

Keppel Land Limited

FY2003 Results

28 January 2004



Highlights

- Financial Results
- Operations Review
- Market Outlook
- Going Forward

Financial Results

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Financial Performance

\$m	FY2003	FY2002	% Change
Turnover	678.8	299.0	127.0
EBITDA	141.6	134.6	5.2
Operating Profit	128.0	119.2	7.4
Pre-tax Profit	135.3	129.2	4.7
PATMI before EI	126.4	94.3	34.0
EI - Divestments	-	* (67.9)	-
EI - Write-down	^ (25.8)	-	-
PATMI after EI	100.6	26.4	281.1

[^] Impairment charge in respect of the Group's hotels in Myanmar

* \$70.4m loss from sale of Capital Square, offset by \$2.5m gain from sale of Bayswater Village

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Revaluation Deficit for Singapore Investment Buildings

	Attributable Book / Market Value (\$m)
As at 31 Dec 2002	1,694.1
Less : Revaluation Deficit	143.1
As at 31 Dec 2003	1,551.0

- Deficit charged against capital reserves of \$535m
- Revaluation deficit for investment buildings overall is 8.4% (9.2% for office buildings)

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Key Ratios

Key Ratios	FY2003	FY2002	% Change
EPS (¢)	14.2	3.7	283.8
NTA/Share (\$)	2.09	2.09	0.0
Debt/Equity Ratio	0.95	1.09	(12.8)
Annualised ROE * (%)	8.5	6.4	32.8

* Before EI

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Net Profit - by Business Segment

Business Segment	FY2003	FY2002	%
	\$m	\$m	Change
Property			
Investment	32.1	52.9	(39.3)
Trading	103.3	49.9	107.0
Others			
Hotels / Resorts	(14.3)	(12.5)	nm
Property Services / Etc	5.3	4.0	32.5
PATMI before EI	126.4	94.3	34.0
EI - Divestments	-	* (67.9)	-
EI - Write-down	[^] (25.8)	-	-
PATMI after EI	100.6	26.4	281.1

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Net Profit - by Geographical Location

Geographical Segment	FY2003		FY2002		% Change
	\$m	%	\$m	%	
Singapore	86.5	68	91.7	97	(5.7)
Other Countries	39.9	32	2.6	3	1,434.6
PATMI before EI	126.4	100	94.3	100	34.0
EI - Divestments	-		* (67.9)		-
EI - Write-down	[^] (25.8)		-		-
PATMI after EI	100.6		26.4		281.1

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Notes on Profit Recognition

- **Three Cluny Hill bungalow plots sold**
 - **Profit recognition of \$11.3m for two plots in 4Q**

- **Caribbean at Keppel Bay**
 - **Profit recognition of \$3.9m in 4Q**
 - **34% sales and 72% completion at end-2003**

- **One Park Avenue fully sold**
 - **Profit recognition of \$18.3m in 4Q**
 - **100% sales and 66% completion at end-2003**

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Operations Review

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Operations Review - Singapore

- Reasonable residential sales despite difficult market conditions
 - Sold three Cluny Hill bungalow plots
 - Divested a small site at Norfolk Road
 - Launched Freesia Woods and The Linc
 - 58% and 45% sold respectively
- Acquired 8,533.5 sm site at Keng Lee Road to be amalgamated with the adjoining Wee Nam site for an integrated development (combined land area : 21,754.1 sm)
- Achieved first closing of about \$180m for Asia No. 1 Property Fund

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Operations Review - Overseas

- One Park Avenue in Shanghai, China, 100% sold
 - Achieved average price of about RMB11,700 psm
- Acquired land for residential development

City	% Stake	Site Area	Proposed Development
Chengdu, China	44	42 ha	Residential township (about 980 condominium units under parcel 1) (Total no. of units : about 6,700)
Ho Chi Minh City, Vietnam	90	68.7 ha	Saigon Sports City (about 250 apartments under phase 1) (Total no. of units : > 2,200)
Srinakarin Rd, Thailand	45	7.8 ha	361 detached houses
Watcharapol Rd, Thailand	67	12.5 ha	278 detached houses

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Commitment to Growth and Shareholder Value

- **34% growth of profits before EI**
 - Net profit contribution from overseas grew from 3% to 32%
(On track to achieve 50% earnings from overseas by 2005)

- **Lowered D/E ratio from 1.09 to 0.95**

- **Improving ROE**

	1999	2000	2001	2002	2003
ROE *	4.0	5.4	5.5	6.4	8.5

** before EI and provisions*

- **Earnings growth in the next few years from both Singapore and overseas**

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Corporate Awards

- **Recognition for Corporate Transparency**
 - Runner-up for the SIAS Most Transparent Company Award under the Properties Category for the fourth consecutive year
 - Ranked third most transparent company in recent NUS study of 180 property companies in Asia Pacific
 - Ranked sixth among 285 listed companies for FY2002 results in BT-Corporate Transparency Index

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Market Outlook

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Singapore Market Outlook

Residential

- Signs of optimism for the residential market
- Housing demand to rise with continued economic recovery together with pent-up demand
- Home prices bottomed
 - Prices may rise by 5-10% in 2004

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Singapore Market Outlook

Office

- Demand for prime office space is expected to improve with economic recovery and improved business confidence in 2004
- Relatively limited new prime office supply in the next few years will help rentals and capital values

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Asia Market Outlook

- Sustainable demand for housing in Asia, supported by good economic prospects, favourable demographics and government incentives
- Rapid urbanisation and rise in middle-income group fuel demand for good quality homes in well-planned residential townships in countries such as China, Vietnam, Thailand and India

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Regional Country Focus

Focus

China, Thailand and Vietnam

Acquire land for immediate development for sale

Active

Hong Kong, India, Indonesia, Japan, Malaysia, Philippines and S. Korea

Sourcing for opportunities selectively

Monitor

Australia and Myanmar

Keep watching brief of the markets

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Going Forward

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Going Forward

Singapore

- Selectively acquire land for residential development
- Launch residential projects
- Continue efforts to divest low-yielding investment properties

Overseas

- Actively seek residential development opportunities in our focused countries as well as in other promising growth countries e.g. India, Indonesia
- Progressively launch residential projects in China, Thailand and Vietnam

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Residential Launches - Singapore

Project	Location	No. of Units Available
<u>Possible Launches/Re-launches in 1H2004</u>		
The Callista	22 Mar Thoma Road	36
The Elysia	6 Mar Thoma Road	34
The Linc	Lincoln Road	28
Freesia Woods	Sunset Way	54
Cluny Hill Bungalow Plots	Cluny Hill	7
Caribbean at Keppel Bay	Keppel Bay Drive	664
Urbana	River Valley Road	126
Pinnacles @ Wee Nam	Wee Nam Road	480
The Tresor	Duchess Park	62

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Residential Launches - Overseas

Project	Total No. of Units	Exp Launch Date
<u>China</u>		
8 Park Avenue, Shanghai	945 condo units	1H2004
Wang Jing Project, Beijing	1,859 condo units	2H2004
Wang Jiang Garden, Chengdu	1,143 condo units	2H2004
Chengdu Township (Parcel 1)	980 apartments	1H2005
Park Avenue Central, Shanghai	708 condo units	2H2005
<u>Thailand</u>		
Villa Arcadia Srinakarin, Bangkok	361 detached houses	1H2004
Villa Arcadia Watcharapol, Bangkok	278 detached houses	2H2004
<u>Vietnam</u>		
Villa Riviera, Ho Chi Minh City	113 villas	1H2004
Saigon Sports City (Phase 1)	250 apartments	1H2005

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8 Park Avenue, Shanghai



- Soft-launching 1 block of 85 one-bedroom units
- Sold more than one quarter of the block
- Estimated average selling price for whole project : Around RMB13,000 psm

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