

The property's acquisition will see Keppel Land China's subsidiary Beijing Keppel Hong Hui Management Co entering an equity transfer agreement with vendors Ningbo Jiasheng Yuecheng Investment Management Center (LP) and Beijing Hanhe Investment Management Co, which respectively own 99 per cent and 1 per cent of Beijing Shunxiangren.

Subject to completion adjustments, around 20.9 million yuan will be paid to the vendors for the 100 per cent equity acquisition of Beijing Shunxiangren. This amount will be paid in two tranches, with the final payment expected to take place in the fourth quarter of 2019.

The remaining sum of about 157.7 million yuan will be extended as a loan to Beijing Shunxiangren to repay its outstanding debts.

Keppel Corporation said the transaction is not expected to have a material impact on its net tangible assets per share or earnings per share for the current financial year.

Keppel Land China president Ben Lee said the company will continue its strategy to grow its commercial portfolio in China, with a focus on high-growth cities such as Beijing.

"With the low vacancy rate of offices in Zhongguancun, which stood at 1.5 per cent as at end-2018, coupled with rapid growth of the technology sector, we are confident that our commercial development will meet the strong demand for quality office space in the Zhongguancun area," Mr Lee said.