



## Presentation Outline

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- ◆ Financial Performance Summary
- ◆ Strategic Plans
- ◆ Property Development for Sale
- ◆ Divestments
- ◆ Gearing
- ◆ Fund Management
- ◆ Summary

## Financial Performance Summary

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<u>\$m</u>	<u>9M 2002</u>	<u>9M 2001</u>	<u>% Chg</u>
Turnover	208.0	209.6	(0.8)
EBITDA	85.8	111.5	(23.0)
Operating Profit	73.1	93.6	(22.0)
Pre-tax Profit	80.9	81.4	(0.7)
Net Profit	61.1	66.9	(8.8)

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## Strategic Plans

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- ◆ Objective: To achieve higher returns and enhance shareholder value
- ◆ Two core businesses:
  - Develop properties for sale in Asia, eg. residential and office properties
  - Property fund management for recurring fee incomes
- ◆ Divest investment properties to reduce gearing and focus resources in the core businesses

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# Property Development for Sale

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## Singapore Residential

- ◆ Short-term concerns over external uncertainties but expect stable residential market; low- to middle-income housing demand to be healthy
- ◆ Do not foresee any land bank provisions at year-end
- ◆ Some write-back of provisions for Amaranda Gardens, Butterworth 8 and The Edgewater in FY2002

## Residential Launches

Project	Location	Expected Launch Date
<b>Planned Launches in 2002</b>		
The Elysia (40 units)	6 Mar Thoma Road	4Q2002
The Tresor (62 units)	Duchess Avenue	4Q2002
The Linc (51 units)	Lincoln Road	4Q2002
<b>Planned Launches in 2003*</b>		
Cluny Hill bungalow plots	Cluny Hill	1Q2003
Norfolk Garden	Norfolk Road	1Q2003
Freesia Woods	Sunset Way	2Q2003
Pinnacles @ Wee Nam	Wee Nam Road	3Q2003
Avenue Park	Sixth Avenue	4Q2003
Caribbean at Keppel Bay	Telok Blangah Road	4Q2003

\* Exact timing of launch subject to market conditions

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## One Raffles Quay

- ◆ Office development for sale / lease:
  - Tower 1: 50 storey with floor plate of around 18,000 sf.
  - Tower 2: 29 storey with floor plate of around 30,000 sf.
  - Completion expected in 2005
  - Joint venture with Cheung Kong and Hongkong Land

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## Development for Sale in Asia

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- ◆ Attractive growth prospects for housing development in selected countries in Asia due to economic growth
- ◆ Maiden earnings from successful execution of strategy of development for sale overseas will come in significantly from China from 2003 onwards
- ◆ Grow overseas earnings contribution from present 7% to 50% by 2005

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## Regional Country Focus

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### **Focus**

#### **China, Thailand and Vietnam**

Selective land acquisition for immediate development for sale

### **Active Monitor**

#### **Philippines, Korea, Japan, Malaysia and Hong Kong**

Monitor markets for any future opportunities

### **Monitor**

#### **Australia, Indonesia and Myanmar**

Keep watching brief of the markets

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## Overseas Project Launches

Projects	Total No. of Units	Expected Launch Date	Earnings Contribution Period
<b><u>China</u></b>			
One Park Avenue, Shanghai	1,118 condo units	Nov-02	2002 - 2004
Eight Park Avenue, Shanghai	1,078 condo units	4Q2003	2003 - 2005
Park Avenue Central, Shanghai	930 condo units	4Q2004	2004 - 2006
Wang Jing project, Beijing	1,860 condo units	1Q2004	2004 - 2006
<b><u>Thailand</u></b>			
Srinakarin Road, Bangkok	178 detached houses	3Q2003	2003 - 2005
<b><u>Vietnam</u></b>			
An Phu Ward, Ho Chi Minh City	120 villas	3Q2003	2003 - 2005

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## Launch of One Park Avenue

Total No. of Units: 1,118 residential units in 10 blocks.  
Comprises 1-4 bedroom types, duplexes and penthouses with full fittings

Land Area : 33,980 sm

GFA : 144,415 sm

Launch : 2 blocks comprising 252 units, with unit size ranging from 70 sm to 320 sm

Launch Date : 2 Nov 2002 (soft-launch)  
9 Nov 2002 (public launch)

Selling Price : Rmb10,000 - Rmb12,000 psm

Expected Completion: Mid-2004

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# Divestments

## Investment Property Portfolio

- ◆ Portfolio of investment buildings to be divested:

<b>Keppel Land's Investment Properties</b>	<b>Total Gross Lettable Area (sf)</b>	<b>Interest (%)</b>
Ocean Building	422,537	76
Ocean Towers	247,462	76
Capital Square	407,457	70
Bugis Junction Complex		31
- Office	249,733	
- Retail	434,747	
- 5-star hotel with 406 rooms	-	
Keppel Towers & GE Tower	455,173	100
Singapore Exchange	257,925	35
Prudential Tower (retained Interest)	110,330	100

- ◆ Downward pressure on office rentals and capital values in prime areas will be moderated by limited supply of new office space over the next few years

# Gearing

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- ◆ Reduced debt/equity ratio significantly with contribution from monetisation of \$355m residential receivables:

<u>D/E Ratio</u>	<u>As At</u>
1.27	Dec 2001
1.11	Sep 2002

- ◆ Gearing to be further reduced with any investment property divestment
- ◆ Reduction to target level of 0.6 - 0.8 by 2004

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# Fund Management

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# Fund Management

- ◆ Growing interest from institutional funds in Asian real estate investments
- ◆ Experienced professional team to grow property fund management business
- ◆ Leverage on Keppel Land's:
  - Extensive Asian presence and network
  - Expertise as a developer and manager of institutional investment grade commercial properties and quality residential developments in Asia
  - Good corporate governance and investor relations

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## Initiatives

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### (a) China Housing Development Fund

- Targeted US\$200 million dedicated fund to invest in residential developments in China
- First closing expected by 1H2003
- Keppel Land Fund Management will manage the fund

### (b) Asia No. 1 Property Fund

- Fund to be managed by a joint venture with Henderson Global Investors
- Targeted fund size of US\$200m-US\$300m
- Fund will invest in mostly income-generating real estate assets in Asia
- First closing is expected by end-2002

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## Summary

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- ◆ Focus on two core businesses of property development and fund management
- ◆ Grow overseas earnings contribution from present 7% to 50% by 2005
- ◆ Divest investment properties
- ◆ Reduce gearing to target level of 0.6 - 0.8 by 2004

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