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Media Release

Keppel Land extends partnership with Nam Long

Singapore, 28 September 2018 – Keppel Land Limited (Keppel Land), through its wholly-owned subsidiary, Ibeworth Pte. Ltd. (Ibeworth), has entered into an agreement with third party investors to divest 51% of its VND 500 billion (approximately S$29.4 million[1]) convertible bonds (the Bonds) issued by Nam Long Investment Corporation (NLG), a leading housing developer in Ho Chi Minh City (HCMC), for a consideration of VND393 billion (approximately S$23.2 million[1]).

The 51% divestment of the Bonds, negotiated on a willing-buyer and willing-seller basis, will create sufficient headroom in NLG for Keppel Land to convert the remaining 49% of the Bonds that the Company holds into shares, as NLG has a foreign shareholding limit of 49%. Upon completion of the statutory procedures of the bond conversion by end-2018, Keppel Land will become the second largest shareholder of NLG, increasing its shareholding in the company from approximately 5% to about 10%.

The partial divestment and conversion of the Bonds ("the Transaction") will enable Keppel Land to recognise a gain of approximately S$17.5 million.

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2017 ("FY2017"):

(a) had the Transaction been completed on 31 December 2017, the net tangible asset per share as at 31 December 2017 would have increased from S$6.21 (before the Transaction) to S$6.22 (after the Transaction); and
(b) had the Transaction been completed on 1 January 2017, the earnings per share for FY2017 would have increased from 11.9 cents (before the Transaction) to 12.8 cents (after the Transaction).

Concurrently, Keppel Land through its wholly-owned subsidiary, Portsville Pte Ltd, has entered into a conditional agreement, subject to due diligence by NLG and the execution of definitive agreements, to divest a 70% interest in Dong Nai Waterfront City LLC (Dong Nai) to NLG, for a total consideration of VND2,683 billion (approximately S$157.8 million[1]). Keppel Land will continue to hold a 30% interest in Dong Nai which is developing a 170-hectare township in the Dong Nai Province. Further announcements will be made by the Company in respect of this divestment when it is finalised.

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[1] For the purpose of this Announcement, currency exchange rate for the transactions is S$1.00: VND17,000. Such exchange rate has been presented solely for information only and shall not be construed as representations that the relevant amounts have been or could have be converted at the rates indicated or at any other rate.

Mr Linson Lim, President, Keppel Land (Vietnam), said, “We are happy to further extend our partnership with NLG. The early conversion of the convertible bonds demonstrates our confidence in NLG’s growth and paves the way for future collaborations. We will also be able to enjoy future upsides in the development of the Dong Nai township with our retained 30% stake in the project coupled with our significant shareholding in NLG.

“With Vietnam’s strong GDP growth, growing foreign investments and young workforce, Keppel Land is confident of meeting the country’s needs for sustainable urbanisation with our quality residential and commercial developments.”

Dong Nai Waterfront City township is within a one-hour drive from HCMC’s central business district with easy accessibility via the Hanoi Highway and the HCMC-Long Thanh-Dau Giay Expressway. When fully developed, the township can potentially yield about 7,850 homes comprising terraces, villas and mid-rise apartments, as well as 1.4 million square feet of commercial space.

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About Keppel Land Limited

Keppel Land, the property arm of Keppel Corporation, is recognised for its sterling portfolio of award-winning residential developments and investment-grade commercial properties, as well as high standards of corporate governance and transparency.

The Company is geographically diversified in Asia, in Singapore, China, Vietnam, Indonesia, the Philippines and other markets.

In Vietnam, Keppel Land is one of the largest and pioneer foreign real estate investors with a diverse portfolio of properties in Hanoi, Ho Chi Minh City, Dong Nai and Vung Tau including Grade A offices, residential properties, integrated townships and award-winning serviced apartments.

With 19 licensed projects across Vietnam and a pipeline of about 20,000 homes, Keppel Land is establishing itself as the choice developer, distinguished by quality and innovative lifestyle concepts.

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