



Keppel Land Limited
(Co Reg No. 189000001G)
230 Victoria Street
#15-05 Bugis Junction Towers
Singapore 188024
www.keppelland.com.sg

Tel: (65) 63388111
Fax: (65) 63377168

Keppel Land to divest one-third interest in Marina Bay Financial Centre Tower 3

18 September 2014, Singapore – Bayfront Development Pte Ltd, a wholly-owned subsidiary of Keppel Land Limited (Keppel Land), has today entered into a conditional share purchase agreement with RBC Investor Services Trust Singapore Limited as trustee of Keppel REIT, for the sale of its one-third shareholding interest in Marina Bay Financial Centre Tower 3 ("MBFC Tower 3") to Keppel REIT.

The agreed value for the property is at S\$1,248 million or S\$2,790 psf inclusive of a five-year rental support of up to an aggregate amount of S\$49.2 million. The agreed value is in line with an independent valuation by Colliers International Consultancy & Valuation (Singapore) Pte Ltd of S\$1,245 million as at 28 August 2014.

The purchase consideration, which was negotiated on a willing-buyer and willing-seller basis, has been reached at S\$710.1 million (subject to completion and post-completion adjustments).

Keppel Land will receive part payment of the purchase consideration by way of Keppel REIT Units issued. The Units issued to Keppel Land, amounting to S\$185.0 million, shall be issued on date of legal completion and priced based on the 10-day volume weighted average price of Keppel REIT Units from the first day of ex-dividend trading.

MBFC Tower 3, jointly owned by Keppel Land, DBS Group and Hongkong Land, is a 46-storey Grade A office tower with ancillary retail space. The office tower is part of Marina Bay Financial Centre, a landmark integrated development with a prime waterfront address at Singapore's new financial district, and comprises three premium Grade A office buildings, luxurious apartments and a subterranean retail mall.

Comprising over 1.34 million square feet of net lettable area, MBFC Tower 3 is about 94% occupied by diversified international tenants, including anchor tenant DBS Bank, as well as WongPartnership, RioTinto, McGraw-Hill, Booking.com, Mead Johnson and Lego.

The transaction will yield for Keppel Land a net divestment gain of about S\$95.5 million upon completion, derived after deducting the book value of the investment and excluding gain arising from Keppel Land's 44.93% effective interest in Keppel REIT. On a pro forma basis, had the divestment been effected on 31 December 2013, the Group's net tangible assets per share would have increased from \$4.52 to \$4.58. The Group's gearing ratio would improve from 38.3% as at 31 December 2013 to about 29.1% post divestment.

Mr Ang Wee Gee, CEO of Keppel Land, said, “Over the course of the year, we have seized opportunities to unlock value in our portfolio and redeploy our capital to deepen presence in our core markets and opportunistically enter into new ones. This timely divestment will further strengthen Keppel Land's financial position and also enable us to pursue opportunities in new commercial developments.

“We are also on track to grow our fund management business. The addition of MBFC Tower 3 will increase Keppel REIT's assets under management to over S\$8.1 billion, entrenching its position as the leading landlord of premium Grade A buildings in the Raffles Place and Marina Bay precincts.”

Under SGX's Listing Manual, the Transaction is not subject to the approval of Keppel Land's shareholders under Chapter 10 of the Listing Manual as the net asset value of Keppel Land's stake in MBFC Tower 3, the net profit from its stake and the consideration for its stake do not exceed 20% of the total net asset value, net profit of Keppel Land and the market capitalisation of Keppel Land respectively. The Transaction does not constitute an “interested person transaction” under Chapter 9 of the Listing Manual from Keppel Land's perspective. As at the date of the S&P Agreement, the interest of Keppel Corporation and Temasek in Keppel REIT, other than held through Keppel Land, is below 5%.

For Keppel REIT, the Transaction is subject to and conditional upon among others, the approval of its minority Unitholders at its extraordinary general meeting.

- End -

About Keppel Land Limited

One of Asia's premier property companies, Keppel Land 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, with Singapore and China as its core markets, and Vietnam and Indonesia as its growth markets. It focuses on a two-pronged strategy of property development for sale and property fund management.

A leading prime office developer in Singapore, Keppel Land contributes to enhancing the city's skyline with landmark developments such as Marina Bay Financial Centre, Ocean Financial Centre and One Raffles Quay.

The Company is committed to grow its commercial portfolio in key Asian cities. Its portfolio of overseas commercial properties includes Seasons City in the Sino-Singapore Tianjin Eco-City, a Grade A office development in Beijing, and a retail mall Life Hub @ Jinqiao in Shanghai, China, Saigon Centre in Ho Chi Minh City, Vietnam as well as International Financial Centre Jakarta in Indonesia. The Company also plans to develop Park Avenue Central in Shanghai into a retail-cum-office complex.

Keppel Land is also Asia's premier home developer with world-class iconic waterfront residences at Keppel Bay and Marina Bay in Singapore.

With a pipeline of over 66,000 homes across Asia, Keppel Land is well-positioned to meet the demand for quality housing driven by homeownership aspirations.

An established property fund manager, Keppel Land has two property fund management vehicles, Keppel REIT, a pan-Asian commercial real estate investment trust, and Alpha Investment Partners.

For more information, please contact:

Media Relations

Ms Teri Liew
Deputy General Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6425 / (65) 9686 4038
Email: teri.liew@kepcorp.com

Investor Relations

Ms Serena Toh
General Manager
Investor Relations & Corporate Social Responsibility
Keppel Land Limited
Tel: (65) 6433 7546
Email: serena.toh@keppelland.com

KEPPEL LAND

Proposed Divestment of 1/3 Interest in Marina Bay Financial Centre Tower 3



18 September 2014



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This presentation may contain forward-looking statements that involve risks, uncertainties and assumptions which are subject to change. The past performance of Keppel Land Limited ("Keppel Land") is not necessarily indicative of its future performance. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, financing and capital availability and changes in operating expenses. As such, Keppel Land does not give any assurance that any forward-looking statement contained in this presentation will be achieved and Keppel Land does not intend to update any of the forward-looking statements after the date of this presentation to conform those statements to actual results.

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Content

- Overview
- Rationale
- Proposed Divestment
- Pricing
- Impact
- Going Forward

3



Overview

4

Overview

Proposed Divestment	1/3 interest in Central Boulevard Development Pte Ltd (CBDPL) to Keppel REIT
Share Consideration ⁽¹⁾	\$710.1m based on adjusted NTA of CBDPL ⁽²⁾ • Cash : \$525.1m • New Keppel REIT Units : \$185m⁽³⁾
Agreed Property Value of MBFC Tower 3 ⁽¹⁾	\$1,248m (\$2,790 psf) ⁽⁴⁾
Financial Impact	Net Proceeds : \$658.9m Net Divestment Gain : \$95.5m
Extraordinary General Meeting (EGM)	No requirement for EGM according to SGX-ST Listing Manual

(1) For one-third interest

(2) Subject to completion and post-completion adjustment

(3) As part payment to Keppel Land, Keppel REIT Units shall be issued on date of legal completion and priced based on the 10-day volume weighted average price of Keppel REIT Units from the first day of ex-dividend trading

(4) The purchase price includes a five-year rental support of up to \$49.2m from completion to end-2019

5

Rationale

6

Rationale

- **Monetise to reinvest in other projects to maximise overall returns**
- **Recycle assets to strengthen growth pillars**
 - **Property development**
 - Scale up in core markets of Singapore and China, and growth markets of Indonesia and Vietnam
 - Opportunistically invest in new markets, platforms, properties and projects
 - **Property fund management**
 - Recurring fee income to balance cyclical property development earnings
 - Enhance Keppel REIT's strong branding as key premier office landlord in Raffles Place and Marina Bay



Keppel Land
Thinking Unboxed™

7

Strategic & Commercial Considerations

- **Divestment strengthens two core businesses**
 - Enhances Keppel Land's financial capacity to embark on new commercial developments
 - Builds stronger Keppel REIT platform for fund management growth
- **Keppel Land to benefit from Grade A office developments such as One Raffles Quay, Ocean Financial Centre and MBFC Phases 1 & 2 through substantial stake in Keppel REIT**
 - Share of the rental income
 - Potential capital value appreciation of portfolio
 - Potential upside of Keppel REIT's unit price



Keppel Land
Thinking Unboxed™

8

Proposed Divestment

9

Marina Bay Financial Centre Tower 3

46-storey Grade A office building

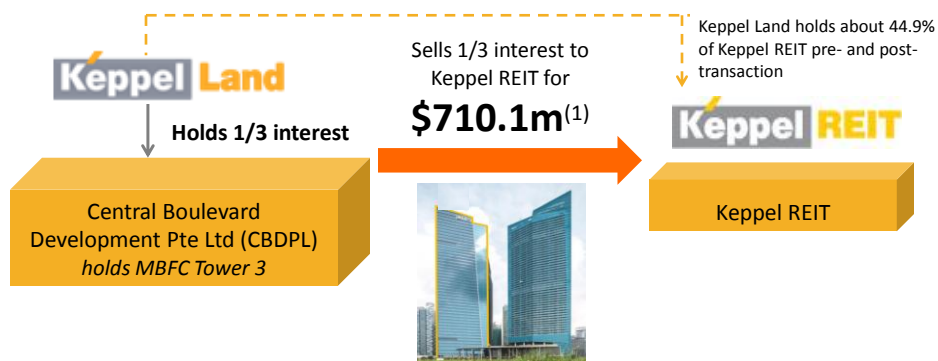
Net Lettable Area	1,341,980 sf ⁽¹⁾
Commitment	About 94% ⁽²⁾ as at end-Aug 2014
Tenure	99 years ⁽³⁾
TOP	2012
Car park Lots	357
Weighted Average Lease Expiry (WALE)	7 years
Diversified Tenants	DBS Bank, Rio Tinto, McGraw-Hill, WongPartnership, Booking.com, Mead Johnson and Lego

- (1) Includes retail space of 84,000 sf
- (2) Decreased from 96% as at end-Jun 2014 due to an increase in NLA after latest survey
- (3) With effect from March 2007 (92 years unexpired)



10

Proposed Divestment



- **Agreed property value of MBFC Tower 3 : \$1,248m (\$2,790 psf)⁽²⁾**
 - Include a five-year rental support of up to \$49.2m from completion to end 2019
 - In-line with independent valuation of \$1,245m by Colliers International
- **Adjusted NTA of CBDPL of \$2,130.4m**

(1) Part payment by cash of \$525.1m and by issue of new Keppel REIT Units to Keppel Land amounting to \$185m
 (2) For one-third interest

Pricing



Pricing Considerations

- Pricing influenced by :
 - Size : **Large NLA** of about 447,000 sf (for 1/3 interest)
 - Tenure : **99-year**
 - Structure : **1/3 interest** in a company unlike 100% direct property ownership
- Recurring fee-based income from Keppel REIT
- Sizeable investment cost of **more than \$1b** for 1/3 minority interest
- Price **in line with valuation** by independent valuer **Colliers International**

13



Impact

14

Impact of Divestment

- 1 Strengthen financial position
- 2 Focus on recycling of capital consistent with strategy
- 3 Increase financial capacity to undertake commercial developments overseas
- 4 Grow fund management business

15

1 Strengthen Financial Position

- **Net proceeds** : \$658.9m (comprise \$473.9m in cash and \$185m in units)
- **Net divestment gain** : \$95.5m

Proforma Financial Effect : As at 31 December 2013 [^]	Pre-Divestment	Post-Divestment
Net Profit (\$m) ⁽¹⁾	885.9	966.3
Earnings per Share (cts) ⁽¹⁾	57.3	62.5
Total Shareholders' Funds (\$m) ⁽²⁾	7,485.6	7,581.1
NTA per Share (\$) ⁽²⁾	4.52	4.58
Net Debt (\$b) ⁽²⁾	2,867.7	2,208.8
Net Debt/Equity Ratio (%) ⁽²⁾	38.3	29.1

[^] Proforma financial effect based on FY2013 figures is for illustration purposes only and does not necessarily reflect future financial position and earnings of the Group

(1) Assume transaction completed on 1 Jan 2013

(2) Assume transaction completed on 31 Dec 2013

16

2 Recycle Capital for Growth

From 2010 to 2013 :

- Divestments : Average net proceeds of about \$700m per annum
- Acquisitions/Investments : Average of more than \$1b per annum



3 Expand Commercial Presence Overseas

- Capitalise on demand for office and retail space as Asian economies grow

Key Commercial Developments	Total GFA (sm)	Est. Completion
China		
Mixed-use Development, Shanghai (99% stake)	110,000	2017/18
Commercial Development, Beijing (51% stake)	100,000	2016
Seasons City, Tianjin Eco-City (55% stake)	162,000	2017 (Phase 1)
Life Hub @ Jinqiao, Shanghai (34% stake)	115,000	Feb 2013 ⁽¹⁾
Indonesia		
International Financial Centre Jakarta Tower 2	64,900	2015
Vietnam		
Saigon Centre Ph 2, Ho Chi Minh City (45.3% stake)	100,000 ⁽²⁾	2016 (retail podium)
TOTAL GFA :	651,900 sm	

(1) Completed in 2009 and acquired in Feb 2013

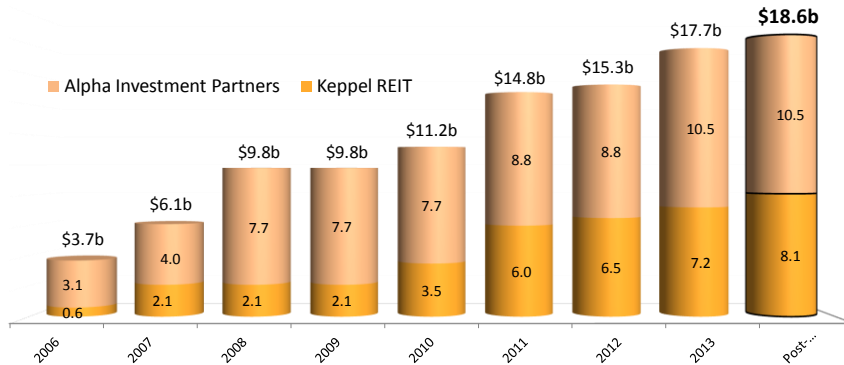
(2) Retail podium GFA of ~50,000 sm



4

Grow Fund Management Business

- **Total Assets Under Management (AUM)⁽¹⁾ up from \$17.7b to \$18.6b**
 - Assets managed by Keppel REIT up by about 13% from \$7.2b to \$8.1b



(1) When fully leveraged and fully invested

19

Going Forward

20

Going Forward

Post Transaction

- Holds about 44.9%* in Keppel REIT, third largest REIT in Singapore
- Exposure to 6.9m sf of Grade A office space through Keppel Land's direct holdings and Keppel REIT
- War chest of >\$1b to take advantage of opportunities

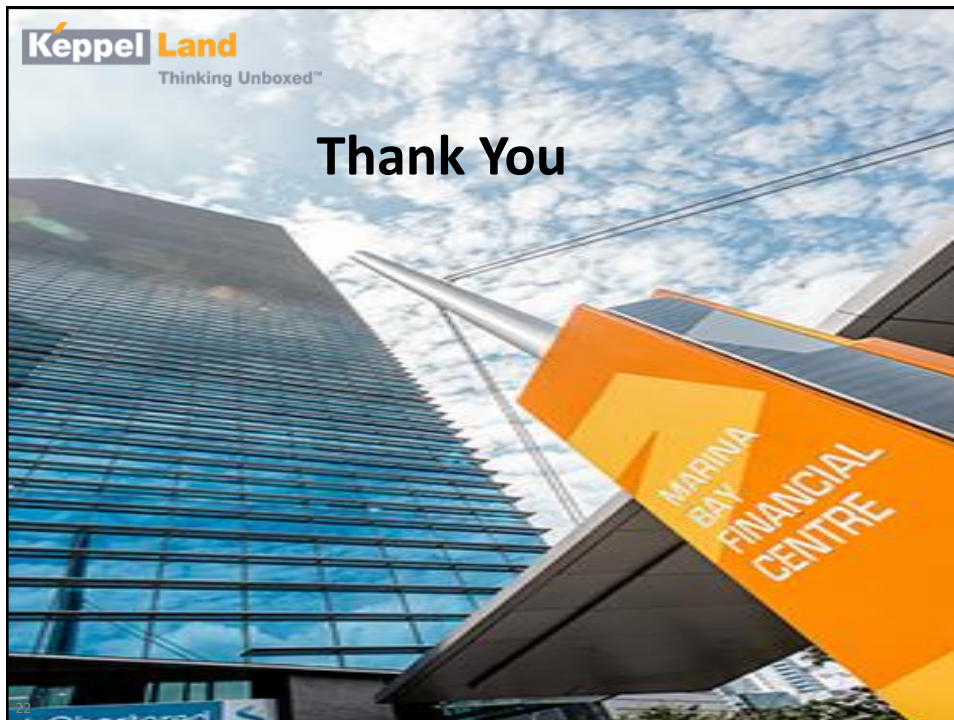
Strengthen Growth Platforms

- Deepen presence in core and growth markets
- Step up commercial developments overseas
- Grow fund management business
- Opportunistically invest in developed and emerging markets, new platforms, properties and projects

* Post-placement of new Keppel REIT Units and part payment by way of Keppel REIT Units



21



Thank You

22

Additional Slides

23

Four Key Thrusts

Deepen Presence in Core and Growth Markets

- Scale up in core markets of Singapore and China, and growth markets of Indonesia and Vietnam
- Opportunistically invest in new markets, platforms, properties and projects

Recycle Capital for Higher Returns

- Constantly review portfolio to maximise returns from projects
- Undertake a disciplined and proactive approach in the recycling of assets

Grow Commercial Portfolio Overseas

- Tap potential demand for quality office and retail space as the regional economies grow
- Leverage expertise as a leading developer of award-winning and sustainable developments

Focus on Sustainability and Innovation

- Build a corporate culture that is open, collaborative, entrepreneurial and innovative
- Continually improve sustainability standards, as well as environmental, social and governance (ESG) performance

24

Deepen Presence

Core Markets

- Singapore and China
 - Focus on 5 cities in China : Shanghai, Beijing, Tianjin, Chengdu, Wuxi

Growth Markets

- Indonesia and Vietnam
 - Focus on Jakarta in Indonesia and Ho Chi Minh City in Vietnam

Potential Markets

- Opportunistic investments
 - Good growth potential markets such as US, Myanmar and Sri Lanka

25

Capital Recycling 2010 – 2013

■ Active divestments and investments from 2010 to 2013

Key Divestments	Net Proceeds	Key Acquisitions/Investments	Acquisition/Investment Cost
2010 - Total Net Proceeds: \$812m		2010 – Total Investments : \$1.4b	
Marina Bay Financial Centre Phase 1	\$ 812m	Lakefront Residences, Singapore	\$303m
		Park Ave Heights, Chengdu	\$249m
		Hillcrest Villa, Chengdu	\$127m
		Waterfront Residence, Nantong	\$202m
		Villa developments, Vietnam	\$91m
		Additional stake in OFC	\$107m
2011 – Total Net Proceeds: \$1,589m		2011 – Total Investments : \$896m	
Ocean Financial Centre	\$ 1,571m	The Luxurie, Singapore	\$287m
Keppel Digihub	\$18m	Seasons Residence, Nanxiang	\$241m
		Waterfront Residence, Wuxi	\$368m
2012 – Total Net Proceeds: \$35.6m		2012 - Total Investments : \$1b	
Melia Purosani Hotel, Indonesia	\$0.6m	The Glades, Singapore	\$435m
Reduced stake in Saigon Centre Ph 1 & 2	\$35m	Beijing commercial site	\$200m
		Serenity Villa, Chengdu	\$133m
2013 - Total Net Proceeds: \$246m		2013 - Total Investments : \$1b	
Jakarta Garden City, Indonesia	\$237m	Highline Residences, Singapore	\$550m
Hotel Sedona Manado, Indonesia	\$9m	Life Hub @ Jinqiao, Shanghai	\$157m
		Sheshan site, Shanghai	\$266m

26

Share Consideration Breakdown

	S\$ million
Agreed Property Value for MBFC Tower 3 (100% interest)	3,744.0
<i>Based on the unaudited management accounts of CBDPL as at 31 July 2014</i>	
Investment in Subsidiary	1.0
Fixed Assets	0.2
Current Assets	57.8
Current Liabilities	(77.8)
Non-Current Liabilities	(1,613.0)
Exclusions*	18.2
Adjusted NTA of CBDPL (100% interest)	2,130.4
Share Consideration (1/3 interest of the Adjusted NTA)	710.1

* Includes remaining project development costs payable