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ACQUISITION OF 59.6% INTEREST IN COUREX PTE. LTD.

Keppel Telecommunications and Transportation Ltd (the “**Company**” or “**KT&T**”) wishes to announce that its wholly-owned subsidiary, Keppel Logistics Pte. Ltd. (“**Keppel Logistics**”) has today entered into a sale and purchase agreement with Lee Kok Tong and Choa Soon Heng, to acquire Lee Kok Tong’s entire interest in Courex Pte. Ltd. (“**Courex**”), comprising 60,200 ordinary shares (“**Subject Shares**”) representing 59.6% of the issued and paid up capital of Courex, for an aggregate consideration of S\$758,326 (“**Proposed Acquisition**”). The remaining 40.4% shareholding interest in Courex will continue to be held by Choa Soon Heng.

Courex is an exempt private company incorporated in Singapore and is engaged in the business of providing general logistics services, supply chain management, parcel delivery services and other customer-oriented logistics services.

The aggregate cash consideration of S\$758,326 for the Subject Shares was arrived on a willing buyer, willing seller basis, taking into account the integrated e-commerce fulfilment capabilities of Courex and potential synergies with Keppel Logistics. For a 59.6% equity interest in Courex, the book value was negative S\$153,546 and the net tangible liabilities was S\$326,587 based on the unaudited accounts of Courex as at 31 December 2015.

Completion of the Proposed Acquisition is conditional upon, among others, receipt of third party approvals, waiver and/or consents. On completion of the Proposed Acquisition, Courex will be a subsidiary of the Company, and Keppel Logistics and Choa Soon Heng will enter into a joint venture agreement governing their relationships as shareholders in Courex. Keppel Logistics will also extend a convertible loan of up to S\$3.84 million to Courex for the purpose of repaying outstanding loans owing to Lee Kok Tong and as working capital.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

The above transaction is not expected to have any material impact on the earnings per share and net tangible asset per share of KT&T for the current financial year.

A copy of the sale and purchase agreement is available for inspection at the registered office of the Company at 1 HarbourFront Road #18-01 Keppel Bay Tower Singapore 098632 during normal business hours for a period of 3 months from the date of this announcement.