

Press release

Allianz joins with Keppel to invest in Shanghai's Hongkou SOHO

- Allianz finalises its co-investment with the Keppel Group to acquire Shanghai's Hongkou SOHO for US\$525m, and participates as an investor in the Alpha Asia Macro Trends Fund (AAMTF) III.
- Allianz Real Estate, the US\$53bn real estate investment and asset manager within the Allianz Group, implemented the transaction as part of its strategy to allocate around 5% of its global real estate portfolio to the Asia Pacific region.

Singapore/Munich, August 23, 2017 – Allianz has entered into a co-investment agreement with the Keppel Group to acquire a 100% stake in Hongkou SOHO, located in Shanghai's Hongkou District. Keppel Group's AAMTF III will hold a 40% stake and the remaining 60% will be equally split between Allianz and Keppel Land China. Both Allianz and Keppel Land are investors in AAMTF III, which is managed by Alpha Investment Partners Limited (Alpha), a wholly-owned subsidiary of Keppel Capital. Allianz Real Estate undertook this transaction on behalf of a number of Allianz companies.

"We are attracted to Shanghai as a leading global 24/7 city. This stems from our confidence in the growth prospects of the commercial real estate markets in this gateway city as well as the potential for assets like Hongkou SOHO to take advantage of the future expansion of CBDs Puxi and Pudong." stated **Mr. Rushabh Desai, Head of Allianz Real Estate Asia-Pacific**. "We are also excited about deepening our association with the Keppel Group. Co-investing with local experts is an approach our investors favour for the region and we look forward to broadening our activity in this area."

Designed by leading Japanese architect Kengo Kuma, Hongkou SOHO is a stabilized premium office and retail mixed-use development. It offers a total leasable area (GLA) of 70,042

sqm, comprising 65,304 sqm office and 4,738 sqm retail space. The asset was completed at the end of 2015 by SOHO China and has been awarded LEED Gold certification.

"We are happy to collaborate with like-minded partners such as Allianz who share our vision to capture opportunities in key growth cities like Shanghai. This strategic partnership is enhanced by both Allianz and Alpha employing a disciplined investment approach, which is critical for achieving the best risk-adjusted returns for our investors." said **Ms. Christina Tan, CEO of Keppel Capital and Managing Director of Alpha**. "Co-investment with partners like Allianz is key to our strategy at Keppel Capital. It expands our capital platform, provides evidence of our investors' confidence in our strong investment track record and supports our commitment to grow our assets under management."

About Hongkou SOHO

Hongkou SOHO is strategically located in the North Sichuan Road fringe central business district (CBD), and within walking distance to the North Sichuan Road (Line 10) and the Hailun Road interchange metro stations (Lines 4 and 10). It is also well-connected by roads, tunnels and bridges to the CBDs in Pudong and Puxi, which are a 10 minutes drive away. The Beiheng Tunnel, which will be the city's longest east-west link road when completed in early 2020, will further enhance the overall connectivity of the North Sichuan Road fringe CBD and link Hongkou SOHO to Yangpu in the east and Hongqiao Transportation Hub in the west.

Designed by leading architect Kengo Kuma, Hongkou SOHO boasts an eye-catching structure and façade. A sustainable development, the building is certified Gold under the United States' Leadership in Energy and Environmental Design (LEED) Gold standards, and offers one of the best office specifications in the North Sichuan Road fringe CBD.

About the Co-investment

Allianz Real Estate has entered into a co-investment agreement with the Keppel Group, through its entities Keppel Land China and Alpha, to acquire Vision (III) Pte. Ltd for approximately US\$525 million. In turn, Vision (III) Pte. Ltd holds a 100% indirect stake in the property, Hongkou SOHO. The investment in Vision (III) Pte. Ltd is split 30% each to Allianz and Keppel Land China (through its wholly-owned subsidiary, Joysville Investment Pte Ltd) and 40% to the AAMTF III. In addition to their 30% holding in Vision (III) Pte. Ltd, Allianz has participated and co-invested in the AAMTF III, bringing Allianz's initial commitment to US\$150-200 million.

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About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 86 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.3 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold a leading position in the Dow Jones Sustainability Index. In 2016, over 140,000 employees in more than 70 countries achieved total revenue of 122 billion euros and an operating profit of 11 billion euros for the group.

About Allianz Real Estate

Allianz Real Estate is the strategic center of expertise in real estate within the Allianz Group and a leading international real estate investment and asset manager. Allianz Real Estate develops and executes worldwide tailored portfolio and investment strategies on behalf of the Allianz companies, considering direct as well as indirect investments and real estate loans. The operational management of investments and assets is currently performed in seven international subsidiaries and hubs in Germany, France, Switzerland, Italy, Spain, USA and Singapore. The headquarters of Allianz Real Estate are located in Munich and Paris. Allianz Real Estate has approximately EUR 53 bn assets under management.

As always, the evaluations are subject to the following cautionary notes.

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the euro/US-dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company is under no obligation to update the information and the forward-looking statements made in this report, provided there is no statutory publication requirement.