Keppel Land’s Profile in China

• Awarded the “Most Distinguished Foreign Enterprise in 2003” by the Jing' an District Government in Shanghai

• Geographical presence in Shanghai, Beijing, Chengdu, and Kunming

• Residential projects :
  – A 2,771-unit upmarket condominium precinct in Jingan District in Shanghai
  – A 1,859-unit condominium project in Wang Jing Estate in Beijing
  – A 1,143-unit condominium project in Chengdu
  – Residential township development in Chengdu

• Other developments :
  – A Grade A office building in Shanghai
  – An integrated resort in Kunming with golf courses, resort homes and resort facilities
  – Member of consortium developing the China-Singapore Suzhou Industrial Park (SIP) in Suzhou
  – 24.9% stake in Dragon Land
Keppel Land’s Presence in China

Beijing
Chengdu
Kunming
Shanghai
China Strategy

• To provide quality residences to the middle and upper-income markets in key gateway and promising secondary cities

• Acquired sites in Shanghai, Beijing and Chengdu for residential development

• Exploring other cities eg. Shenyang, Ningbo, Nanjing, Tianjin, Chongqing, Guangzhou and Shenzhen

• 24.9% stake in Dragon Land to tap on the growing demand for local housing in other cities
  – Landbank in Qingdao, Changzhou, Anxi, Jiangyin and Tianjin

• Established CityOne Township Development, a 50-50 JV with HDB Corp. to develop residential township projects in China
• Total investment in real estate development for the first 11 months of 2003 hit RMB828.5 billion, up 32.5% over the previous year

• Average national property prices rose by about 5%, while rentals increased by 2% y-o-y in 2003

• The Central Bank has imposed curbs on loans to luxury property projects and raised bank reserve requirements to prevent overheating of the economy
Market Outlook

- Demand for good quality and well-located local housing remains firm due to strong economic growth, WTO and the 2008 Olympic Games

- Underlying trends like rising affluence, growing middle-class, urban migration, strong home-ownership aspirations, new household formation and expanding expatriate community will continue to underpin housing demand

- Government policy and low interest rates drive demand for housing
**Impact of PBOC Guidelines**

- Eliminate property developers with poor standing
  - Check “problematic loans” to small developers who have over-speculated in the property market
  - Level the playing field among developers

- Banks may disburse buyers’ mortgage loan quantum to the developer upon structural completion, as opposed to the S&P stage previously

- Curb speculative activities in the housing market


**Impact of PBOC Guidelines**

**Impact on Keppel Land:-**

- Minimal impact of guideline on project financing on KLL
- Currently, projects in China not financed by Chinese banks
- If required, most likely able to secure loans from Chinese banks
Impact of RMB Revaluation

Impact on Keppel Land:-

Currently manages RMB funding exposure through available hedging instruments

In event of RMB appreciating in value, KLL will benefit from the revaluation through higher profits from its investments
Shanghai
Shanghai Residential Market

- Total real estate GFA sold hit 23.76 mil sm in 2003, up 20% y-o-y
- Average residential price transacted in 2003 was RMB5,937 psm, up 20% from a year ago
- Prices of new projects as at end-December 2003:
  - Luxury-end: Above RMB 16,500 psm
  - Upper-middle end: RMB 7,000 - 16,400 psm
  - Lower-middle end: RMB 4,000 - 6,900 psm
  - Low-cost housing: Below RMB 4,000 psm
- Total take-up for 2004 estimated at 22 mil sm
- Prices expected to rise gradually in 2004
Shanghai Residential Market

Housing Demand Drivers

• Strong economic growth leading to increased disposable income
  – Contractual FDI rose 23.5% y-o-y to US$11.1 billion in 2003
  – GDP per capita expected to hit US$10,000 by 2010 from US$4,600 in 2003

• Strong personal income growth

• Government housing reforms

• Entry to WTO and hosting of World Expo 2010

• Influx of investors from other provinces and foreign investors
### Park Avenue Precinct - Prime Residential Projects in Jingan, Shanghai

<table>
<thead>
<tr>
<th>Location</th>
<th>Located in the prime Jingan district of Shanghai, within walking distance of Nanjing Xi Road and the Jingan Shi subway station</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Area</td>
<td>95,900 sm</td>
</tr>
<tr>
<td>Gross Floor Area</td>
<td>391,500 sm</td>
</tr>
<tr>
<td>No. of Units</td>
<td>2,771-unit upmarket condominium development to be developed in three phases</td>
</tr>
<tr>
<td>One Park Avenue</td>
<td>1,118 units (Fully sold)</td>
</tr>
<tr>
<td>8 Park Avenue</td>
<td>945 units</td>
</tr>
<tr>
<td>Park Avenue Central</td>
<td>708 units</td>
</tr>
<tr>
<td>Total</td>
<td>2,771 units</td>
</tr>
</tbody>
</table>
Location Map

A = One Park Ave, B = 8 Park Ave, C = Park Ave Central

Portman Ritz-Carlton
Jingan Shi MTR
Shanghai Exhibition Centre

Citic Square
The Bund
Plaza 66
Shanghai JC Mandarin
One Park Avenue

- All 1,118 units have been sold

- Awards won:
  - Gold Award in Environment category of “Top 10 Properties in Shanghai” by Hong Kong’s Da Gong Bao newspaper
  - “Fully-fitted Award” by Shanghai’s Municipal Government
8 Park Avenue

- Second project of the Park Avenue precinct
- Site area of 33,432 sqm, GFA of 133,393 sqm
- Comprises 945 units targeted at upper-income homebuyers
- Soft launched 1 block of 85 one-bedroom units in January 2004: 65% sold
- Estimated average selling price for whole project: Around RMB 13,000 psm
Ocean Towers

- Located in the prime commercial district of Huangpu
- 25-storey Grade A intelligent office building with GFA of 48,000 sm
- Enjoys 100% occupancy
- Major tenants include China Telecom, Bayer, Siemens, Jardine, P&O Nedlloyd, Suntory, Roche, Zuellig & Wu, Lycos, Pacific Century Cyberworks, IE Singapore and EDB Singapore
Beijing
Beijing Residential Market

- In 2003, 17.71 mil sm of residential GFA was sold, an increase of 10.4% y-o-y
- Total residential sales volume reached RMB 78.92 billion, up 10.1% y-o-y
- Investment in Beijing real estate rose 21.5% y-o-y to RMB 120.25 billion. Of these, RMB 63.3 billion was invested in commodity housing, an increase of 7.9%
- During the same period, 20.81 mil sm of commodity housing was completed, while commodity housing construction start hit 63.53 mil sm, an increase of 8.0% and 17.7% y-o-y respectively
Beijing Residential Market

• Prices of new projects as at end-January 2004 :-
  Upper-end market : Above RMB 10,000 - 24,000 psm
  Middle-end market : RMB 5,000 - 9,900 psm
  Low-end market : Below RMB 5,000 psm

• The general price ranges for commodity housing projects in Beijing in the main districts are as follows :-

<table>
<thead>
<tr>
<th>District</th>
<th>Price Range (RMB / psm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xi Cheng</td>
<td>7,300 - 21,000</td>
</tr>
<tr>
<td>Dong Cheng</td>
<td>7,900 - 21,000</td>
</tr>
<tr>
<td>Chao Yang</td>
<td>3,500 - 24,000</td>
</tr>
<tr>
<td>Hai Dian</td>
<td>3,700 - 12,000</td>
</tr>
<tr>
<td>Chong Wen</td>
<td>5,000 - 11,000</td>
</tr>
<tr>
<td>Xuan Wu</td>
<td>4,900 - 11,000</td>
</tr>
</tbody>
</table>
Beijing Residential Market

- Residential take-up is expected to continue to be buoyant in 2004
- Prices for commodity housing are expected to remain steady in 2004
- Overall residential market is expected to remain stable in the lead up to the 2008 Olympics
Beijing Residential Market

Housing Demand Drivers

• Continued strong economic growth, leading to increased disposable income

• Positive effects in the lead up to the 2008 Olympics

• New favourable incentive policies for foreign investments in the pipeline

• Government’s target to increase housing area per capita to hit 25 sm by 2008

• Increasing affluence of local Chinese (growing group of nouveau rich) as well as growing number of foreigners in Beijing
Beijing Residential Market

Housing Demand Drivers

- Increasing investment interests in real estate
- Growing demand for quality housing
- New government policies to regulate the market, for instance:
  - Tighter control and regulation of the land supply system
  - Merger of foreign and domestic sales market
  - Income tax breaks for foreigners
  - Waiver of deed tax, transaction tax etc
The Seasons

- Located in Wang Jing Estate, the largest township in Beijing
- Walking distance to MRT station
- Site area of 72,285 sm, GFA of 255,000 sm
- Comprises 1,859 condominium units targeted at middle-to-upper-income homebuyers
- Expected launch: 2H2004
The Seasons
The Seasons
The Seasons
The Seasons
Chengdu
Chengdu Residential Market

- Healthy take-up of 8.91 mil sm in 2003, an increase of 20% over the previous year

- Prices also rose 5.1% to an average of RMB 2,224 psm in 2003

- Current prices of new projects as at end-December 2003:
  - Upper-middle to high end market: RMB 4,000 - 6,000 psm
  - Middle-end market: RMB 2,600 - 3,900 psm
  - Low-middle end market: RMB 1,800 - 2,500 psm

- Prices expected to increase moderately in 2004
**Housing Demand Drivers**

- Chengdu’s residential market continues to be well-supported by locals as well as non-resident buyers
- Positive impact on demand
  - Recent easing of regulations to become a Chengdu resident
  - Govt subsidy ranging from 0.5% to 1.0% of purchase price
Wang Jiang Garden

- Located in south-east Chengdu, less than 10 minutes’ drive to the city centre
- Commands frontage of the Funan River
- Site area of 40,907 sm, GFA of 166,138 sm
- Comprises 1,143 condominium units targeted at upper-income homebuyers
- Expected launch: 2H2004
Wang Jiang Garden
Residential Township Development
Residential Township Opportunities

• Government reforms, strong economic growth and rapid urbanisation support housing demand

• Sustainable demand exists for middle-income housing in key and second-tier cities, due to genuine demand and affordable housing mortgages

• With improved living standards, potential demand exists for quality well-planned and well-managed housing estates
Residential Township Development

Initiatives Taken

• Joint venture with HDB Corporation (HDBCorp) to capitalise on the increasing demand for well-planned, good-class residential townships in China

• CityOne Township Development, a 50:50 joint venture company (JVC) with HDBCorp, will identify and focus on developing residential township projects in cities with rapid economic and population growth

• Residential townships being embarked by CityOne:
  – Chengdu
  – Shenyang (MOA)
Residential Township in Chengdu

• Keppel Land, through CityOne, will develop a 42-ha residential township in Chengdu

• Entire township will yield about 6,700 residential units, to be developed over three phases according to market demand

• Township will comprise low- and high-rise apartment units, commercial buildings and supporting amenities, including a primary school, kindergartens, a community centre or clubhouse, parks, a market and car-park facilities

• Parcel One of Phase One will comprise 980 units, targeted at the middle-income group
  – Expected to be launched in 1H2005
• Located Jinjiang District, in the south-eastern sector of Chengdu, at the junction of the 3rd Ring Road and Cheng Long Road

• About 15 minutes’ drive from the city centre and with easy access to major roads

• Close proximity to the Sichuan Normal University
Thank You
This presentation 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.