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Media Release

Keppel Land moves ahead with Saigon Centre Phase Two office development

Singapore, 2 October 2014 – Keppel Land Limited (Keppel Land) is progressing into the next phase of developing a 37-storey office tower in Saigon Centre Phase Two, its landmark mixed-use development in Ho Chi Minh City (HCMC).

Meanwhile, its retail podium, currently under construction, has achieved a pre-commitment of about 40%. Anchor tenant, Takashimaya, will house its first department store in Vietnam in the retail podium, taking up about 15,000 sm of retail space.

Saigon Centre Phases One and Two are jointly owned by Keppel Land, Toshin Development Co., Ltd and Vietnamese partners, Southern Waterborne and Transportation Corporation and Saigon Real Estate Corporation. Keppel Land holds a 45.3% stake in the development.

Standing at a total of 42-storeys, Saigon Centre Phase Two will comprise 40,000 sm of premium Grade A office space, five levels of 50,000 sm retail space and about 200 units of luxury serviced apartments. The total investment cost for Phase Two will be about US\$255 million. It is designed by internationally renowned architect, NBBJ, of New York.

Mr Linson Lim, President (Vietnam), Keppel Land, said, “We believe in the long-term growth potential of Vietnam. The country, particularly HCMC, continues to attract foreign direct investments and multinational companies. In tandem with Keppel Land’s strategy to actively recycle capital and further expand its commercial portfolio, we are advancing with the development of Saigon Centre Phase Two to meet the demand for prime office and retail space in HCMC.”

Strategically located along Le Loi Boulevard in the heart of HCMC’s CBD in District 1, Phase One of the multi-award-winning Saigon Centre is currently 95% leased to several diplomatic corps, multinational companies as well as banking and financial institutions including DBS Bank, AIG, Reuters, Mitsubishi Corporation, and IE Singapore. Its 4,000 sm retail mall is fully leased.

There is currently a limited supply of quality office space in the CBD in HCMC. As at end-March 2014, office space was estimated at 1.6 million sm, of which only 190,000 sm are Grade A offices in the CBD. According to CBRE Research, occupancy of Grade A offices improved to 90% in the first quarter of this year, while rental rates rose about 7% year-on-year (y-o-y) to US\$38-US\$40 per sm. Total net absorption of Grade A office in 2013 increased 21% y-o-y to 29,000 sm.

According to the General Statistics Office of Vietnam, the country's gross domestic product rose 6.19% in the third quarter y-o-y and 5.62% in the first nine months of 2014. The country is also set to grow 6-7% a year for the next decade. Vietnam's economy continues to improve with stable inflows of foreign direct investment (FDI) and strong manufacturing export. Based on a recent report by Savills, the total newly registered FDI capital to HCMC increased exponentially by 320% y-o-y to US\$794 million in the first half of 2014.

In HCMC, Keppel Land has fully sold Phase 1 of condominium development, The Estella, in District 2 comprising 719 units, with only four remaining penthouse units recently released for sale. The Company is targeting to launch Phase 2 development in early 2015. Phase 1A of Riviera Point in District 7, which comprises 549 homes over three towers, is also on schedule to be completed and handed over to homebuyers in end-December 2014.

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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.

In Vietnam, Keppel Land is one of the pioneers and largest 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 22,000 homes, Keppel Land is establishing itself as the choice developer, distinguished by quality and innovative lifestyle concepts.

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