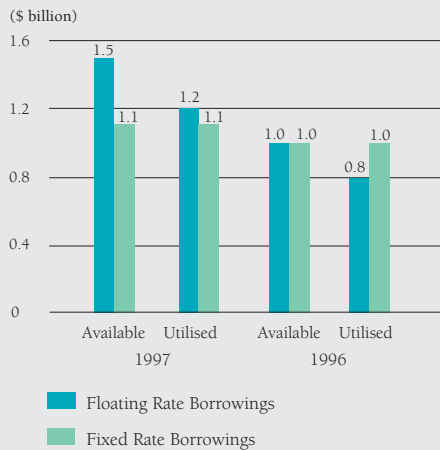


Gearing Structure

as at 31 December 1997

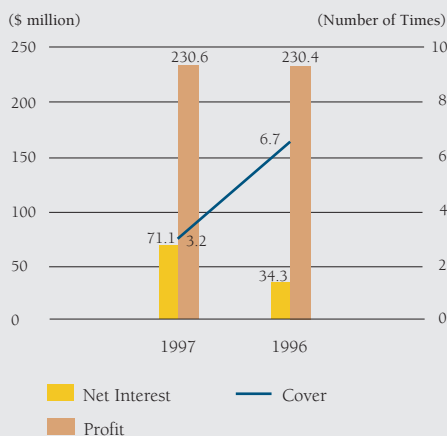
Credit Facilities



At end-1997, the credit facilities available to the Group for drawdown totalled \$2.6 billion. As 90.7% were utilised, the unutilised balance was 9.3% or \$244.5 million. This did not include cash in hand and on deposit of \$242.9 million. Of the credit facilities that were drawdown, 47.6% was in fixed rate borrowings and 52.3% in floating rate borrowings.

During the year, funds were raised by way of (a) further issues of Floating Rate Notes due in year 2002, (b) a further drawdown from the US\$88 million bank loan facility and (c) conversion of 45.4 million Keppel Land Warrants 2000 into shares.

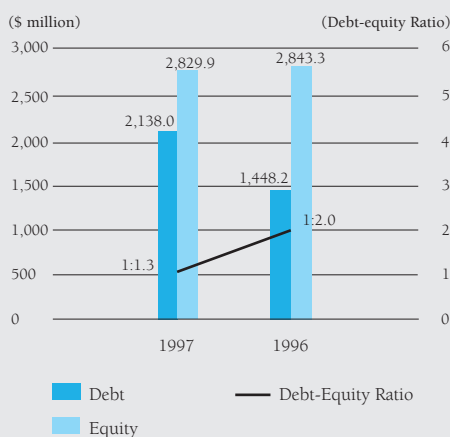
Interest Cover



For 1997, the Group's interest cover was 3.2 times, compared with 6.7 times for the previous year. The effective cost of borrowing was 4% compared with 3.5% in 1996. Net interest cost expensed and capitalised totalled \$71.1 million, whilst average net borrowings amounted to \$1,793.1 million.

Secured borrowings as a percentage of total borrowings at 31 December 1997 was 12%, a decrease from 14.4% in 1996.

Debt-equity Ratio



With total borrowings of \$2.38 billion at 31 December 1997, the Group's debt-equity ratio was 1 : 1.2. Taking cash in hand and on deposit into account, the ratio was 1 : 1.3. At the previous year-end, the Group's debt-equity ratios were lower at 1 : 1.6 and 1 : 2.0 respectively. The higher gearing at end-1997 was due mainly to the Group's utilisation of borrowing facilities stated above for the acquisition of five freehold sites in Singapore.

Gearing Structure

(continued)

	Fixed Rate Borrowings		Floating Rate Borrowings		Total	
	\$'000	%	\$'000	%	\$'000	%
Facilities available for drawdown	1,135,000	100.0	1,490,381	100.0	2,625,381	100.0
Amount utilised	1,135,000	100.0	1,245,849	83.6	2,380,849	90.7
Balance unutilised	-	-	244,532	16.4	244,532	9.3
Cash in hand and on deposit					242,862	
					487,394	
					1997	1996
Interest cover						
Profit before interest and tax (\$'000)					230,648	230,365
Net interest cost expensed and capitalised (\$'000)					71,121	34,332
Interest cover					3.2	6.7
Effective cost of borrowings						
Net interest cost expensed and capitalised (\$'000)					71,121	34,332
Average net borrowings (\$'000)					1,793,095	993,153
Effective cost of borrowings (%)					4.0	3.5
Secured borrowings ratio						
Total secured borrowings (\$'000)					286,621	250,000
Percentage of total borrowings (%)					12.0	14.4
Debt-equity ratio						
Total borrowings:						
Gross (\$'000)					2,380,849	1,737,613
Net of cash (\$'000)					2,137,987	1,448,203
Total equity (\$'000)					2,829,935	2,843,318
Debt-equity ratio:						
Gross					1:1.2	1:1.6
Net of cash					1:1.3	1:2.0