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MEDIA RELEASE

Keppel Logistics acquires stake in e-commerce logistics service provider, Courex

Singapore, 19 October 2016 – Keppel Logistics Pte Ltd (Keppel Logistics), a wholly owned subsidiary of Keppel Telecommunications & Transportation Ltd (Keppel T&T), is investing up to \$4.6m to acquire a 59.6% stake in Courex Pte Ltd (Courex), including funding for expansion. This investment will be funded by shareholder funds.

Founded in 2009, Courex is a Singapore-based third-party logistics company supporting retailers' logistics needs such as last-mile delivery, international shipping and warehousing. Unlike traditional courier companies, Courex does not own any trucks or drivers, but instead uses a crowdsourcing model to tap on a large network of delivery personnel in Singapore. Managing approximately 20,000 square feet of warehousing space, Courex counts Singapore Airlines and Hachi.Tech among its clients.

Another key differentiator of Courex is StoreViva, a proprietary cloud-based inventory management platform, which allows customers to tap on Courex's services through a monthly subscription. StoreViva is also integrated with major online marketplaces such as Lazada and eBay, allowing purchases on these websites to be processed immediately.

The acquisition is in line with Keppel T&T's plans to grow its logistics division by acquiring complementary capabilities to tap into fast growing market sectors, such as e-commerce. The cloud-based inventory management platform, together with its crowdsourcing model of managing its delivery fleet will allow Keppel T&T to establish a competitive foothold in the growing e-commerce space with an established logistics player with a proprietary technology platform and a ready clientele.

Mr Thomas Pang, CEO of Keppel T&T said, "We are seeing rapid growth in the e-commerce space, in turn driving rapid changes in the logistics sector. Many brands with both online and offline presence are challenging the ways we think about logistics to keep pace with consumer expectations. Our investment in Courex is part of Keppel T&T's strategy to strengthen our position as a leading third-party logistics player in Singapore, and to equip us with additional capabilities so that we may tap the growth of the burgeoning e-commerce sector in Singapore and Southeast Asia."

Mr Desmond Gay, CEO of Keppel Logistics, added, "Courex is one of the new wave of last-mile delivery companies that is using the dynamic matching of supply and demand model to disrupt the logistics landscape. With a proven business model, Courex allows Keppel Logistics to move towards being an omni-channel and urban logistics service provider, while retaining our core strengths in providing best-in-class third-party logistics solutions."

The founder of Courex, Mr Joe Choa, will continue to lead this company post-acquisition and he will also continue to hold the remaining stakes in Courex.

Mr Joe Choa said, "We are excited about the synergies between Keppel Logistics and Courex. With Keppel as an investor and partner, we will be able to enhance our ability to deliver seamless urban logistics solutions to our customers. Both companies share the same entrepreneurial "*Can Do!*" attitude and I look forward to leveraging Keppel's knowledge and network, while maintaining the nimbleness of a start-up."

Earlier this year in May, a joint study by Google and Temasek Holdings forecasts that e-commerce in Southeast Asia could see an increase from US\$5.5 billion in 2015 to US\$88 billion in 2025. The study also predicts that Singapore's e-commerce market could grow from US\$1 billion to US\$5.4 billion over the same period.

The above mentioned transaction is not expected to have material impact on the net tangible assets or earnings per share of Keppel T&T for the current financial year.

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About Keppel Telecommunications & Transportation Ltd

Keppel Telecommunications & Transportation Ltd (Keppel T&T), is a subsidiary of Keppel Corporation Limited, a leading company listed on the Main Board of the SGX-ST with core businesses in offshore and marine, infrastructure and property.

Keppel T&T is also listed on the Main Board of SGX-ST with logistics and data centre operations in Europe and Asia-Pacific. In Singapore, wholly owned subsidiary Keppel Logistics has more than 40 years of experience in offering customised integrated logistics solutions. It currently also operates logistics facilities with advanced IT infrastructure in China, Hong Kong, Malaysia, Indonesia, Vietnam and Australia.

Keppel Data Centres, Keppel T&T's data centre division has a track record of more than a decade in owning, developing and managing high quality carrier-neutral data centre facilities that support mission-critical computer systems. Keppel T&T is also the sponsor of Keppel DC REIT, the first data centre Real Estate Investment Trust (REIT) listed in Asia and on the SGX-ST. Together with assets owned through Keppel DC REIT, Keppel T&T has a global portfolio of 15 data centres located in key data centre hubs across Asia Pacific and Europe.

<http://www.keppeltt.com.sg/>

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Chinese Glossary

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