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Media Release

Keppel's China logistics property fund partners BLOGIS to acquire its first asset, located in Wuhan, China

4 January 2023, Singapore – Keppel Capital Holdings Pte. Ltd. (Keppel Capital), through its China logistics property fund (the Fund), has partnered BLOGIS Holdings Limited (BLOGIS), a leading developer and operator of logistic parks in China, to acquire the Fund's first asset, a grade-A high-standard warehouse, located in Dongxihu, Wuhan, China. Managed by Keppel Capital China (SG) Pte. Ltd. (Keppel Capital China), the Fund, together with BLOGIS, has committed to a combined asset under management of approximately RMB 3,200 million (approximately S$634 million).

Launched in 2021, the Fund aims to invest in and develop high-quality logistics assets in key logistics hubs in China, together with its local partner BLOGIS. The Wuhan warehouse spans 70,000 sqm and serves e-commerce, third-party logistics and cold-chain sectors.

Following the acquisition of the Wuhan warehouse, the Fund and BLOGIS will jointly continue to invest in a pipeline of investment opportunities in key logistics markets, such as Yangtze River Delta, Beijing-Tianjin-Hebei region and other logistics hubs.

Despite the impact Covid has on the China domestic market, the demand for logistics remains stable, especially for the e-commerce and food sectors. These conditions heightened the demand inelasticity of logistics service providers, benefiting the demand for warehousing in the long term. CBRE expects the overall average rental growth for warehousing in China to surpass 2.5% in 2022. Furthermore, the investment and development of logistics assets in key markets are supported by China's policies for the development of new infrastructure facilities as well as diversification of financial products such as China's REITs.

Mr Eric Goh, CEO of Keppel Capital China, said "China's logistics sector has continued to see growth and capital inflows in recent years. Driven by rising domestic consumption as well as e-commerce, China's demand for quality logistics facilities is expanding rapidly. Keppel is happy to partner BLOGIS for their expertise in the development and operation of logistics assets in China. Together with BLOGIS, the Keppel China logistics fund is seizing opportunities presented by the resilient logistics sector to deliver attractive risk-adjusted returns for our investors."

The abovementioned collaboration and acquisition are not expected to have any material impact on the earnings per share and net tangible asset per share of Keppel Corporation Limited for the current financial year.

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About Keppel Capital

Keppel Capital is a premier asset manager in Asia. It is the asset management arm of Keppel Corporation, one of Singapore's flagship multinational companies with a global footprint in more than 20 countries. Keppel Corporation provides solutions for sustainable urbanisation, focusing on energy & environment, urban development, connectivity and asset management. Keppel Capital China is the wholly owned subsidiary of Keppel Capital with multi-asset-class expertise in fund management, asset management and investment management in China for more than 10 years.

With assets under management of approximately S$42 billion[1] as at end-2021, Keppel Capital has a diversified portfolio that includes real estate, infrastructure and data centre assets in key global markets.

Keppel Capital aims to create value and deliver sustainable returns for institutional and retail investors through a range of products including listed REITs, business trusts, private funds, separate accounts and pooled investment vehicles.

About BLOGIS

BLOGIS is a leading logistics developer and operator in China, held by China Nanshan Group. It has around 20 years of local expertise in the logistics development sector, with existing AUM of more than 70 high-end logistics assets with 10 million+ sqm GFA in more than 40 cities in mainland China.

BLOGIS is dedicated to developing comprehensive, professional and high-standard logistics service systems and continuous enrichment and innovation of the business model, to always meet the demand from 3PLs, e-commerce and manufacturing companies in daily operation, safety and environment, as well as exploration in acquisition, joint venture and built-to-suit modes.

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[1] Gross asset value of investments and uninvested capital commitments on leveraged basis to project fully-invested AUM.