

Nine Months to September 2008 Results

22 October 2008



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Financial Performance

Financial Performance – YTD Sep 08

\$m	YTD Sep 08	YTD Sep 07	% Chg
Turnover	644.8	1,036.5	(37.8)
EBITDA	180.4	224.3	(19.6)
Operating Profit	175.1	216.9	(19.3)
Pre-tax Profit	219	276.6	(20.8)
Net Profit	159.1*	207.3	(23.3)

* Includes a gain of \$7.3m arising from excess subscription of K-REIT Asia's rights issue

Financial Performance – 3Q08

\$m	3Q08	3Q07	% Chg	Comments
Turnover	185.8	382	(51.4)	Lower due to completion of several trading projects in Singapore and overseas partly offset by better performances from fund management and property investment
EBITDA	44.8	104.6	(57.2)	Lower due mainly to the completion of several projects, partly offset by an improved contribution from fund management
Operating Profit	43	102.3	(58)	
Pre-tax Profit	60.1	109.9	(45.3)	Lower due mainly to completion of several projects, partly offset by higher profits from fund management and lower interest cost
Net Profit	46.2	81.8	(43.5)	

Key Ratios

	YTD Sep 08	YTD Sep 07	% Chg
EPS (¢)	22.1	28.8	(23.3)
NTA / Share (\$)	3.26	2.34	39.3
Net Debt / Equity Ratio (x)	0.54	1.13	(52.2)
Annualised ROE (%)	9.2	12.7	(27.6)

Net Profit – By Business Segment

Business Segment	YTD Sep 08 \$m	YTD Sep 07 \$m	% Chg	Comments
Property Trading	122.3	193.0	(36.6)	Lower due mainly to the completion of Urbana and The Belvedere in Singapore, The Waterfront and The Seasons in China and Villa Riviera in Vietnam
Property Investment	24.1	25.8	(6.6)	Lower due mainly to the write back of a tax provision in 2007
Fund Management	14.1	6.0	135	Higher due to a better performance by Alpha and higher fees received by K-REIT Asia
Hotels / Resorts	(1.1)	(0.3)	nm	
Others	(7.6)	(17.2)	nm	
Net Profit	151.8[#]	207.3	(26.8)	

[#] Excludes a gain of \$7.3m arising from excess subscription of K-REIT Asia's rights issue

Net Profit – By Geographical Location

Geographical Location	YTD Sep 08		YTD Sep 07		% Chg	Comments
	\$m	%	\$m	%		
Singapore	103.2	68	134.8	65	(23.4)	Lower due to completion of Urbana and The Belvedere
Other Countries	48.6	32	72.5	35	(33)	Lower due to completion of The Waterfront and The Seasons in China and Villa Riviera in Vietnam
Net Profit	151.8[#]	100	207.3	100	(26.8)	

[#] Excludes a gain of \$7.3m arising from excess subscription of K-REIT Asia's rights issue

Notes on Profit Recognition

Project	% of Sales	% of Completion	Profit Recognised YTD Sep 08 (\$m)
SINGAPORE			
Park Infinia at Wee Nam (486 units)	92.9	100	20.9
The Suites at Central (157 units)	100	78.9	25.1
Marina Bay Residences (428 units)	100	29.9	14.8
The Sixth Avenue Residences (175 units)	100	38.8	6.9
Reflections at Keppel Bay (1,129 units)	53.8	20	2.1
OVERSEAS			
8 Park Avenue, Shanghai, China (946 units)			
Ph 1 & Ph 2 (456 units)	100	100	} 13.7
Ph 3 (96 units)	98.9	98.3	
Villa Riviera, Shanghai, China (168 units)			
Ph 1 (42 units)	100	99.7	} 7.5
Ph 2 (46 units)	70.3	96.8	
Ph 3 (80 units)	10.1	68.2	
The Arcadia, Tianjin (168 units)	23.1	74.2	4.4
Elita Promenade, Bangalore, India (1,573 units)			
Ph 1 (944 units)	94.3	86.3	} 5.3
Ph 2 (629 units)	47.9	43.3	

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Strong Balance Sheet

	YTD Sep 08	YTD Sep 07	% Chg
Total Equity (\$b)	2.76	1.99	38.7
Net Debt (\$b)	1.49	2.24	(33.5)
Net Debt / Equity Ratio (x)	0.54	1.13	(52.2)
Avg Interest Rate of Borrowings (%)	2.5	4	(37.5)
Fixed Rate Debt (%)	15	13	15.4
Average Debt Maturity (Yr)	2.06	2.50	(17.6)
Interest Cover (x)*	9.57	5.23	83

* Interest cover = Profit before interest and tax / Net interest cost expensed and capitalised

No provision or write-down is required as trading and investment properties are stated at appropriate net carrying values

Operations Review

Singapore Residential Continue Sales at Recent Launches



Park Infinia at Wee Nam



Reflections at Keppel Bay



The Tresor

- ▶ Reflections at Keppel Bay maintains average selling price of \$2,000 psf
 - 14 units sold
- ▶ Projects strategically-located along New Downtown MRT Line achieve good prices
 - Park Infinia and The Tresor – 28 units sold at average range of \$1,500 - \$1,600 psf

Singapore Commercial

MBFC Continues to Attract Pre-commitments Ahead of Completion

- ▶ Secured new leases with reputable tenants
- ▶ Over 80% of pre-commitments are long-term leases of up to 12 years
- ▶ Overall pre-commitment reaches 61%
 - Ph 1 : 66%
 - Ph 2 : 55%
- ▶ Strategic location at heart of Marina Bay will continue to appeal to companies seeking presence in the New Downtown



Marina Bay Financial Centre

Singapore Commercial – K-REIT Asia

Stable Portfolio of Good Quality Buildings

- ▶ Committed occupancy :
 - 99.4% as at end-Sep 08
- ▶ Annualised DPU :
 - 11 cents for nine months ended 30 Sep 08*
- ▶ Low aggregate leverage :
 - 27.6%
- ▶ Loans due only in 2011 :
 - No refinancing needs in next 2.5 years

* Based on weighted average no. of units in issue



One Raffles Quay

Overseas Continue Sales



Elita Garden Vista
Kolkata, India

► 69% sold of 522 launched units



Villa Riviera
Shanghai, China

► 78% sold of 111 launched units



The Estella
HCMC, Vietnam

► 57% of 519 launched units



Central Park City
Wuxi, China

► 81% sold of 880 launched units



Jakarta Garden City
Jakarta, Indonesia

► 91% sold of 191 launched units

Overseas – China

Sino-Singapore Tianjin Eco-City Stage 1 of Start-up Area

- Pre-agreed fixed land prices for entire development
- Develop-for-sale model provides cashflow to be recycled into future phases
- Majority of infrastructure construction undertaken by Tianjin government

Tianjin Eco-City	Entire Development	Start-up Area (SUA)
Size	30 sq km	4 sq km
Development period	10-15 years	3-5 years
No. of homes	>100,000	>20,000
Population size (approx)	350,000	85,000

► Stage 1 of SUA

- 110 ha, one-third of SUA
- Singapore and Chinese consortium to develop >60 ha
- Infrastructure to be completed in 2009



Heart of the SUA

Overseas – China

Evergro Properties : Look out for Opportunities in Second-tier Cities

- ▶ Completed rights issue and raised \$137m to finance future expansion
- ▶ Continue to focus on housing opportunities in second-tier cities in China
- ▶ Continue sales :



Stamford City
Jiangyin, China

- ▶ Total : 1,213 units
- ▶ 63% sold of 150 launched units



Summer Ville
Changzhou, China

- ▶ Total : 566 units
- ▶ 75% sold of 566 launched units

Fund Management

Total AUM Increases to S\$9.8 bn



▶ K-REIT Asia

- Portfolio value : S\$2.1bn

▶ Alpha Investment Partners

- AUM : S\$7.7bn
- Total net property income of S\$115m p.a
- KLL only contributes US\$25m for each fund

Funds	Committed Equity	% Invested	No. of Countries Invested in
Asia No. 1 Property Fund	US\$243m (S\$400m)	100%	6
Alpha Core Plus Real Estate Fund	US\$435m (S\$720m)	100%	4
AIB Alpha Japan Fund	US\$172m (S\$258m)	38%	1
Alpha Asia Macro Trends Fund	US\$1.2bn (S\$1.7bn)	5%	3

Recent Awards

▶ **Euromoney - Liquid Real Estate Awards 2008**

- Winner of 11 awards including :
 - Best Office/Business Developer in Singapore
 - Best Mixed-Use Developer in Singapore
 - Best Office/Business Developer in Vietnam
 - Best Retail/Shopping Developer in Vietnam
 - Best Mixed-Use Developer in Vietnam



CERT NO : 2008-0417
ISO 14001 :2004

▶ **ISO 14001 – Environmental Management System**

- Achieved ISO 14001:2004 certification for KLL's Singapore projects in Sep 2008

▶ **SIAS Investors' Choice Awards 2008**

- Most Transparent Company (Properties Category) – Runner-up



▶ **Medal of Labour Award by Vietnam government**

- Saigon Centre – Social-economic contribution to Vietnam between 2003 and 2007

Market Review and Outlook

Singapore

Challenging Environment with Cautious Sentiments

Challenging Environment

- ▶ Singapore's economy slipped into its first technical recession since 2003
- ▶ Office rent remain unchanged q-o-q (Source : CBRE)
- ▶ Slowdown in sales take-up and private residential price index falls for the first time since 1Q04 (Source : URA 3Q08 flash estimates)

Cautious Sentiments

- ▶ Tenants cautious on leasing commitments
- ▶ Potential homebuyers holding back purchases till market situation is clearer

Market Outlook

- ▶ Recovery in office and residential segments will depend on how quickly the global financial markets stabilise and confidence is restored
- ▶ Office market mitigated by limited supply between now and end-2009
- ▶ Established developers will have sufficient muscle to defer residential launches

Firm underlying fundamentals to sustain demand

- ▶ Long-term growth trend supported by :
 - Population growth : Rise in birth rates and PRs/foreigners
 - Singapore's growth into global cosmopolitan city and multi-hub business destination e.g. Banking and finance, biomedical, air transport, media, arts, telecommunications, pharmaceutical and education

Overseas

Medium- to Long-term Prospects Remain Healthy

Global financial turmoil affects key markets

- ▶ **Slow sales** : Affected by weak sentiment and poor stock market performance
- ▶ **Credit tightening** : Difficulty in financing of acquisitions by both financially weak developers and end-buyers
- ▶ **Stable construction costs and lower interest rates** : Due to latest round of crisis

Long-term fundamentals underpin housing market

- ▶ **Current downturn** : A dip in an upward trend for Asia and emerging markets
- ▶ **Strong economic growth** : In emerging markets with strong FDI and private consumption Eg. China, Vietnam and India
- ▶ **Home ownership aspirations supported by** rising affluence, economic growth, expanding middle class, favourable demographics and growing urbanisation trends

Overseas – China

- ▶ **Lower transaction volume and prices**
- ▶ **Yangtze River Delta and Bohai Bay regions performing better than Pearl River Delta region**
- ▶ **Government measures will restore market confidence**
 - **Cut in benchmark lending rates**
 - **Measures by local governments to lift property market**
 - Reduce downpayment requirements and provide tax subsidies in Chengdu, Sichuan
 - Amount home buyers can borrow from government housing fund doubled in Shanghai
- ▶ **Well-capitalised developers hold back launches**
 - **Landbanking opportunities to acquire reasonably priced land**

Overseas – Vietnam

- ▶ **Less well-capitalised developers forced out of the market due to liquidity crunch**
- ▶ **Speculative buyers retreating from market**
- ▶ **Rentals of Grade A offices and apartments expected to rise**
 - Rise in expatriates
 - Supply shortage in office and residential sectors in city centre
- ▶ **Growing trend of Viet Kieus as investors**

Going Forward

Going Forward

Evaluate Strategy and Time Launches and Developments Appropriately

Singapore Residential

- ▶ **Closely monitor market conditions to :**
 - Lookout for pent up demand after downturn as seen in previous cycles
 - Time project launches
 - Look out for new opportunities and acquisitions

Singapore Commercial

- ▶ **Tap on demand for office space :**
 - Pre-lease to tenants before project completion
 - Resilient portfolio with possible positive rent reversions
 - Diversified tenant mix base

Overseas

- ▶ **Seek selective acquisitions**
- ▶ **Grow township division**
 - Presence of six township projects in China, Vietnam and Indonesia
- ▶ **Pursue lifestyle and sustainable developments**
 - First waterfront residential cum marina development in China
 - Sustainable eco-friendly model in Tianjin
- ▶ **Develop commercial projects selectively**
- ▶ **Explore new markets such as Middle East**
- ▶ **Monitor markets and launch projects appropriately**

Fund Management

- ▶ **Grow recurring fee-based income through K-REIT Asia and Alpha**

Singapore Residential

Monitor Market Conditions for Launches



Projects	Units to Launch	Scheduled for launch
Reflections at Keppel Bay (30% stake)	386	Launched
Park Infinia at Wee Nam	28	Launched
Marina Bay Suites (33.3% stake)	221	2009
The Promont	15	2009
The Tresor	29	Launched
Madison Residences	55	Previewed
TOTAL	734	

Overseas Residential

Time Launches Appropriately



Project Launch Schedule - China	Units to Launch		
	2008	2009	2010
8 Park Avenue, Shanghai*	-	-	130
Villa Riviera, Shanghai*	75	6	-
The Botanica, Chengdu*	759	1,100	1,891
The Arcadia, Tianjin*	98	31	-
Central Park City, Wuxi*	734	270	800
Stamford City, Jiangyin*	259	265	594
Shenyang Township^	-	860	1,000
Residential Devt, Nanhui, Shanghai^	-	264	954
Integrated Marina Lifestyle Devt, Zhongshan^	-	-	285
TOTAL	1,925	2,796	5,654

* Balance Units ^ New Launches

Overseas Residential Time Launches Appropriately

Project Launch Schedule	Units to Launch		
	2008	2009	2010
Vietnam			
Saigon Sports City (Ph 1), HCMC ^	-	-	355
The Estella, HCMC ^	650	725	268
Waterfront Condo, Binh Thanh District, HCMC ^	-	-	350
Waterfront Condo, District 7, HCMC ^	-	310	350
Waterfront Township (Ph 1), Dong Nai Province ^	-	-	100
Prime Condo, District 2, HCMC ^	-	-	410
Villa Devt., District 9, HCMC ^	-	25	104
Prime Condo, District 9, HCMC ^	-	-	300
Luxury Villa Devt., District 9, HCMC ^	-	78	27
Thailand			
Villa Arcadia at Srinakarin, Bangkok *	29	50	50
Villa Arcadia at Watcharapol, Bangkok *	40	53	40
India			
Elita Promenade, Bangalore *	330	-	-
Elita Horizon, Bangalore ^	226	540	328
Elita Garden Vista, Kolkata *	320	350	240
Indonesia			
Jakarta Garden City, Jakarta *	453	368	410
Middle East			
Seafont Condo Devt., Jeddah, Saudi Arabia ^	180	300	300
Philippines			
Palmdale Heights (Ph 2), Pasig City ^	-	-	-
SM-KL Residential Devt., Manila ^	-	-	-
TOTAL	2,228	2,799	3,632

Thank You

Additional Slides

Financial Highlights

YTD Sep 08

	YTD Sep 08	YTD Sep 07	% Chg
Turnover (\$m)	644.8	1,036.5	(37.8)
Operating Profit (\$m)	175.1	216.9	(19.3)
Pre-tax Profit (\$m)	219	276.6	(20.8)
PATMI (\$m)	159.1*	207.3	(23.3)
Overseas Earnings (% of PATMI)	32	35	(8.6)
EPS (¢)	22.1	28.8	(23.3)
NTA / Share (\$)	3.26	2.34	39.3
Net Debt / Equity Ratio (x)	0.54	1.13	(52.2)
Annualised ROE (%)	9.2	12.7	(27.6)

Singapore Residential Landbank

Project	Location	KLL's Stake (%)	Tenure	Attributable Land Area (sf)	Attributable GFA (sf)	Total Units
Reflections at Keppel Bay *	Keppel Bay	30%	99-yr	269,930	624,521	1,129
Marina Bay Suites	Marina Bay	33.3%	99-yr	19,015	156,462	221
The Promont	Cairnhill Circle	100%	Freehold	11,183	31,310	15
Keppel Bay Plot 3	Keppel Bay	30%	99-yr	125,366	152,999	307
Keppel Bay Plot 4	Keppel Bay	11.7%	99-yr	36,114	40,300	234
Keppel Bay Plot 6	Keppel Bay	30%	99-yr	141,429	67,813	94
Total				603,037	1,073,405	2,000

* Includes units and area sold

China Residential Landbank

Project	Location	Stake (%)	Land Area (sm)	Total GFA (sm)	Remaining Area For Sale (sm)	Remaining Units For Sale
8 Park Avenue	Shanghai	99%	33,432	133,393	65,565 *	395 *
Park Avenue Central	Shanghai	99%	28,488	99,708	99,708	708
Villa Riviera	Shanghai	99%	153,726	53,796	22,808 *	81 *
The Arcadia	Tianjin	100%	127,970	62,698	57,102 *	129 *
Central Park City	Wuxi	49.7%	352,534	670,460 #	507,405 ^	4,241
The Botanica	Chengdu	44.1%	419,775	1,042,846 ·	650,030 ^	6,283 ^
Stamford City	Jiangyin	70.6%	82,987	305,853	285,092	1,118
Shenyang Township	Shenyang	100%	338,287	675,488	666,135	5,651
Residential Devt., Nanhui	Shanghai	99%	264,090	332,906 #	314,340 ^	3,000 ^
Integrated Marina Lifestyle Devt.	Zhongshan	80%	827,641	408,274	402,774	2,855
Total			2,628,930	3,785,422	3,070,959	24,461

Note:

* Excludes area and units sold

^ Excludes commercial area

Includes commercial area

Other Overseas Residential Landbank

Country	Site	KLL's Stake	Total Land Area (sm)	Total GFA (sm)	Remaining Area For Sale (sm)	Remaining Units For Sale
India	Elita Promenade, Bangalore	51%	96,618	193,237	50,002 *	330
	Elita Horizon, Bangalore	51%	79,177	150,680	150,680	1,110
	Elita Garden Vista, Kolkata	37.7%	93,998	195,355	143,562 *	920
	Sub-total		269,793	539,272	344,244	2,360
Indonesia	Jakarta Garden City, Jakarta - Ph 1	51%	144,510	173,412	119,719 *	814
	Jakarta Garden City - Remaining Phases		758,428	1,283,874	1,047,205	8,101
	Sub-total		902,938	1,457,286	1,166,924	8,915
Thailand	Villa Arcadia at Srinakarin, Bangkok	45.5%	159,706	84,440	76,984 *	231
	Villa Arcadia at Watcharapol, Bangkok	66.7%	124,912	68,314	82,104 *	261
	Sub-total		284,618	152,754	159,088	492
Vietnam	Saigon Sports City, HCMC	90%	640,476	713,222 ^	298,786	2,318
	The Estella, HCMC	55%	47,906	279,800 ^	169,124 *	1,097
	Waterfront Condo, Binh Thanh District, HCMC	60%	17,428	87,140	74,069	549
	Waterfront Condo, District 7, HCMC	75%	88,127	340,472 ^	289,401	2,394
	Waterfront Township, Dong Nai Province	50%	3,667,127	1,979,727	1,576,190	10,434
	Prime Condo, District 2, HCMC	60%	51,000	244,800 ^	166,464	1,500
	Villa Devt, District 9, HCMC	55%	135,142	56,692	78,006	186
	Condo Devt, District 9, HCMC	55%	68,442	273,767	232,702	1,939
	Luxury Villa Devt, District 9, HCMC	60%	97,000	39,479	50,178	105
	Sub-total		4,812,648	4,015,099	2,934,920	20,522
Middle East	Seafront Condo Devt., Jeddah, Saudi Arabia	51.0%	36,236	253,652	253,652	1,000
	Sub-total		36,236	253,652	253,652	1,000
Philippines	Palmdale Heights (Ph 2), Pasig City	30.9%	15,976	62,751	62,751	1,264
	SM-KL Residential Devt., Manila	24.2%	7,068	56,000	56,000	430
	Sub-total		23,044	118,751	118,751	1,694
Total			6,329,277	6,536,814	4,977,579	34,983

*Excludes area and units sold / ^Includes commercial area

This release may contain statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. You are cautioned not to place undue reliance on such statements, which are based on the current views of Management on future developments and events.