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MEDIA RELEASE

Keppel Land China and Alpha Investment Partners divest stakes in Shanghai retail mall for US$516.9 million

Singapore, 15 September 2016 – Keppel Land China Limited (Keppel Land China) and Alpha Investment Partners Limited (Alpha), have signed an agreement to divest their 80% stake in Sparkle Bright Holdings Limited (Sparkle Bright) which owns Life Hub @ Jinqiao (Life Hub), a mixed-use development in Shanghai, China, to Star Champ Development Limited, a wholly-owned subsidiary of the Chongbang Group (Chongbang). Chongbang owns the other 20% stake in the development. The total consideration of the divestment is US$516.9 million.

Keppel Land China holds a 42.5% interest, while Alpha Asia Macro Trends Fund II and a co-investor hold the remaining 57.5% interest in the 80% stake in Sparkle Bright. Keppel Land China and Alpha are wholly-owned subsidiaries of Keppel Land Limited (Keppel Land) and Keppel Capital Holdings (Keppel Capital) respectively. Keppel Land China's 42.5% share of the consideration for the divestment is about US$219.7 million, subject to completion and post-completion adjustments.

Mr Ang Wee Gee, CEO of Keppel Land, said, "Keppel Land China's collaboration with Alpha reflects how different business units are working closely together to harness the collective strengths of the Keppel Group. The divestment is in line with Keppel Land's strategy to continually recycle assets to seek higher returns."

Located in Shanghai's Pudong District, Life Hub, which has been operational since end-2009, features about 114,730 sm gross floor area (approximately 1.2 million sf) of retail shops spread over 10 low-rise retail buildings as well as a 10-storey office tower with a retail podium.

Since the acquisition of the property in 2013, Keppel Land China and Alpha have been working with the mall operator to continuously enhance the tenant mix and shopping experience. The active and innovative asset management and enhancement efforts have contributed to the retail mall achieving consistently high occupancy levels with a good mix of international and local retailers. The asset enhancement works include the upgrading of the facilities as well as reconfiguring of the basement to optimise pedestrian flow.

Ms Christina Tan, CEO of Keppel Capital and Managing Director of Alpha, said, "With rising affluence, there has been a shift in consumption and shopping habits among the people in Shanghai. To capture greater value, new concepts and unique design layouts were introduced to Life Hub to entrench its position as a leading lifestyle destination mall.

"With the value-adding efforts, we have been able to realise an internal rate of return of over 20% on the sale of the development. This is testament to our ongoing efforts in ensuring that our investment discipline achieves the best returns for our investors."

The retail mall is currently 97% leased while the office tower is fully occupied.

The divestment is expected to be completed by end-September 2016. The Group expects to recognise a gain of approximately S$73 million from the divestment.

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2015 (FY 2015), on a proforma financial effects basis, had the divestment been completed on 31 December 2015, the net tangible asset per share as at 31 December 2015 would have increased from S$6.07 (before the divestment) to S$6.12 (after the divestment); and had the divestment been completed on 1 January 2015, the earnings per share for FY 2015 would have increased from 84.0 cents (before the divestment) to 86.1 cents (after the divestment).

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About Keppel Land China

Keppel Land China is a wholly-owned subsidiary of Keppel Land, the property arm of the Keppel Group.

Keppel Land is geographically diversified in Asia, with Singapore and China as its core markets as well as Indonesia and Vietnam as its growth markets.

In China, the company is focused on developing township, residential, waterfront, commercial and mixed-use developments. Keppel Land China has presently over 20 projects with a pipeline of more than 36,000 homes across 10 cities. It has formed a strategic partnership with China Vanke Co., Ltd, China's leading property developer, to jointly develop properties in China and Singapore in 2013.

Keppel Land China is an investor in the landmark government-to-government project, the Sino-Singapore Tianjin Eco-City (Sino-Singapore Eco-City). It also plays the role of the developer and project manager for the Keppel Group's eco-developments in the Sino-Singapore Eco-City.

About Alpha Investment Partners

Alpha Investment Partners (Alpha) is a wholly-owned subsidiary of Keppel Capital, a premier asset manager in Asia and the asset management arm of Keppel Corporation Limited.

Alpha has been adding value for investors by constantly seeking innovative solutions throughout its investment process since 2004.

A manager of both private and public real estate funds, Alpha has an institutional investor base comprising renowned pension plans, financial institutions, fund of funds, insurance companies, endowments and family offices spanning Europe, North America, Asia and the Middle East.

Its private closed-end real estate funds are invested across the risk spectrum in the core, core-plus, value-add and opportunistic space. Each fund has a specific lifespan and strategy to leverage prevailing opportunities, as well as seek a blend of income and capital returns according to its risk profile. Alpha also manages the Alpha Real Estate Securities Fund, an open-ended fund that invests in listed REITs and real estate securities predominantly in Asia.