Acquisition of 100% interest in a Shanghai real estate development company

Keppel Land Limited ("Keppel Land"), through its subsidiary, Shanghai Hongda Property Development Co Ltd, has today entered into a conditional share purchase agreement ("SPA") with Shanghai Jingan Xinchen Real Estate Co., Ltd and Shanghai Hongji Investment Co., Ltd to purchase from them respectively 95% and 5% of the shareholding interest in Shanghai Jinju Real Estate Development Co., Ltd ("Shanghai Jinju") (the “Acquisition”).

Shanghai Jinju is a company incorporated in the People’s Republic of China with a registered capital of RMB 15 million, and is engaged in real estate development. It owns a 17.5 ha residential site in Shanghai’s Sheshan, Songjiang District for the development of landed homes. The site is about 20 km from the Shanghai Hongqiao International Airport and 32 km from the city centre.

The aggregate consideration for the Acquisition (the “Consideration”) is RMB 1,330 million (approximately S$266 million), which includes the outstanding debt of Shanghai Jinju of approximately RMB 584 million. The Consideration has been arrived at on a willing buyer and willing seller basis, taking into account the transaction prices of land plots located near the residential site owned by Shanghai Jinju. The Consideration will be satisfied in cash and will be paid in tranches in accordance with and subject to the terms of the SPA. The audited book value and audited net tangible asset value of Shanghai Jinju were both RMB 15 million as at 31 May 2013.

The Acquisition is not expected to have any material impact on the earnings per share and net tangible assets per share of Keppel Land Group for the current financial year.

Choo Chin Teck
Company Secretary
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