2.7.9 the admission of an additional partner, which is not a substitute partner, to KDCS3 LLP; and

2.7.10 KDCS3 LLP commencing, defending or settling any litigation, arbitration or administrative proceedings other than in the ordinary course of business or where the value of any single claim or a series of related claims exceeds $10.0 million provided that the consent of a partner shall not be required in respect of the commencement, defending or settling of any litigation, arbitration or administrative proceedings against such partner or its representatives.

2.8 Client II Colocation Charge Guarantee

2.8.1 Terms of the Client II Colocation Charge Guarantee

The Vendor guarantees (the "**Client II Colocation Charge Guarantee**") to Keppel DC REIT that the Client II Colocation Charge received by KDCS3 shall not be less than S$395,000 per month (pro-rated for any period which is less than one month) (the "**Guaranteed Amount**") for the period from the date of Completion until the date which the Property can satisfy all the requirements of Client II on the Property such that Client II is obliged under the contract to commence paying the Client II Colocation Charge pursuant to the colocation contract dated 17 March 2016 with the Subject Company[1] ("**Support Period**").

It is expected that the foregoing requirements of Client II will be met, and Client II will commence payment of the Client II Colocation Charge by the second quarter of 2017. For the avoidance of doubt, there is no delay in payment by Client II as Client II is only obliged under the colocation contract to commence payment of the Client II Colocation Charge when requirements pertaining to certain works to the space which it will utilise in the Property has been completed.

In the event that the Client II Colocation Charge for each month during the Support Period is less than the Guaranteed Amount, the Vendor undertakes to pay to KDCS3 LLP a sum (each, a "**Top-Up Payment**") based on the following formula.

$$\textbf{Top-Up Payment} = \text{S\$395,000} \times \frac{\text{Number of days in the month that Client II is not paying the Client II Colocation Charge}}{\text{Number of days in the month}}$$

The Top-Up Payment shall be made monthly in arrears.

The Vendor would provide a banker's guarantee to the Purchaser of S$1.422 million (equivalent to four months of 90% of the Guaranteed Amount) in relation to the Top-Up Payment for a rolling period of 120 days until the end of the Support Period.

The valuation by Colliers has taken into account the Client II Colocation Charge Guarantee to be provided by the Vendor to Keppel REIT.

1 A colocation charge is an amount payable by a client to use the premises under the colocation contract.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS

The Company believes that the Proposed Transactions will bring the following key benefits to shareholders of the Company (the "**Shareholders**"):

(a) **Unlock value in the Property**: The Proposed Divestment will unlock and release capital from the Property back to the Company and its subsidiaries (the "**Group**"). Proceeds from the Proposed Divestment will allow the Group to pursue its growth strategies across its investments in logistics, data centre and other businesses.

(b) **Strengthen the Group's balance sheet**: Based on the *pro forma* financial effects set out in paragraph 4 below, assuming the Proposed Divestment had been completed on 31 December 2015, the net gearing of the Company is estimated to decrease from approximately 40% to approximately 28%, assuming the Proposed Divestment had been completed on 31 December 2015. Based on the *pro forma* financial effects of the Proposed Divestment, the Group's balance sheet would be significantly strengthened and provide additional debt capacity for future growth.

(c) **Keppel DC REIT is an efficient platform for the holding and management of data centre properties and the Proposed Divestment is in line with the Company's strategy**: As stated in its circular to Shareholders dated 10 October 2014, the Company had established Keppel DC REIT as an efficient platform for holding and managing data centre properties which the Company may divest, subject to mutual agreement and necessary approvals. The Proposed Divestment is in line with this strategy and enables the Company to realise the long-term capital appreciation value created in the Property.

(d) **Recurring Distributable Income**: The Company currently holds, either directly or indirectly, a 30.1% interest in Keppel DC REIT. Therefore, Shareholders would continue to benefit from the recurring distributable income from the Company's unitholdings in Keppel DC REIT (including in respect of income arising from the Property), in addition to recurring income from the direct holdings of 10% in the Property.

(e) **Fee income:** As the Company holds an indirect 50.0% interest in the Manager, the Company will earn a recurrent management fee for the management of Keppel DC REIT (including in respect of the Property). In addition, as the Company (through KDCS3) will be appointed as the facility manager for the Property to provide the KDC SGP 3 Services, it will continue to benefit from the recurring facility management fees for the Property.

4. DISCLOSEABLE TRANSACTION PURSUANT TO CHAPTER 10 OF THE LISTING MANUAL

Chapter 10 of the Listing Manual classifies transactions by the Company into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual:

(i) the net asset value ("**NAV**") of the assets to be disposed of, compared with the

Group's NAV;

(ii) the net profits attributable to the assets acquired or disposed of, compared with the Group's net profits; and

(iii) the aggregate value of the consideration received, compared with the Group's market capitalisation based on the total number of issued shares excluding treasury shares (if any).

The relative figures for the Proposed Divestment using the applicable bases of comparison described above are set out in the table below.

Rule 1006	Comparison of	Proposed Divestment (S$ million)	Group (S$ million)	Relative figure (%)
(a)	Net asset value of the Sale Shares as at 30 June 2016 compared with the Group's NAV as at 30 June 2016	135.1	823.7	16%
(b)	Net profits based on the Sale Shares for the half year ended 30 June 2016 compared with the Group's net profits for the half year ended 30 June 2016	8.1[(1)]	44.9[(2)]	18%
(c)	Purchase Consideration received for the Sale Shares[(3)] compared with the Company's market capitalisation[(4)] as at the date of this announcement	140.8	1,028.0	14%

Notes:

(1) Based on estimated unaudited net profit before tax of the Subject Company for the half year ended 30 June 2016.

(2) Based on the unaudited net profit before tax of the Company for the half year ended 30 June 2016.

(3) Based on the Company's 70% interest in the Vendor, the purchase consideration attributable to the Company is S$98.56 million and the relative figure compared to the Group's market capitalisation is 9.6%.

(4) The Company's market capitalisation is based upon 557,025,168 shares in the Company ("**Shares**") in issue and a weighted average traded price of S$1.8455 per Share on the SGX-ST as at 14 October 2016, being the market day immediately preceding the date of the Share Purchase Agreement.

Accordingly, the Proposed Divestment is considered to be a "discloseable transaction" for the Company as defined in Chapter 10 of the Listing Manual.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

5.1 Based and Assumption

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Proposed Transactions on the net tangible asset ("**NTA**") per Share and earnings per Share ("**EPS**") of the Group presented below are strictly for **illustrative purposes** and do not reflect the future actual financial position of the Group after the completion of the Proposed Transactions.

The *pro forma* financial effects were prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 ("**FY2015**", and the audited consolidated financial statements for FY2015, the "**FY2015 Audited Financial Statements**") and the Company's unitholdings (through KDCIH and the Manager) in Keppel DC REIT of 265,808,743 Units (comprising approximately 30.1% of the Units in issue) as at 31 December 2015.

5.2 Pro Forma Financial Effects based on the FY2015 Audited Financial Statements

5.2.1 NTA per Share

FOR ILLUSTRATIVE PURPOSES ONLY: Assuming the Proposed Divestment had been completed on 31 December 2015, the *pro forma* financial effects of the Proposed Divestment on the consolidated NTA of the Group as at 31 December 2015 based on the FY2015 Audited Financial Statements are set out below.

	Before the Proposed Divestment	After the Proposed Divestment
NTA (S$' million)	705.8	706.5
Issued Shares (' million)	556.0	556.0
NTA per Share (S$)	1.27	1.27

5.2.1 Earnings per Share

FOR ILLUSTRATIVE PURPOSES ONLY: Assuming the Proposed Divestment had been completed on 1 January 2015, the *pro forma* financial effects of the Proposed Divestment on the consolidated earnings of the Group for FY2015 based on the FY2015 Audited Financial Statements are as follows.

	Before the Proposed Divestment	After the Proposed Divestment
Profit after tax attributable to Shareholders (S$' million)	91.5	89.0
Weighted average number of Shares (' million)	555.9	555.9
Earnings per Share (S$)	16.5	16.0

5.3 The Group expects to recognise a gain on disposal, inclusive of fair value gain on the Property, of approximately S$1,065,000 in its profit and loss account from the Proposed Divestment.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

6.1 Interests of Directors

As at the date of this announcement:

(a) Mr Loh Chin Hua, who is the Chairman of the Company, is the Chief Executive Officer and Executive Director of KCL, which through its subsidiary, Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**"), holds 50% interest in the Manager;

(b) Mr Chan Hon Chew, who is a Director of the Company, is also the Chairman and non-executive director of the Manager and Chief Financial Officer of KCL, which through its subsidiary, Keppel Capital, holds 50% interest in the Manager; and

(c) Mr Thomas Pang Thieng Hwi, who is the Chief Executive Officer and Director of the Company, is also a non-executive director of the Manager.

Based on the Register of Directors' Shareholdings maintained by the Company and save as disclosed in the table below, none of the Directors of the Company currently holds a direct or deemed interest in the Shares as at the date of this announcement:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Shares held	%(1)	No. of Outstanding Share Options	Contingent Award of Shares	
	No. of Shares	%(1)	No. of Shares	%(1)				Performance Share Plan	Restricted Share Plan
Loh Chin Hua	-	-	-	-	-	-	-	-	-
Thomas Pang Thieng Hwi	23,300	0.0042	-	-	23,300	0.0042	-	200,000	116,700
Neo Boon Siong	-	-	-	-	-	-	-	-	-
Karmjit Singh	-	-	-	-	-	-	-	-	-
Khor Poh Hwa	-	-	-	-	-	-	-	-	-
Lim Chin Leong	-	-	-	-	-	-	-	-	-
Lee Ai Ming	-	-	-	-	-	-	-	-	-
Chan Hon Chew	-	-	-	-	-	-	-	-	-

Note:

(1) The percentage is based on total issued and paid-up ordinary share capital of 557,025,168 Shares of the Company as at the date of this announcement.

The table below sets out the interest in the Units of Keppel DC REIT which are held by the Directors as at the date of this announcement.

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%	No. of Units	%		
Loh Chin Hua	-	-	-	-	-	-
Thomas Pang Thieng Hwi	50,000	0.0057	-	-	50,000	0.0057
Neo Boon Siong	-	-	-	-	-	-
Karmjit Singh	-	-	-	-	-	-
Khor Poh Hwa	-	-	-	-	-	-
Lim Chin Leong	-	-	-	-	-	-
Lee Ai Ming	-	-	-	-	-	-
Chan Hon Chew	-	-	-	-	-	-

Note:

(1) The percentage is based on 883,171,086 Units in issue as at the date of this announcement.

6.2 Interests of Substantial Shareholders

Based on the Register of Substantial Shareholders maintained by the Company, the Substantial Shareholders of the Company and their interests in the Shares as at the date of this announcement are as follows:

Name of Substantial Shareholder	Direct Interest		Deemed Interest		Total No. of Shares held	%(1)
	No. of Shares	%(1)	No. of Shares	%(1)		
KCL	442,935,526	79.52	-	-	442,935,526	79.52
Temasek Holdings (Private) Limited(2)	-	-	442,935,526	79.52	442,935,526	79.52
Investoasia Pte. Ltd. (formerly known as Kapital Asia Pte Ltd)(3)	-	-	33,545,000	6.02	33,545,000	6.02
Agus Anwar(4)	4,328,000	0.78	29,217,000	5.24	33,545,000	6.02
Tjia Marcel Han Liong(4)	-	-	33,545,000	6.02	33,545,000	6.02

Notes:

(1) The percentage is based on total issued and paid-up ordinary share capital of 557,025,168 Shares of the Company as at the date of this announcement.

(2) The interest of Temasek Holdings (Private) Limited arises from its shareholdings in KCL.

(3) Includes interests held by Investoasia Pte. Ltd. and Agus Anwar.

(4) The interests of Agus Anwar and Tjia Marcel Han Liong arise from their controlling interests in Investoasia Pte. Ltd. and Kapital Asia Company Limited.

6.3 Interests of Controlling Shareholders in the Units of Keppel DC REIT

The table below sets out the interest in the Units of Keppel DC REIT which are held by the Controlling Shareholders of the Company based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager as at the date of this announcement.

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
KCL(2)	-	-	309,213,134	35.01	309,213,134	35.01
Temasek Holdings (Private) Limited(3)	-	-	327,035,834	37.03	327,035,834	37.03

Notes:

(1) The percentage is based on 883,171,086 Units in issue as at the date of this announcement.

(2) KCL's deemed interest arises from its shareholdings in (i) KDCIH, which is a wholly-owned subsidiary of the Company, which is in turn a subsidiary of KCL, (ii) DC REIT Holdings Pte. Ltd., a wholly-owned subsidiary of KLL, which is in turn a wholly-owned subsidiary of KCL and (iii) the Manager, which is 50% held by the Company and 50% held by Keppel Capital, which is in turn wholly-owned by KCL .

(3) The interest of Temasek Holdings (Private) Limited arises from its shareholdings in KCL and other subsidiaries and associated companies of Temasek Holdings (Private) Limited.

6.4 Save as disclosed above and based on information available to the Company as at the date of this announcement, none of the Directors or the Controlling Shareholders have an interest, direct or indirect, in the Proposed Transactions.

6.5 The Company is not required to comply with Rules 905, 906 and 907 under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") in respect of the Proposed Transactions in accordance with the exception in Rule 915(3) of the Listing Manual.

Rule 915(3) of the Listing Manual exempts transactions between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through the issuer, is less than 5%. At the time of entry into the Share Purchase Agreement, the interest of the Company's "interested persons" in the Units, other than that held through the Company, is less than 5%. Accordingly, the Proposed Transactions falls within the exception under Rule 915(3).

7. OTHER INFORMATION

7.1 Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction or any other transactions contemplated in relation to the Proposed Transaction.

7.2 Documents on Display

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal office hours from the date of this announcement up to and including the date falling three months after the date of this announcement:

(i) the Constitution of the Company;

(ii) the FY2015 Audited Financial Statements;

(iii) Share Purchase Agreement (which contains the form of the Keppel Lease Agreement, the Facility Management Agreement and the LLP Agreement); and

(iv) the independent valuation report by Colliers.

By Order of the Board
KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

Tan Wah Nam / Kenny Lee
Company Secretaries

17 October 2016