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MEDIA RELEASE

Keppel Capital launches China logistics property fund

2 February 2021, Singapore – Keppel Capital Holdings Pte. Ltd. (Keppel Capital), together with a global institutional investor, has launched a China logistics property fund to invest in developing high-quality logistics assets in key logistics hubs in China. This is Keppel Capital's inaugural China-focused logistics property fund, and has an initial total equity commitment of around RMB 1,400 million, with an option to upsize by a similar amount by the end of 2021. Keppel Capital's wholly-owned subsidiary Keppel Capital China (SG) Pte. Ltd. will serve as the fund's investment manager.

The launch of the fund is in line with Keppel's Vision 2030, which envisages Keppel harnessing its asset management arm to seize opportunities in providing solutions for sustainable urbanisation.

The fund will leverage the experience, network and expertise of the Keppel Group as well as a leading Chinese logistics developer and operator, to undertake the development and the operations of Grade-A logistics facilities across China's key logistics hubs such as those in Greater Beijing, Greater Shanghai and the Greater Bay Area. A pipeline of potential assets has been identified for the collaboration between the fund and the Chinese logistics property developer.

Ms Christina Tan, CEO of Keppel Capital, said, "Despite the challenges brought about by the COVID-19 pandemic, Keppel Capital has continued to work with Keppel's eco-system of companies and other industry partners to create and capture compelling investment opportunities across a range of asset classes. In 2020, Keppel Capital raised close to $4.5 billion, including commitments from large global institutional investors, reflecting the strong demand for real assets with cash flow that can serve as long-term inflationary hedges.

"Driven by rising domestic consumption as well as e-commerce, China's demand for quality logistics facilities is expanding rapidly. Through the fund and our collaboration with our local logistics property partner, we look forward to delivering modern logistics facilities for key cities in the Chinese market, while also generating attractive risk-adjusted returns for our investors."

China's logistics sector has been expanding rapidly in recent years. The COVID-19 pandemic has accelerated the growth of online marketplaces[1], which in turn further spurred the demand for logistics facilities from third-party logistics, e-commerce and retail companies. The fund plans to invest in the development of assets in China which would meet the strong demand for high-specification logistics facilities which are well-connected to established supporting infrastructure, such as major transportation hubs.

The abovementioned launch of the fund is 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.

With assets under management of approximately S$37 billion[2] as at end-2020, 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.

[1] JLL, "China's logistics market set for pose Covid-19 boom", www.jll.de/en/trends-and-insights/investor/china-logistics-market-set-for-post-covid19-boom

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