

KEPPEL LAND LIMITED

First Quarter Financial Statement And Dividend Announcement

1 UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2003

The Directors of Keppel Land Limited advise the following unaudited results of the Group for the quarter ended 31 March 2003.

1 (a) GROUP PROFIT AND LOSS ACCOUNTS for the quarter ended 31 March 2003

| | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 |
|--|--|---------------------------------|
| SALES | 142,889 | 89,529 |
| COST OF SALES | (106,153) | (51,822) |
| GROSS PROFIT | 36,736 | 37,707 |
| Marketing expenses | (609) | (594) |
| Administrative expenses | (8,399) | (7,388) |
| OPERATING PROFIT | 27,728 | 29,725 |
| Interest and investment income | 3,090 | 4,593 |
| Interest expense | (4,876) | (5,614) |
| Share of results of associated companies | 3,334 | 2,848 |
| PROFIT BEFORE EXCEPTIONAL ITEMS | 29,276 | 31,552 |
| Exceptional items | - | - |
| PROFIT BEFORE TAXATION | 29,276 | 31,552 |
| Taxation | (6,298) | (4,505) |
| PROFIT AFTER TAXATION | 22,978 | 27,047 |
| Minority interests | (1,467) | (1,872) |
| PROFIT ATTRIBUTABLE TO SHAREHOLDERS | 21,511 | 25,175 |
| Basic earnings per share (cents) | 3.0 | 3.5 |
| Diluted earnings per share (cents) | 3.0 | 3.5 |
| Depreciation | 3,536 | 5,034 |

1(b) BALANCE SHEETS as at 31 March 2003

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31.03.03 \$'000 | 31.12.02 \$'000 | 31.03.03 \$'000 | 31.12.02 \$'000 |
| SHARE CAPITAL | 354,310 | 354,310 | 354,310 | 354,310 |
| RESERVES | 1,142,017 | 1,125,978 | 1,142,017 | 1,125,978 |
| SHARE CAPITAL AND RESERVES | 1,496,327 | 1,480,288 | 1,496,327 | 1,480,288 |
| MINORITY INTERESTS | 191,071 | 189,604 | - | - |
| LONG-TERM BORROWINGS | 1,867,861 | 1,914,106 | 1,512,925 | 1,596,294 |
| | 3,555,259 | 3,583,998 | 3,009,252 | 3,076,582 |
| Represented by: | | | | |
| FIXED ASSETS | 241,337 | 240,248 | 82 | 83 |
| INVESTMENT PROPERTIES | 1,636,048 | 1,636,048 | - | - |
| PROPERTIES HELD FOR DEVELOPMENT | 170,232 | 169,798 | - | - |
| INVESTMENTS | | | | |
| Subsidiary companies | - | - | 2,705,335 | 2,670,338 |
| Associated companies | 786,351 | 731,578 | 396,137 | 349,086 |
| Other investments | 53,319 | 53,058 | 4,120 | 4,120 |
| | 839,670 | 784,636 | 3,105,592 | 3,023,544 |
| PROCEEDS FROM SALE OF RESIDENTIAL RECEIVABLES | (302,000) | (302,000) | - | - |
| CURRENT ASSETS | | | | |
| Properties held for sale | 1,286,413 | 1,340,920 | - | - |
| Stocks | 4,289 | 3,246 | - | - |
| Debtors | 108,357 | 119,266 | 30,657 | 32,666 |
| Amounts owing by holding and related companies | 162,895 | 70,256 | 127,679 | 37,841 |
| Fixed deposits, bank balances and cash | 222,422 | 179,436 | 12,849 | 4,426 |
| | 1,784,376 | 1,713,124 | 171,185 | 74,933 |
| Less: | | | | |
| CURRENT LIABILITIES | | | | |
| Creditors | 431,663 | 444,893 | 9,838 | 8,535 |
| Net tax provision | 47,398 | 38,989 | 4,730 | 4,404 |
| Short-term borrowings | 298,900 | 137,531 | 244,000 | - |
| | 777,961 | 621,413 | 258,568 | 12,939 |
| NET CURRENT ASSETS / (LIABILITIES) | 1,006,415 | 1,091,711 | (87,383) | 61,994 |
| DEFERRED TAXATION | (36,443) | (36,443) | (9,039) | (9,039) |
| | 3,555,259 | 3,583,998 | 3,009,252 | 3,076,582 |

1(b)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

| As at 31 March 2003 | | As at 31 December 2002 | |
|---------------------|---------------------|------------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 54,900 | 255,307 | 39,075 | 109,763 |

Amount repayable after one year

| As at 31 March 2003 | | As at 31 December 2002 | |
|---------------------|---------------------|------------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 211,794 | 1,656,070 | 181,699 | 1,732,407 |

Details of any collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The net book value of properties and other assets mortgaged to financial institutions amounted to \$498 million (31.12.02 : \$498 million).

1(c) **CONSOLIDATED CASH FLOW STATEMENT**
for the quarter ended 31 March 2003

| | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 |
|--|--|------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Operating profit before interest, taxation and exceptional items | 27,728 | 29,725 |
| Adjustments for: | | |
| Depreciation of fixed assets | 3,536 | 5,034 |
| Other items | - | (127) |
| Operating income before reinvestment in working capital | 31,264 | 34,632 |
| Decrease / (increase) in debtors | (8,554) | 2,269 |
| Decrease in consumable stocks | (1,043) | (334) |
| Development expenditure | (52,656) | (33,226) |
| Proceeds from progress billings | 116,039 | (27,626) |
| Increase / (decrease) in creditors | (2,676) | 25,572 |
| Cash generated from operations | 82,374 | 56,539 |
| Income from investment received | - | 126 |
| Interest received | 1,831 | 2,115 |
| Income from interest in associated undertakings | 1,259 | 2,478 |
| Interest paid | (4,876) | (5,614) |
| Income taxes paid | (3,695) | (7,158) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 76,893 | 48,486 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets and investment properties | (683) | (791) |
| Additional investment in associated and acquisition of subsidiary companies | (261) | - |
| Proceeds from sale of fixed assets | - | 127 |
| NET CASH USED IN INVESTING ACTIVITIES | (944) | (664) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of share capital by company | - | 34 |
| Net loan drawdown / (repayment) | 109,652 | (53,467) |
| Advances from minority shareholders of certain subsidiaries | 668 | 1,304 |
| Loans to related and associated companies, less dividends | (52,584) | - |
| Dividends paid to shareholders | - | - |
| Dividends to, less contribution by minority shareholders of subsidiary companies | (764) | - |
| NET CASH PROVIDED / (USED IN) FINANCING ACTIVITIES | 56,972 | (52,129) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 132,921 | (4,308) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 225,370 | 221,641 |
| EXCHANGE ADJUSTMENTS | - | 1,006 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 358,291 | 218,339 |

1(c) **CONSOLIDATED CASH FLOW STATEMENT**
for the quarter ended 31 March 2003

| | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 |
|--|--|------------------------------------|
| REPRESENTED BY: | | |
| CASH AND CASH EQUIVALENTS | | |
| Fixed deposits, bank balances and cash | 222,422 | 102,535 |
| Deposits with related companies | 147,176 | 130,870 |
| Short-term borrowings from related companies | (11,307) | (15,066) |
| | <u>358,291</u> | <u>218,339</u> |

1(d)(i) STATEMENTS OF CHANGES IN EQUITY
for the quarter ended 31 March 2003

GROUP STATEMENT OF CHANGES IN EQUITY
for the quarter ended 31 March 2003

| | Share Capital \$'000 | Share Premium \$'000 | Property Revaluation and Other Capital Reserves \$'000 | Foreign Currency Translation Account \$'000 | Retained Profit \$'000 | Total \$'000 |
|---|----------------------------|----------------------------|--|---|------------------------------|-----------------|
| Balance at 1 January 2003 | 354,310 | 812,111 | 534,582 | (132,049) | (88,666) | 1,480,288 |
| Exchange differences arising on consolidation | - | - | - | (36) | - | (36) |
| Exchange differences on foreign currency borrowings | - | - | - | (5,436) | - | (5,436) |
| Net gain not recognised in profit and loss account | - | - | - | (5,472) | - | (5,472) |
| Net profit for the period | - | - | - | - | 21,511 | 21,511 |
| Total recognised gains and losses for the period | - | - | - | (5,472) | 21,511 | 16,039 |
| Balance at 31 March 2003 | 354,310 | 812,111 | 534,582 | (137,521) | (67,155) | 1,496,327 |

GROUP STATEMENT OF CHANGES IN EQUITY
for the quarter ended 31 March 2002

| | Share Capital \$'000 | Share Premium \$'000 | Property Revaluation and Other Capital Reserves \$'000 | Foreign Currency Translation Account \$'000 | Retained Profit \$'000 | Total \$'000 |
|---|----------------------------|----------------------------|--|---|------------------------------|-----------------|
| Balance at 1 January 2002 | 354,287 | 812,086 | 653,409 | (137,982) | (64,392) | 1,617,408 |
| Adjustment for change in accounting policy | - | - | - | - | (35,059) | (35,059) |
| As restated | 354,287 | 812,086 | 653,409 | (137,982) | (99,451) | 1,582,349 |
| Exchange differences arising on consolidation | - | - | - | 6,118 | - | 6,118 |
| Exchange differences on foreign currency borrowings | - | - | - | (303) | - | (303) |
| Net gain not recognised in profit and loss account | - | - | - | 5,815 | - | 5,815 |
| Net profit for the period | - | - | - | - | 25,175 | 25,175 |
| Total recognised gains and losses for the period | - | - | - | 5,815 | 25,175 | 30,990 |
| Issue of shares under the Keppel Land Share Option Scheme | 10 | 24 | - | - | - | 34 |
| Balance at 31 March 2002 | 354,297 | 812,110 | 653,409 | (132,167) | (74,276) | 1,613,373 |

COMPANY STATEMENT OF CHANGES IN EQUITY

for the quarter ended 31 March 2003

| | Share Capital \$'000 | Share Premium \$'000 | Property Revaluation and Other Capital Reserves \$'000 | Foreign Currency Translation Account \$'000 | Retained Profit \$'000 | Total \$'000 |
|---|----------------------------|----------------------------|--|---|------------------------------|-----------------|
| Balance at 1 January 2003 | 354,310 | 812,111 | - | (60,753) | 374,620 | 1,480,288 |
| Net surplus on revaluation of subsidiary and associated companies | - | - | 19,946 | - | - | 19,946 |
| Exchange differences on foreign currency borrowings | - | - | - | (5,436) | - | (5,436) |
| Net loss not recognised in profit and loss account | - | - | 19,946 | (5,436) | - | 14,510 |
| Net profit for the period | - | - | - | - | 1,529 | 1,529 |
| Total recognised gains and losses for the period | - | - | 19,946 | (5,436) | 1,529 | 16,039 |
| Balance at 31 March 2003 | 354,310 | 812,111 | 19,946 | (66,189) | 376,149 | 1,496,327 |

COMPANY STATEMENT OF CHANGES IN EQUITY

for the quarter ended 31 March 2002

| | Share Capital \$'000 | Share Premium \$'000 | Property Revaluation and Other Capital Reserves \$'000 | Foreign Currency Translation Account \$'000 | Retained Profit \$'000 | Total \$'000 |
|---|----------------------------|----------------------------|--|---|------------------------------|-----------------|
| Balance at 1 January 2002 | | | | | | |
| As previously reported | 354,287 | 812,086 | 79,373 | (82,537) | 454,199 | 1,617,408 |
| Adjustment for change in accounting policy | - | - | (25,682) | - | (9,377) | (35,059) |
| As restated | 354,287 | 812,086 | 53,691 | (82,537) | 444,822 | 1,582,349 |
| Net surplus on revaluation of subsidiary and associated companies | - | - | 27,811 | - | - | 27,811 |
| Exchange differences on foreign currency borrowings | - | - | - | (303) | - | (303) |
| Net loss not recognised in profit and loss account | - | - | 27,811 | (303) | - | 27,508 |
| Net profit for the period | - | - | - | - | 3,482 | 3,482 |
| Total recognised gains and losses for the period | - | - | 27,811 | (303) | 3,482 | 30,990 |
| Issue of Shares under the Keppel Land Share Option Scheme | 10 | 24 | - | - | - | 34 |
| Balance at 31 March 2002 | 354,297 | 812,110 | 81,502 | (82,840) | 448,304 | 1,613,373 |

1(d)(ii) SHARE CAPITAL

During the quarter, no new shares were issued by the Company.

As at 31 March 2003, there were unexercised options for 11,330,500 of unissued ordinary shares of \$0.50 each under the Keppel Land Share Option Scheme.

2. AUDIT

The figures have not been audited or reviewed by the Company's auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2002.

5. CHANGES IN THE ACCOUNTING POLICIES

There are no changes in accounting policies.

6. EARNINGS PER ORDINARY SHARE

| | GROUP | | |
|--|-----------------------|-----------------------|-----------|
| | First Quarter 2003 | First Quarter 2002 | + / (-) % |
| Earnings per ordinary share of the Company for the quarter based on Group net profit attributable to Shareholders: | | | |
| (i) Based on the weighted average number of shares | 3.0 | 3.5 | - 14.3 |
| - Weighted average number of shares ('000) | 708,619 | 708,574 | - |
| (ii) On a fully diluted basis | 3.0 | 3.5 | - 14.3 |
| - Adjusted weighted average number of shares ('000) | 708,854 | 708,574 | - |

7. NET ASSET VALUE

| | GROUP | | COMPANY | |
|---|----------|----------|----------|----------|
| | 31.03.03 | 31.12.02 | 31.03.03 | 31.12.02 |
| Net asset value per share based on issued share capital at the end of the period (\$) | 2.11 | 2.09 | 2.11 | 2.09 |

8. REVIEW OF GROUP PERFORMANCE

Group revenue for 1Q2003 is \$142.9 million compared with \$89.5 million for 1Q2002. The higher revenue is due mainly to the inclusion of the sales of One Park Avenue and Norfolk Garden site, partly offset by the rentals of Capital Square, which was sold towards the end of 2002.

One Park Avenue, the Group's upmarket condominium development in Shanghai with 1,118 units in ten blocks, was first launched in November 2002. The first six blocks launched met with strong buying interest. The remaining four blocks were launched in March 2003, and sales were encouraging. As of now, about 80% of the whole project has been sold.

The Group sold its freehold land at Norfolk Road. The sale of this site for \$26 million was completed on 26 March 2003.

At the pre-tax level, Group's profit at \$29.3 million is 7.2% lower. This is because the corresponding quarter of last year benefited from cost adjustments of \$10.1 million upon the finalisation of the main contracts for The Mayfair, Palm Gardens and Villa Verde, and higher profits from the Group's office buildings. Group pre-tax profit for this quarter includes contributions from One Park Avenue and a write-back of \$6.6 million in provision for the Norfolk Garden site.

Group attributable profit is \$21.5 million, a decrease of 14.5% due largely to the lower pre-tax profit and a higher tax charge. The effective tax rate for 1Q2003 is 21.5% compared with 14.3% for the same quarter last year as the tax on the profits of One Park Avenue is at a higher rate and a portion of the abovementioned final cost adjustments is not subject to tax.

Earnings from overseas represent 26.5% of the Group's attributable profit, up from 3% of total profit for the whole of 2002. This is in line with the Group's strategy of growing overseas earnings to 50% of its Group attributable profit by 2005.

In the opinion of the Directors, no factors have arisen between the end of 1Q2003 and the date of this report, which would materially affect the results of the Group and the Company for the quarter just ended.

9. VARIANCE FROM PROSPECT STATEMENT

No forecast was previously disclosed on the Group's results for 1Q2003.

10. PROSPECTS

With the war in Iraq, the sudden outbreak of severe acute respiratory syndrome and the slowdown in the global economy, the markets in which the Group operates will continue to be challenging.

In Singapore, buying sentiments in the residential sector and rentals in the office sector are affected by the current economic uncertainties. Regionally, demand for local housing, particularly in China, Vietnam and Thailand, is likely to continue growing due to positive factors such as government incentives, low interest rates, availability of mortgage financing, and rising affluence in the key cities.

The Group's move to grow overseas earnings is expected to be fruitful and sustainable.

11. DIVIDENDS

(a) Current financial period reported on

None.

| Name of Dividend | Final | Special | Total |
|---------------------|-------|---------|-------|
| Dividend type | - | - | - |
| Dividend rate | - | - | - |
| Par value of shares | - | - | - |
| Tax rate | - | - | - |

(b) Corresponding period of the immediately preceding financial year

None.

| Name of Dividend | Final | Special | Total |
|---------------------|-------|---------|-------|
| Dividend type | - | - | - |
| Dividend rate | - | - | - |
| Par value of shares | - | - | - |
| Tax rate | - | - | - |

(c) DATE PAYABLE

Not applicable.

(d) BOOKS CLOSURE DATES

Not applicable.

12. DIVIDEND STATEMENT

(if no dividend has been declared / recommended)

No dividend has been declared for the first quarter ended 31 March 2003.

13. SEGMENT ANALYSIS

By Business Segment

| Group Figures | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--------|
| Turnover | | Profit before Tax | | Attributable Profit | | |
| First Quarter 2003 \$'000 | First Quarter 2002 \$'000 | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 | |
| Property investment | 21,269 | 34,220 | 11,596 | 20,215 | 7,982 | 14,373 |
| Property trading | 114,193 | 46,019 | 17,592 | 10,818 | 14,372 | 10,337 |
| Others | 7,427 | 9,290 | 88 | 519 | (843) | 465 |
| Before exceptional items | 142,889 | 89,529 | 29,276 | 31,552 | 21,511 | 25,175 |
| Exceptional items | - | - | - | - | - | - |
| After exceptional items | 142,889 | 89,529 | 29,276 | 31,552 | 21,511 | 25,175 |

By Geographical Location

| Group Figures | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--------|
| Turnover | | Profit before Tax | | Attributable Profit | | |
| First Quarter 2003 \$'000 | First Quarter 2002 \$'000 | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 | |
| Singapore | 76,303 | 73,424 | 20,567 | 32,265 | 15,864 | 25,470 |
| Other countries | 66,586 | 16,105 | 8,709 | (713) | 5,647 | (295) |
| Before exceptional items | 142,889 | 89,529 | 29,276 | 31,552 | 21,511 | 25,175 |
| Exceptional items | - | - | - | - | - | - |
| After exceptional items | 142,889 | 89,529 | 29,276 | 31,552 | 21,511 | 25,175 |

14. REVIEW OF SEGMENT PERFORMANCE

- (a) Turnover for the property trading segment is higher largely on account of sales for One Park Avenue and the disposal of Norfolk Garden site. In the property investment segment, rentals are lower mainly as a result of the sale of Capital Square in November 2002.
- (b) Group attributable profit is lower as the Group had more profits from the final cost adjustments of \$10.1 million for The Mayfair, Palm Gardens and Villa Verde, and higher contributions from its office buildings in 1Q2002.
- (c) Profits from overseas in 1Q2003 account for 26.5% of the Group's attributable profit. In 1Q2002, the Group's attributable profit was wholly from Singapore.

15. FIRST HALF AND SECOND HALF YEAR RESULTS

(a) First Half and Second Half Year Results

Not applicable.

(b) Interested Person Transactions

| Name of Interested Person | Aggregate Value of all Interested Person Transactions during the Period under Review (excluding Transactions less than \$100,000 and Transactions conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST's Listing Manual). | | Aggregate Value of all Interested Person Transactions conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST's Listing Manual. | |
|------------------------------------|---|------------------------------|--|------------------------------|
| | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 | First Quarter 2003 \$'000 | First Quarter 2002 \$'000 |
| Property transactions | | | | |
| Keppel Corporation Limited Group : | | | | |
| Rental | - | - | 355 | 693 |
| Project management fees | - | - | 196 | 212 |
| Property management fees | - | - | 16 | 16 |
| Marketing commission | - | - | 57 | - |
| | | | 624 | 921 |
| Other services and products | | | | |
| Keppel Corporation Limited Group : | | | | |
| Treasury – interest income | - | - | 683 | 955 |
| Treasury – interest expense | - | - | 5,582 | 12,908 |
| Management fees paid | - | - | 657 | 419 |
| Other services | - | - | 378 | 95 |

16. TOTAL ANNUAL DIVIDEND

Total annual dividend amounted to

| | 2002 (\$'000) | 2001 (\$'000) |
|------------|--------------------------|--------------------------|
| Ordinary | 19,346 | 16,553 |
| Preference | - | - |
| Total: | 19,346 | 16,553 |

BY ORDER OF THE BOARD

CHOO CHIN TECK / HO MUN PIEW
Joint Company Secretaries
24 April 2003