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INTERESTED PERSON TRANSACTION – LOAN TO JOINT VENTURE

1. Interested Person Transactions

Keppel Telecommunications & Transportation Ltd (“**KT&T**” or the “**Company**”) wishes to announce that it had entered into a loan agreement (“**Loan Agreement**”) with Keppel Land Financial Services Pte Ltd (“**KLFS**”), a wholly-owned subsidiary of Keppel Land Limited (“**KLL**”), and Keppel Datahub 2 Pte Ltd (“**Borrower**”) to provide a 2-year \$90 million loan (the “**Loan**”) to the Borrower, under which KT&T’s portion of the Loan is \$63 million (“**KT&T’s Portion**”). The Borrower is a wholly-owned subsidiary of Keppel Data Centres Holding Pte Ltd (“**JV Co**”) which is in turn a 70-30 joint venture company between KT&T and KLL. The proportion of the Loan to be contributed by KT&T and KLFS is based on the respective shareholdings of KT&T and KLL in JV Co.

As KLL (being an associate of Keppel Corporation Limited, the controlling shareholder of the Company) has an indirect 30% interest in the Borrower, the provision of the Loan to the Borrower is an “interested person transaction” under the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

2. Rationale and details of the Loan

By providing the Loan to the Borrower, it would provide the Borrower with the capital for the development of the property located at 27 Tampines Street 92, Singapore 528878 into a data centre. The Loan provided by KT&T and KLFS are in proportion to KT&T’s and KLL’s equity in JV Co and on the same terms and conditions.

Based on current market conditions, the interest rate on KT&T’s Portion is 3.44% per annum. Assuming interest rate remains the same throughout the term of the Loan, the principal and interest payable to KT&T for KT&T’s Portion is S\$67.334 million for the full 2-year period, which would constitute approximately 8.47% of the latest audited net tangible assets of KT&T for the financial year ended 31 December 2014.

3. Audit Committee’s Statements

Pursuant to Rule 916(3) of the Listing Manual, the Audit Committee of the Company, having considered the terms of the Loan Agreement and the joint venture, is of the view that (i) the provision of the Loan is not prejudicial to the interests of the

Company and its minority shareholders, and (ii) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

4. Current Total of Interested Persons Transactions

Other than transactions of less than S\$100,000, and transactions carried out under the Company's shareholders' mandate for transactions with interested persons, the following table sets out the current total of all transactions for the financial year ending 31 December 2015 with the particular interested person whose transaction is the subject of this announcement and the current total of all interested person transactions for the same financial year, as at the date of this announcement:

Interested Person Transaction	
	S\$'000
Keppel Corporation Limited Group	
- Principal and interest of the loan to JV Co	67,334
- General Transactions	182
Mapletree Investments Pte Ltd Group	
- Investment Transactions	14,000
Total for all interested person for the current financial year	81,516

By Order of the Board

Lee Lieming Kenny
Company Secretary
6 August 2015