

KEPPEL LAND LIMITED
OPENING REMARKS BY GROUP CEO
FULL YEAR ENDED 31 DECEMBER 2008

Welcome to Keppel Land's Financial Year 2008 results presentation.

Challenging Times

As you know, in 2008, we experienced the worst financial crisis unprecedented in decades. Asia was affected severely as capitals flowed back to the west. Against this backdrop, we are reporting a PATMI of \$227.7m and \$213.3m excluding revaluation items. The \$213.3m figure represents a drop of about 24% from the previous year of \$279m, excluding the one-off gain from One Raffles Quay and revaluation gains.

We had been disciplined and cautious in land acquisition, especially over the last 2 years in Singapore and overseas. As a result, there is no provisions needed for our landbank. The carrying values of our investment buildings are also within current market range.

In Singapore, the global financial crisis has caused home sales to drop drastically last year. We had to delay sales launch of our projects including the Reflections at Keppel Bay and Marina Bay Suites. Sales launches overseas had also been similarly delayed.

While our property development business slows down, our fund management business has performed well. Its contribution to PATMI increased by 50% from \$14m to \$21m. K-REIT had just reported a healthy increase in distributable income due to positive rental reversion despite a weak office market. Together with other private funds managed by Alpha Investment Partners, we will have S\$9.8billion of assets under management when the funds are fully invested and leveraged.

Evergro, our listed subsidiary that focuses on China property development reported a 178% increase in profits. With cash of about \$137m raised from a rights issue last year, it will be ready to participate in any early recovery in China.

Riding Through the Crisis

Despite facing an economic slowdown, we will continue with our efforts in promoting sustainable developments. In addition to designing all our projects in Singapore and overseas to achieve at least the BCA (Building and Construction Authority)'s Gold standard or equivalent, we also obtained ISO 14001:2004 certification for Keppel Land's projects in Singapore.

2009, no doubt, will be another difficult year. Property markets in Asia including Singapore are expected to remain soft. The recent concerted central government efforts to recapitalise the financial institutions in the US and Europe had helped to stabilise the financial markets and we

hope the strong government stimulus packages could also promote an earlier recovery, especially in Asia. Our operations in the key Asian markets in Singapore, China, India and Vietnam will be well-positioned to benefit.

We are reviewing our operation costs as well as project costs of all our development projects to trim fats and conserve cash, so that we can invest in any attractive opportunities that will come along. This cost review exercise could include developing projects in phases to meet demand and even temporarily suspending the entire project if it does not add-value to the company under current market conditions.

We remain focused on our business in residential, office and township development, as well as fund management. We believe that with a lean and fit operation, together with our healthy balance sheet we will be able to ride through the current crisis and capture good value opportunities that will be available.