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Media Release

Keppel Capital's Alpha Asia Macro Trends Fund III acquires three Grade A freehold commercial buildings in Seoul for KRW 430 billion

Singapore, 29 April 2019 – Keppel Capital Holdings Pte. Ltd. (Keppel Capital), through Alpha Asia Macro Trends Fund III (AAMTF III), has entered into an agreement with a Korean asset management company to acquire 100% stakes in three Grade A freehold commercial buildings located in three major business districts in Seoul at a total acquisition price of about KRW 430 billion (approximately S$510 million[1]).

The portfolio of three commercial buildings comprises Yeouido Finance Tower, located in the Yeouido business district (YBD), Nonhyun Building, located in the Gangnam business district (GBD), and Naeja Building, located in the Gwanghwamun central business district (CBD). The acquisition of the three buildings is expected to be completed in the second quarter of 2019.

AAMTF III is managed by Alpha Investment Partners Limited (Alpha), the private fund management arm of Keppel Capital. Concurrently, Keppel Investment Management Co., Ltd. (Keppel Investment Management), the asset management arm of Keppel Capital in South Korea, will be appointed the local asset manager for the three properties.

Mr Alvin Mah, CEO of Alpha, said, "The acquisition of the portfolio is in line with AAMTF III's strategy of creating value and driving returns for our investors. These prime commercial properties are well-located in major business districts of Seoul and have good connectivity and high accessibility to public transportation. Their addition to AAMTF III also aids in the diversification of the fund's portfolio."

Mr Robert Sung, CEO of Keppel Investment Management, said, "Driven by both foreign and domestic investors, real estate investments have been strong in Seoul. The office sector is expected to see limited supply over the next few years while leasing demand is projected to remain steady. We are confident that these favourable fundamentals, coupled with our experienced team, active asset management on the ground and robust value creation strategies, will enable us to generate good returns for AAMTF III's investors. We will continue to build on this traction and actively pursue quality opportunities to strengthen our product offerings in South Korea."

Yeouido Finance Tower

Completed in 1994, Yeouido Finance Tower is a Grade A freehold 21-storey office and retail mixed-use development offering approximately 42,300 sm in gross floor area (GFA), comprising approximately 39,100 sm of office space and approximately 3,200 sm of retail

[1] Based on an exchange rate of KRW 841.79 to SGD 1 as at 25 April 2019.

space. The property is located in the core area of Seoul's YBD, also known as Korea's 'Wall Street'. Situated within a minute's walk to the Yeouido station and Yeouido bus transfer centre, the property is well-connected to other major business districts such as GBD and CBD, as well as Gimpo Airport and Incheon International Airport.

In addition, the new rail line GTX B, expected to be completed by 2025, will improve the property's accessibility by connecting Yeouido to the Songdo international business district and major stations in the CBD, including Seoul station and Yongsan station. Yeouido Finance Tower's tenants are mainly from the insurance, financial and information technology sectors, and they include Samsung Life Insurance and Tong Yang Asset Management.

Nonhyun Building

Completed in 1993, Nonhyun Building is a Grade A freehold 20-storey office and retail mixed-use development offering approximately 18,600 sm in GFA, comprising approximately 16,700 sm of office space and approximately 1,900 sm of retail space. The property is located on the main thoroughfare, Gangnam-daero, in Seoul's GBD, and is adjacent to Nonhyun station. It is also a 5-minute drive away from Gangnam station and Gangnam Retail District.

Nonhyun Building's tenants are mainly from the insurance and manufacturing sectors. Notable tenants include Hanwha Life Insurance and Fissler Korea.

Naeja Building

Completed in 2000, Naeja Building is a Grade A freehold 15-storey office development offering approximately 13,000 sm in GFA. The property is located in Seoul's Gwanghwamun CBD, known to be the preferred location for government offices, local conglomerates, multinational corporations and law firms, due to its well-established supporting facilities.

Naeja Building is highly accessible, as it is within a 3-minute and 10-minute walk away from Gyeongbokgung Palace station and Gwanghwamun station respectively. The property is currently fully leased to local tenants, with global top-tier law firm, Kim & Chang, as anchor tenant.

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About Alpha Investment Partners

Alpha Investment Partners (Alpha) is a wholly-owned subsidiary of Keppel Capital, a premier asset manager in Asia and the asset management arm of Keppel Corporation Limited.

Alpha has been adding value for investors by constantly seeking innovative solutions throughout its investment process since 2004.

Alpha has an institutional investor base comprising renowned pension plans, financial institutions, fund of funds, insurance companies, endowments and family offices spanning Europe, North America, Asia and the Middle East.

Its private funds are invested in different asset classes including real estate and data centres, and across the risk spectrum in the core, core-plus, value-add and opportunistic space. Each fund has a specific strategy to leverage prevailing opportunities, as well as seek a blend of income and capital returns according to its risk profile. Alpha also manages the Alpha Real Estate Securities Fund, an open-ended fund that invests in listed REITs and real estate securities predominantly in Asia.

About Keppel Investment Management

Keppel Investment Management (KIM) is a wholly-owned subsidiary of Keppel Capital and its asset management arm in South Korea. Keppel Capital is a premier asset manager in Asia and the asset management arm of Keppel Corporation Limited.

Established in August 2018, KIM aims to create value and deliver strong returns for Keppel Capital’s investors through its active asset management and robust value creation strategies.