

Statutory Report and Accounts



Directors' Report

The Directors submit their report together with the audited accounts of the Company and of the Group for the year ended 31 December 2002.

1 Principal Activities

The principal activities of the Group consist of property investment, development and management, and property-related services.

The principal activity of the Company is that of a holding, management and investment company.

2 Results

	Group \$'000	Company \$'000
Profit / (loss) after taxation and minority interests attributable to shareholders, transferred to revenue reserves	26,373	(53,649)
The following amounts have been credited/(debited) to:		
Share premium:		
Issue of shares under the Keppel Land Share Option Scheme	25	25
Property revaluation and other capital reserves:		
Net deficit on revaluation of subsidiary and associated companies	-	(36,298)
Net deficit on revaluation of investment properties	(164,420)	-
Revaluation deficit realised and transferred to profit and loss account on sale of a subsidiary company	18,083	-
Revaluation deficit realised and transferred to profit and loss account on sale of a property	26,943	-
Net revaluation surplus realised and transferred to profit and loss account on liquidation of subsidiary and associated companies	-	(17,393)
Adjustment for change in Group structure	567	-
Adjustment for change in accounting policy	-	(25,682)
Foreign currency translation account:		
Exchange differences arising on consolidation	(15,544)	-
Exchange differences on foreign currency borrowings	21,784	21,784
Adjustment for change in Group structure	(307)	-
Retained profit / (loss):		
Final dividend for the previous year, paid	(16,553)	(16,553)
Adjustment for change in Group structure	965	-
Adjustment for change in accounting policy	(35,059)	(9,377)

There were no material transfers to or from provisions during the year except for amounts set aside for such items as depreciation, provisions for doubtful debts and income tax as disclosed in the accounts.

3 Dividends

During the year, a final dividend of 6% (or 3.0 cents per share) less tax amounting to \$16,553,000, in respect of the previous year as proposed in the Directors' report for that year, was paid to shareholders.

The Directors propose that a final dividend of 7% (or 3.5 cents per share) less tax, amounting to \$19,346,000 on the existing issued share capital, be paid for the current financial year.

4 Share Issues

During the year, the Company issued the following shares of \$0.50 each, fully paid:

46,000 shares under the Keppel Land Share Option Scheme, comprising 4,000 shares at \$1.58 per share, 26,000 shares at \$0.56 per share and 16,000 share at \$1.71 per share.

Shares issued by subsidiary companies during the year were as follows:

Name of Company	Number of Shares Issued	Purpose of Share Issue
Shanghai Pasir Panjang Land Co., Ltd	Paid up capital of US\$19,368,009	To provide working capital
Beijing Kingsley Property Development Co., Ltd	Paid up capital of US\$20,000,000	To provide working capital
Chengdu Hillwest Development Co., Ltd	Paid up capital of US\$6,400,000	To provide working capital
Keppel Land (Shanghai) Management Co., Ltd	Paid up capital of US\$140,000	To provide working capital

5 Acquisition and Disposal of Shares in Subsidiaries

Shares in the following subsidiary were acquired / (disposed) during the year:

Name of Company	% Ownership before Acquisition / Disposal	% Acquired / (Disposal)	Consideration \$'000	Attributable Net Tangible Assets/ on Date of Acquisition/ (Disposal) \$'000
EFACS (Asia) Pte Ltd	-	100	-	-
Hillwest Pte Ltd	-	100	-	-
Top Property Co Ltd (Incorporated in Thailand)	#	39	8	8
Capital Square Pte Ltd	70	(70)	46,234	116,432

Indirect ownership before acquisition is through the Group's interest in Keppel Thai Properties Public Co. Ltd.

Directors' Report

6 Directors

The Directors in office at the date of this report are:

Lim Chee Onn, Chairman
 Kevin Wong Kingcheung, Managing Director
 Lim Leong Geok
 Thai Chee Ken
 Khor Poh Hwa
 Lim Ho Kee
 Tsui Kai Chong
 Lee Ai Ming (Appointed on 1 November 2002)
 Loh Wing Siew
 Choo Chiau Beng
 Teo Soon Hoe

The Directors holding office at the end of the financial year and their interests in the share capital of the Company and related companies as recorded in the register of Directors' shareholdings were as follows:

	At 1.1.02 or Date of Appointment	At 31.12.02	At 21.1.03
Interest in the Company (Shares of 50 cents each):			
Kevin Wong Kingcheung	157,400	157,400	157,400
Interest in share options in the Company:			
Kevin Wong Kingcheung	763,000	848,000	848,000
Interest in Keppel Corporation Limited ("KCL") (Shares of 50 cents each):			
Lim Chee Onn	462,083	462,083	462,083
Lim Leong Geok	30,000	30,000	30,000
Lim Ho Kee (Deemed interest)	-	10,000	10,000
Loh Wing Siew	316,458	331,458	331,458
Loh Wing Siew (Deemed interest)	100,000	100,000	100,000
Choo Chiau Beng	239,583	322,583	322,583
Teo Soon Hoe	629,166	629,166	629,166
Interest in share options in KCL:			
Lim Chee Onn	1,018,750	1,205,000	1,205,000
Loh Wing Siew	428,750	70,000	70,000
Choo Chiau Beng	848,750	872,000	872,000
Teo Soon Hoe	848,750	955,000	955,000
Interest in Keppel Telecommunications & Transportation Limited ("Keppel T & T") (Shares of 20 cents each):			
Lim Chee Onn	23,000	23,000	23,000
Choo Chiau Beng	26,000	26,000	26,000
Teo Soon Hoe	28,000	28,000	28,000

6 Directors (continued)

	At 1.1.02 or Date of Appointment	At 31.12.02	At 21.1.03
Interest in Warrants 2002 to subscribe for shares in Keppel T & T:			
Lim Chee Onn	4,500	-	-
Choo Chiau Beng	4,000	-	-
Teo Soon Hoe	5,000	-	-
Interest in Singapore Petroleum Company Limited (Shares of 50 cents each):			
Choo Chiau Beng	50,000	50,000	50,000
Interest in Keppel Philippines Holdings Inc ("B" shares of 1 Peso each):			
Lim Chee Onn	2,000	2,000	2,000
Loh Wing Siew	4,592	4,592	4,592
Choo Chiau Beng	2,000	2,000	2,000
Teo Soon Hoe	2,000	2,000	2,000
Interest in Keppel Philippines Marine Inc (Shares of 1 Peso each):			
Lim Chee Onn	246,457	246,457	246,457
Loh Wing Siew	495,170	495,170	495,170
Choo Chiau Beng	283,611	283,611	283,611
Teo Soon Hoe	302,830	302,830	302,830
Interest in Keppel Philippines Properties Inc (Shares of 1 Peso each):			
Loh Wing Siew	20,000	20,000	20,000
Teo Soon Hoe	2,916	2,916	2,916

Since the end of the previous financial year, no Director has received or become entitled to receive benefits under contracts required to be disclosed by Section 201(8) of the Companies Act, Cap 50.

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangements, to which the Company or any of its subsidiary companies is a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate other than the Keppel Land Share Option Scheme approved by shareholders at an Extraordinary General Meeting.

In accordance with the Company's Articles of Association, the following Directors retire, and being eligible, offer themselves for re-election:

Lim Leong Geok
Lee Ai Ming
Teo Soon Hoe

Mr Loh Wing Siew also retires and will not be seeking re-election.

Directors' Report

7 Audit Committee

In relation to the accounts of the Company and the Group for the year ended 31 December 2002, the Audit Committee reviewed the audit plans and scope of the audit examination of the external auditors of the Company. The external and internal auditors' findings on the internal controls of the companies within the Group, and management's response to these findings were also discussed with the auditors and management. The Audit Committee's activities included a review of the accounts of the Company and the Group for the year ended 31 December 2002, and the report of the external auditors thereon.

The Audit Committee has recommended to the Board of Directors the re-appointment of Ernst & Young, Certified Public Accountants as external auditors of the Company at the forthcoming Annual General Meeting.

The members of the Committee are:

Thai Chee Ken, Chairman
Lim Leong Geok
Tsui Kai Chong

8 Options

The particulars of share options of the Company are as follows:

The Keppel Land Share Option Scheme which has been approved by the shareholders of the Company is administered by the Remuneration Committee whose members are:

Lim Leong Geok (Chairman)
Lim Ho Kee
Tsui Kai Chong

Under the Keppel Land Share Option Scheme, an option may, except in certain special circumstances, be exercised at any time after two years but no later than the expiry date. The shares under option may be exercised in full or in respect of 100 shares or a multiple thereof, on the payment of the subscription price.

The subscription price is based on the average last business done price for the shares of the Company on the Singapore Exchange Securities Trading Limited for the three market days preceding the date of offer. The Remuneration Committee may at its discretion fix the subscription price at a discount not exceeding 20 per cent to the above price. None of the options offered in the financial year was granted at a discount.

The employees to whom the options have been granted do not have the right to participate by virtue of the options in a share issue of any other company.

Options to take up 3,699,000 shares were granted during the financial year. 46,000 shares were issued by virtue of the exercise of options, and options to take up 2,375,000 shares were cancelled during the financial year. At the end of the financial year, there were 11,829,000 shares under option as follows:

8 Options (continued)

Date of Grant	At 1.1.02 or Date of Grant	Number of Share Options			Expiry Date	Subscription Price (\$)	Value of options (\$)
		Exercised	Cancelled	At 31.12.02			
21.4.97	728,000	-	(728,000)	-	20.4.02	4.16	-
5.9.97	739,000	-	(739,000)	-	4.9.02	3.86	-
12.3.98	330,000	(4,000)	-	326,000	11.3.03	1.58	1.2047
7.9.98	480,000	(26,000)	-	454,000	6.9.03	0.56	0.3122
5.3.99	427,000	(16,000)	(25,000)	386,000	4.3.09	1.71	1.3548
20.8.99	1,208,000	-	(105,000)	1,103,000	19.8.09	2.48	2.0520
6.4.00	1,258,000	-	(116,000)	1,142,000	5.4.10	1.87	0.9520
14.11.00	1,663,000	-	(180,000)	1,483,000	13.11.10	2.47	1.4202
11.10.01	3,718,000	-	(439,000)	3,279,000	10.10.11	1.35	0.7431
	10,551,000	(46,000)	(2,332,000)	8,173,000			
7.8.02	3,699,000	-	(43,000)	3,656,000	6.8.12	1.44	0.8254
	14,250,000	(46,000)	(2,375,000)	11,829,000			

The value of each option granted at the date of grant is estimated using the Black-Scholes model.

Information on Directors of the Company participating in the Scheme is as follows:

Name of Director	Options Granted during the Financial Year	Aggregate Options Granted since Commencement of the Scheme to the End of the Financial Year	Aggregate Options Exercised since Commencement of the Scheme to the End of the Financial Year	Aggregate Options Outstanding as at the End of the Financial Year
Kevin Wong Kingcheung	200,000	1,402,360	227,400	848,000

No employee has received 5 per cent or more of the total number of options available under the Keppel Land Share Option Scheme.

Directors' Report

9 Asset Values

Before the accounts of the Company and of the Group were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to writing off and providing for bad and doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which are unlikely to realise their book values in the ordinary course of business were written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances which would render:

- (a) the amount written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Company and of the Group inadequate to any substantial extent; or
- (b) the values attributed to current assets in the accounts of the Company and of the Group misleading.

10 Contingent Liabilities

As at the date of this report:

- (a) there are no charges on the assets of the Company and of the Group which have arisen since the end of the financial year to secure the liabilities of any other person; and
- (b) there are no contingent liabilities which have arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and of the Group to meet their obligations as and when they fall due.

11 Accounts

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in the accounts of the Company and of the Group which would render any amount stated in the accounts misleading.

In the opinion of the Directors, the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than the items shown as direct movements in capital and revenue reserves, and the adjustment for change in accounting policy as disclosed in the accounts.

In the opinion of the Directors, the results of the Company and of the Group for the financial year in which this report is made are not likely to be substantially affected by any item, transaction or event of a material and unusual nature which has arisen in the interval between the end of the financial year and the date of this report.

12 Auditors

The auditors, Ernst & Young, Certified Public Accountants, have expressed their willingness to accept re-appointment as auditors.

On Behalf of the Board



LIM CHEE ONN
Chairman



KEVIN WONG KINGCHEUNG
Managing Director

Singapore, 27 March 2003

Statement By Directors

We, LIM CHEE ONN and KEVIN WONG KINGCHEUNG, being two of the Directors of Keppel Land Limited, do hereby state that, in the opinion of the Directors:

- (a) the balance sheets, profit and loss accounts, statements of changes in equity and consolidated cashflow statement, together with the notes thereon, set out on pages 164 to 208 are drawn up so as to exhibit a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2002 and of the results and changes in equity of the Company and the Group, and cash flow of the Group for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board



LIM CHEE ONN
Chairman



KEVIN WONG KINGCHEUNG
Managing Director

Singapore, 27 March 2003

Auditors' Report

We have audited the financial statements of Keppel Land Limited and the consolidated financial statements of the Group as set out on pages 164 to 208 comprising the balance sheets of the Company and of the Group as at 31 December 2002, and the profit and loss accounts and the statements of changes in equity of the Company and of the Group and cashflow of the Group for the year ended 31 December 2002, and notes thereto. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act ("Act") and Statements of Accounting Standard and so as to give a true and fair view of :
 - (i) the state of affairs of the Company and of the Group as at 31 December 2002, the results and changes in equity of the Company and of the Group and the cash flow of the Group for the year then ended; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of those subsidiaries audited by our associated firms and those audited by other firms are stated in the notes to the accounts.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.



ERNST & YOUNG
Certified Public Accountants

Singapore, 27 March 2003

Profit And Loss Accounts

for the Year Ended 31 December 2002

	Note	Group		Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
SALES	2	298,968	300,537	-	-
COST OF SALES		(147,900)	(140,268)	-	-
GROSS PROFIT		151,068	160,269	-	-
Marketing expenses		(2,299)	(2,378)	-	-
Administrative expenses		(29,554)	(32,244)	-	-
Other operating income / (expenses)		-	(1,773)	9,128	(3,553)
OPERATING PROFIT / (LOSS)	3	119,215	123,874	9,128	(3,553)
Interest and investment income	2 & 4	21,334	28,685	117,399	169,943
Interest expense	5	(26,538)	(48,827)	(53,922)	(85,617)
Share of results of associated companies	17	15,178	8,448	-	-
PROFIT BEFORE EXCEPTIONAL ITEMS		129,189	112,180	72,605	80,773
Exceptional items	6	(67,886)	(483,694)	(112,652)	50,553
PROFIT / (LOSS) BEFORE TAXATION		61,303	(371,514)	(40,047)	131,326
Taxation	7	(32,780)	(14,161)	(13,602)	(18,797)
PROFIT / (LOSS) AFTER TAXATION		28,523	(385,675)	(53,649)	112,529
Minority interests		(2,150)	17,318	-	-
PROFIT / (LOSS) ATTRIBUTABLE TO SHAREHOLDERS		26,373	(368,357)	(53,649)	112,529
Comprising :					
Profit before exceptional items but after tax and minority interests		94,259	86,743		
Exceptional items after tax and minority interests		(67,886)	(455,100)		
Profit / (loss) attributable to shareholders		26,373	(368,357)		
Basic earnings per share (cents)	9	3.7	(52.0)		
Diluted earnings per share (cents)	9	3.7	(51.9)		

The notes shown on pages 172 to 208 form an integral part of the financial statements.

Balance Sheets

as at 31 December 2002

	Note	Group		Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
SHARE CAPITAL	10	354,310	354,287	354,310	354,287
RESERVES	11	1,125,978	1,228,062	1,125,978	1,228,062
SHARE CAPITAL AND RESERVES		1,480,288	1,582,349	1,480,288	1,582,349
MINORITY INTERESTS		189,604	277,904	-	-
LONG-TERM BORROWINGS	12	1,914,106	2,508,996	1,596,294	1,826,198
		3,583,998	4,369,249	3,076,582	3,408,547
Represented by:					
FIXED ASSETS	13	240,248	277,869	83	88
INVESTMENT PROPERTIES	14	1,636,048	2,344,734	-	-
PROPERTIES HELD FOR DEVELOPMENT	15	169,798	168,061	-	-
INVESTMENTS					
Subsidiary companies	16	-	-	2,670,338	3,089,090
Associated companies	17	731,578	736,285	349,086	356,303
Other investments	18	53,058	72,597	4,120	4,120
		784,636	808,882	3,023,544	3,449,513
PROCEEDS FROM SALE OF RESIDENTIAL RECEIVABLES	19	(302,000)	-	-	-
CURRENT ASSETS					
Properties held for sale	20	1,340,920	1,042,210	-	-
Stocks	21	3,246	3,732	-	-
Debtors	22	119,266	149,286	32,666	1,674
Amounts owing by holding and related companies	23	70,256	141,241	37,841	41,577
Fixed deposits, bank balances and cash	24	179,436	120,886	4,426	20,677
		1,713,124	1,457,355	74,933	63,928
Less:					
CURRENT LIABILITIES					
Creditors	25	444,893	476,654	8,535	8,505
Net tax provision	7	38,989	46,868	4,404	3,600
Short-term borrowings	26	137,531	129,071	-	83,500
		621,413	652,593	12,939	95,605
NET CURRENT ASSETS / (LIABILITIES)		1,091,711	804,762	61,994	(31,677)
DEFERRED TAXATION	7	(36,443)	(35,059)	(9,039)	(9,377)
		3,583,998	4,369,249	3,076,582	3,408,547

The notes shown on pages 172 to 208 form an integral part of the financial statements.

Group Statement Of Changes In Equity

for the Year Ended 31 December 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	653,409	(137,982)	(64,392)	1,617,408
Adjustment for changes in accounting policy*	-	-	-	-	(35,059)	(35,059)
As restated	354,287	812,086	653,409	(137,982)	(99,451)	1,582,349
Net deficit on revaluation of investment properties	-	-	(164,420)	-	-	(164,420)
Exchange differences arising on consolidation	-	-	-	(15,544)	-	(15,544)
Exchange differences on foreign currency borrowings	-	-	-	21,784	-	21,784
Net gains / (losses) not recognised in profit and loss account	-	-	(164,420)	6,240	-	(158,180)
Net profit for the year	-	-	-	-	26,373	26,373
Total recognised gains and losses for the year	-	-	(164,420)	6,240	26,373	(131,807)
Issue of shares under the Keppel Land Share Option Scheme	23	25	-	-	-	48
Revaluation deficit realised and transferred to profit and loss account on sale of a subsidiary company	-	-	18,083	-	-	18,083
Revaluation deficit realised and transferred to profit and loss account on sale of a property	-	-	26,943	-	-	26,943
Adjustment for change in Group structure	-	-	567	(307)	965	1,225
Final dividend for the previous year, paid	-	-	-	-	(16,553)	(16,553)
Balance at 31 December 2002	354,310	812,111	534,582	(132,049)	(88,666)	1,480,288

* See paragraph (s) in the Summary of Significant Accounting Policies.

The notes shown on pages 172 to 208 form an integral part of the financial statements.

	Share Capital \$'000	Share Premium \$'000	Property Revaluation and Other Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Retained Profit \$'000	Dividend \$'000	Total \$'000
Balance at 1 January 2001							
As previously reported	354,190	811,932	906,704	(134,118)	301,388	-	2,240,096
Adjustment for changes in accounting policy	-	-	-	-	(36,646)	16,045	(20,601)
As restated	354,190	811,932	906,704	(134,118)	264,742	16,045	2,219,495
Net deficit on revaluation of investment properties	-	-	(202,653)	-	-	-	(202,653)
Exchange differences arising on consolidation	-	-	-	23,545	-	-	23,545
Exchange differences on foreign currency borrowings	-	-	-	(27,409)	-	-	(27,409)
Net losses not recognised in profit and loss account	-	-	(202,653)	(3,864)	-	-	(206,517)
Net loss for the year	-	-	-	-	(366,463)	-	(366,463)
As previously reported	-	-	-	-	(366,463)	-	(366,463)
Adjustment for change in accounting policy	-	-	-	-	(1,894)	-	(1,894)
As restated	-	-	-	-	(368,357)	-	(368,357)
Total recognised gains and losses for the year	-	-	(202,653)	(3,864)	(368,357)	-	(574,874)
Issue of shares under the Keppel Land Share Option Scheme	97	154	-	-	-	-	251
Net revaluation deficit realised and transferred to profit and loss account	-	-	(46,476)	-	-	-	(46,476)
Transfers	-	-	(4,166)	-	4,166	-	-
Final dividend for the previous year, paid	-	-	-	-	(2)	(16,045)	(16,047)
Balance at 31 December 2001	354,287	812,086	653,409	(137,982)	(99,451)	-	1,582,349

Company Statement Of Changes In Equity

for the Year Ended 31 December 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 deficit on revaluation of subsidiary and associated companies	-	-	(36,298)	-	-	(36,298)
Exchange differences on foreign currency borrowings	-	-	-	21,784	-	21,784
Net gains / (losses) not recognised in profit and loss account	-	-	(36,298)	21,784	-	(14,514)
Net profit for the year	-	-	-	-	(53,649)	(53,649)
Total recognised gains and losses for the year	-	-	(36,298)	21,784	(53,649)	(68,163)
Issue of shares under the Keppel Land Share Option Scheme	23	25	-	-	-	48
Net revaluation surplus realised and transferred to profit and loss account	-	-	(17,393)	-	-	(17,393)
Final dividend for the previous year, paid	-	-	-	-	(16,553)	(16,553)
Balance at 31 December 2002	354,310	812,111	-	(60,753)	374,620	1,480,288

The notes shown on pages 172 to 208 form an integral part of the financial statements.

	Share Capital \$'000	Share Premium \$'000	Property Revaluation and Other Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Retained Profit \$'000	Dividend \$'000	Total \$'000
Balance at 1 January 2001							
As previously reported	354,190	811,932	791,808	(55,128)	337,294	-	2,240,096
Adjustment for changes in accounting policy	-	-	(29,163)	-	(9,056)	16,045	(22,174)
As restated	354,190	811,932	762,645	(55,128)	328,238	16,045	2,217,922
Surplus on revaluation of investment property	-	-	11,800	-	-	-	11,800
Net deficit on revaluation of subsidiary and associated companies	-	-	(666,246)	-	-	-	(666,246)
Exchange differences on foreign currency borrowings	-	-	-	(27,409)	-	-	(27,409)
Net losses not recognised in profit and loss account	-	-	(654,446)	(27,409)	-	-	(681,855)
Net profit for the year	-	-	-	-	112,850	-	112,850
As previously reported	-	-	-	-	112,850	-	112,850
Adjustment for change in accounting policy	-	-	-	-	(321)	-	(321)
As restated	-	-	-	-	112,529	-	112,529
Total recognised gains and losses for the year	-	-	(654,446)	(27,409)	112,529	-	(569,326)
Issue of shares under the Keppel Land Share Option Scheme	97	154	-	-	-	-	251
Net revaluation surplus realised and transferred to profit and loss account	-	-	(50,451)	-	-	-	(50,451)
Transfers	-	-	(4,057)	-	4,057	-	-
Final dividend for the previous year, paid	-	-	-	-	(2)	(16,045)	(16,047)
Balance at 31 December 2001	354,287	812,086	53,691	(82,537)	444,822	-	1,582,349

Consolidated Cash Flow Statement

for the Year Ended 31 December 2002

	2002 \$'000	2001 \$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit before interest, taxation and exceptional items	119,215	123,874
Adjustments for:		
Depreciation of fixed assets	15,355	18,512
Provision for write-down in investments	7,000	7,300
Provision / (write-back) of provision for doubtful debts	2,350	(3,161)
Write-back for properties held for development	(22,000)	-
Other items	(311)	(3,391)
Operating income before reinvestment in working capital	121,609	143,134
Decrease / (increase) in debtors	38,862	(36,114)
Decrease in consumable stocks	486	91
Development expenditure	(356,525)	(185,443)
Proceeds from progress billings	40,113	164,428
Proceeds from sale of residential receivables	302,000	-
Decrease in creditors	(3,675)	(63,093)
Cash generated from operations	142,870	23,003
Income from investment received	235	2,296
Interest received	12,074	20,435
Income from interests in associated undertakings	9,025	5,954
Interest paid	(26,538)	(48,827)
Income taxes paid	(24,882)	(31,943)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	112,784	(29,082)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and investment properties	(4,430)	(17,545)
Divestment of marketable securities and other investments	14,509	83,167
Additional investment in associated companies	-	(36,135)
Proceeds from sale of fixed assets	23,473	9,674
Sale of shares in subsidiary company	61,249	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	94,801	39,161
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of share capital	48	251
Net loan drawdown / (repayment)	(189,495)	276,135
Advances from minority shareholders of certain subsidiaries	8,935	2,428
Loans to related and associated companies, less dividends	4,848	(170,803)
Dividends paid to shareholders	(16,553)	(16,047)
Dividends to, less contribution by minority shareholders of subsidiary companies	(4,941)	(44,877)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(197,158)	47,087
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,427	57,166
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	221,641	163,321
EXCHANGE ADJUSTMENTS	353	1,154
DECONSOLIDATION	(7,051)	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	225,370	221,641

	2002 \$'000	2001 \$'000
REPRESENTED BY:		
CASH AND CASH EQUIVALENTS		
Fixed deposits, bank balances and cash	179,436	120,886
Deposits with related company	57,241	117,921
Short-term borrowings from related companies	(11,307)	(17,166)
	225,370	221,641

The acquisition and disposal of shares in subsidiary companies have been shown as separate items, and their effect on the individual assets and liabilities of the Group is not reflected in the above statement. The net assets of subsidiary company sold, acquired or reclassified as associated companies may be analysed as follows:

	2002 \$'000	2001 \$'000		2002 \$'000	2001 \$'000
Fixed assets	-	446	Purchase		
Investment properties	568,846	-	consideration	-	61
Investment in associated companies	-	25,777	Sale proceeds,		
Other investments	-	94	net of		
Stocks, debtors and creditors	(41,377)	(8,035)	expenses	46,234	-
Net bank balances, cash and deposits with, and deposits from related company	7,051	3,243			
Bank borrowings	(368,000)	-			
Minority interests	(49,900)	(10,707)			
Reclassification of investments in associated companies	-	(10,757)			
	116,620	61			
Loss on sale	(70,386)	-			
	46,234	61		46,234	61

Summary Of Significant Accounting Policies

The following summary explains the Group's significant accounting policies which have been consistently applied, except where otherwise indicated:

(a) Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention modified by revaluation of certain fixed assets, investment properties and investments in subsidiary and associated companies.

The financial statements are prepared in accordance with Singapore Statements of Accounting Standard and applicable requirements of the Companies Act .

The financial statements are expressed in Singapore dollars.

(b) Basis of Consolidation

The Group accounts consolidate the accounts of the Company and its subsidiary companies, all of which prepare audited accounts at 31 December. Subsidiary companies are those in which more than 50% of the issued share capital is held or in which the Group has Board control.

The accounts of subsidiary companies acquired or disposed of during the year are included in or excluded from Group figures from the effective dates of acquisition or disposal. Any excess of the cost of investments over the fair value of identifiable net assets acquired is shown as goodwill and is amortised over its estimated useful life of not more than 20 years.

Minority interests are recorded on the basis of their share of the post-acquisition values of the net assets of the non-wholly owned subsidiaries.

(c) Subsidiary Companies

Investments in subsidiary companies are stated in the accounts of the Company at the attributable share of their combined net asset value. Any revaluation surplus or deficit arising each year is transferred direct to capital reserves. Revaluation deficits are taken to the profit and loss account in the absence of or to the extent that they exceed any surpluses held in reserves relating to previous revaluations.

(d) Associated Companies

Associated companies are those in which the Group has a long-term substantial equity interest and in whose commercial and financial policy decisions the Group actively participates. The Group's share of profits less losses of associated companies, as shown in their audited accounts for the year ended 31 December (except for certain associated companies), is included in the Group's results.

The results of certain associated companies which do not prepare audited accounts at 31 December are based on their latest audited accounts and unaudited management accounts for the ensuing months up to 31 December.

Investments in associated companies are stated in the Company's and Group's accounts at the attributable share of their combined net asset value as shown in their accounts. Any revaluation surplus or deficit arising each year is taken direct to capital reserves. Revaluation deficits are taken to the profit and loss account in the absence of or to the extent that they exceed any surpluses held in reserves relating to previous revaluations.

(e) Other Investments

Investments held on a long-term basis are stated at average cost. Provision is made for any diminution in value which is considered to be permanent.

(f) Fixed Assets

Fixed assets are stated at cost except for those which have been revalued. Surpluses arising on revaluation are credited direct to capital reserves. Revaluation deficits are taken to the profit and loss account in the absence of or to the extent that they exceed any surpluses held in reserves relating to previous revaluations.

The carrying amounts in respect of both revalued assets and those measured at cost are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts. If carrying values exceed the recoverable amounts, the assets are written down accordingly.

All fixed assets, except for freehold and long leasehold (i.e. with unexpired tenures of over 20 years) land, are depreciated evenly over their expected useful lives and residual values have also been taken into account where appropriate. The estimated useful lives of the Group's fixed assets have been taken as follows:

Buildings	30 to 50 years
Short leasehold land and buildings	Over period of lease (ranging from 2 to 20 years)
Machinery and equipment	3 to 7 years
Motor vehicles	4 to 5 years

Profits or losses on disposal of all fixed assets are included in the profit and loss account. Any surpluses held in capital reserves in respect of previous revaluations of fixed assets disposed of during the year are regarded as having become realised and are transferred to the revenue reserves.

Summary Of Significant Accounting Policies

(g) Investment Properties

Revaluation surpluses arising on annual valuations of the Group's investment properties are credited direct to capital reserves. Revaluation deficits are taken to the profit and loss account in the absence of or to the extent that they exceed any surpluses held in reserves relating to previous revaluations.

Profits or losses on disposal of all investment properties are included in the profit and loss account. Any surpluses held in capital reserves in respect of previous revaluations of investment properties disposed of during the year are regarded as having become realised and are transferred to the profit and loss account.

(h) Properties Held for Development

Properties held for development are stated at cost, which includes cost of land and construction, related overhead expenditure and financing charges and other net costs incurred during the period of development. They are considered completed and are transferred to investment properties or fixed assets when they are ready for their intended use as defined in Statement of Accounting Standard 19.

Each property under development is accounted for as a separate project. Where a project comprises more than one component, each component is treated as a separate project, and interest and other net costs are apportioned accordingly.

(i) Properties Held for Sale

Development properties held for sale are stated at the lower of cost and net realisable value. Upon receipt of temporary occupation permits, they are transferred to completed properties held for sale.

Profit recognised on partly completed projects which are held for sale is based on the percentage of completion method as follows:

- (a) For Singapore trading properties under development, the profit recognition upon the signing of sales contracts is 20% of the total estimated profit attributable to the actual contracts signed. Subsequent recognition of profit is based on the stage of development completion;
- (b) For overseas trading properties under development, the profit recognition upon the signing of sales contracts is the direct proportion of total expected project profit attributable to the actual sales contracts signed, but only to the extent that it relates to the stage of physical completion at the end of the financial year.

When losses are expected, full provision is made in the accounts after adequate allowance has been made for estimated costs to completion. Any expenditure incurred on abortive projects is written off in the profit and loss account for the year.

Profit on partly completed projects which are held for sale less any provision to reduce cost to estimated realisable value as well as the profit or loss on sale of completed properties are included in the operating results for the year.

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, and interest incurred during the period of construction.

(j) Stocks

Stocks are valued at the lower of weighted average cost and net realisable value after adequate provision is made for damaged, obsolete or slow-moving stocks on an item by item basis. For finished goods and work-in-progress, cost comprises materials, direct labour and an appropriate proportion of fixed and variable overheads.

Profits are not recognised on short-term contracts until the contracts are completed. In the case of partly completed long-term contracts, profits are recognised using the percentage of completion method based on the stage of physical completion. When losses are expected, full provision is established in the accounts after adequate allowance has been made for estimated costs to completion.

Progress claims made against work-in-progress are offset against the cost of work-in-progress and the profits recognised on partly completed long-term contracts less any provision required to reduce cost to estimated realisable value.

(k) Trade and Other Debtors

Trade debtors are recognised and carried at original invoice amounts less provisions for any uncollectible amounts. Receivables from related companies are recognised and carried at cost less provisions for any uncollectible amounts. Known bad debts are written off and specific provisions are made for any debts which are considered doubtful.

(l) Trade and Other Creditors

Trade and other creditors are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Payables to related companies are carried at cost.

(m) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that the assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Whenever the recoverable amount of an asset is estimated to be less than its carrying amount, the impairment loss is recognised in the profit and loss account.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in the profit and loss account.

Summary Of Significant Accounting Policies

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(o) Revenue Recognition

Rental and related income from investment properties is recognised on an accrual basis.

Revenue recognition from trading properties is set out in paragraph (i) above.

Revenue from the rendering of services is recognised when the service is rendered.

Dividend income is recognised in the accounts when it is declared to be payable by the investee companies.

Interest income is recognised on an accrual basis.

(p) Employee Benefits

The Company has in place Keppel Land Share Option Scheme for the granting of options to eligible employees of the Group to subscribe for shares in the Company. Details of the scheme are disclosed in the Directors Report. Upon the grant or exercise of the options, there are no charges to the profit and loss account as the exercise price of each grant of options equals or approximates the market value of the shares at the time of grant.

(q) Deferred Taxation

Deferred taxation is provided in full, using the liability method, on all temporary differences between the tax bases of assets and liabilities at the balance sheet date and their carrying amounts.

The principal temporary differences arise from depreciation of fixed assets, offshore income and certain provisions or charges in the accounts for which the tax relief is not immediately available.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the balance sheet date.

(r) Foreign Currencies

Foreign currency monetary assets and liabilities are converted into Singapore dollars, the currency in which these accounts are stated, at the exchange rates ruling at the end of the year. Exchange differences arising from the conversion are dealt with through the profit and loss account, or in reserves when foreign equity investments are hedged by foreign currency borrowings.

Transactions arising in foreign currencies during the year are converted at rates closely approximating those ruling on the transaction dates. Profits or losses arising from completed transactions are taken to the profit and loss account.

For inclusion in Group accounts, all assets and liabilities of foreign subsidiaries and associated companies are translated into Singapore dollars at the exchange rates ruling at the end of the year. Exchange differences due to such currency translations as well as the exchange differences in respect of offsetting foreign currency loans or other hedging instruments are dealt with in reserves. The trading results of foreign subsidiaries and associated companies are translated into Singapore dollars at the average exchange rates for the year.

(s) Change in Accounting Policy

With effect from 1 January 2002, the Group changed its accounting policy with respect to the treatment of deferred taxation in order to conform with the new requirements of Statement of Accounting Standard ("SAS") 12 on income taxes. In the previous year, taxation expense excluded the tax effects of certain timing differences when there was reasonable evidence that these timing differences would not reverse for some considerable period ahead. Under the revised SAS 12, taxation expense had been provided by the Group using the liability method on all temporary differences.

The change in accounting policy resulted in a prior year charge to retained profit as at 31 December 2001 amounting to \$35,059,000 for the Group and \$9,377,000 for the Company. Taxation expense for 2002 for the Group increased by \$2,509,000 (2001: \$2,751,000), and for the Company increased by \$619,000 (2001: \$321,000).

Notes To The Accounts

for the Year ended 31 December 2002

1. Principal Activities

The principal activity of the Company is that of a holding, management and investment company.

The principal activities of the Company and its subsidiary companies ("the Group") consist of property investment, development and management, and property-related services.

2. Revenue

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Sale of trading properties	122,740	114,079	-	-
Rental income from investment properties	131,876	137,642	-	-
Revenue from hotels, serviced apartments, property services	44,352	48,816	-	-
Sales / operating revenue	298,968	300,537	-	-
Dividend income (gross)	235	2,296	46,051	71,721
Interest income	21,099	26,389	71,348	98,222
	21,334	28,685	117,399	169,943
Total revenue	320,302	329,222	117,399	169,943

Sales represent the invoiced value of goods and services supplied. In respect of the Group, inter-company transactions and the sales of associated companies have been excluded.

3. Operating Profit/(Loss)

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
The following amounts have been charged/ (credited) in arriving at the operating profit/ (loss):				
Depreciation of fixed assets:				
Freehold buildings	5	5	5	5
Leasehold buildings	7,174	8,234	-	-
Machinery, equipment and vehicles	8,176	10,273	-	-
	15,355	18,512	5	5
Auditors' remuneration:				
Auditors of the Company	492	460	105	90
Other auditors	55	49	-	-
Professional fees paid to auditors of the Company				
	106	21	-	-
Directors' remuneration:				
Directors of the Company				
Fees	206	147	206	147
Other emoluments	1,169	845	-	-
Staff costs:				
Salaries and wages	27,671	28,360	-	-
Employer's contribution to defined contribution plans including Central Provident Fund	2,216	2,553	-	-
Other	2,401	2,789	-	-
	32,288	33,702	-	-
Loss / (profit) on sale of fixed assets	(358)	392	-	-
Profit on sale of investment properties	-	(1,393)	-	-
Loss / (profit) on sale of investment	47	(2,390)	-	-
Provision / (write-back of provision) for doubtful debts	2,350	(3,161)	-	(5,161)
Provision for diminution in value of other investments	7,000	7,300	-	-
Write-back of provisions for properties held for sale	(57,000)	-	-	-
Discount and fees payable on sale of residential receivables	35,000	-	-	-

Notes To The Accounts

for the Year ended 31 December 2002

4. Investment and Interest Income

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Gross dividends from:				
Unquoted subsidiary companies	-	-	40,140	70,052
Unquoted associated companies	-	-	5,911	1,669
Quoted investments	235	2,296	-	-
Interest from deposits and short-term loans with:				
Banks	8,197	10,052	5,932	8,252
Holding and related companies (See note below)	48,072	75,474	64,681	89,103
Associated companies	9,025	5,954	664	551
Other companies	682	6,589	71	316
	66,211	100,365	117,399	169,943
Interest capitalised	(44,877)	(71,680)	-	-
	21,334	28,685	117,399	169,943

Included in interest income of the Group is \$44,877,000 (2001: \$71,680,000) of interest earned from loans to certain subsidiary companies which capitalised the interest as property development cost.

Interest on deposits with related companies is earned at rates ranging between 0.5% to 1.88% (2001: 0.38% to 6.44%) per annum.

5. Interest Expense

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
On Bonds 2001 and Bonds 2005	(9,000)	(17,938)	-	(8,938)
On fixed term loans from banks	(13,614)	(17,314)	(10,934)	(12,905)
On other term loans and overdrafts from:				
Related companies	(31,641)	(62,007)	(30,571)	(54,700)
Banks	(8,545)	(12,378)	(5,846)	(206)
Other companies	(2,044)	(2,262)	-	(260)
On Floating Rate Notes	(2,022)	(8,608)	(2,022)	(8,608)
On borrowings under MTN programme (see also Note 12)	(4,549)	-	(4,549)	-
	(71,415)	(120,507)	(53,922)	(85,617)
Interest capitalised (see also Note 4)	44,877	71,680	-	-
	(26,538)	(48,827)	(53,922)	(85,617)

Interest is charged by related companies at rates ranging from 1.32% to 5.97% (2001: 1.41% to 7.98%) per annum.

6. Exceptional Items

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Profit from sale of investment property	-	-	-	50,556
Profit on sale of fixed assets	2,500			
Loss on sale of shares in subsidiary company	(70,386)	-	-	-
Gain / (loss) on liquidation of subsidiary and associated companies	-	-	17,372	(3)
Deficit on revaluation of investments in subsidiary and associated companies	-	-	(130,024)	-
Provision for write-down in the value of properties held for sale	-	(483,694)	-	-
	(67,886)	(483,694)	(112,652)	50,553

7. Taxation

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Current tax:				
Singapore	18,722	13,433	13,940	18,805
Foreign	9,561	563	-	-
Deferred tax:				
Singapore	1,384	1,894	619	321
Foreign	-	-	-	-
	29,667	15,890	14,559	19,126
Over provision in respect of prior years	(2,707)	(4,360)	(957)	(329)
Associated companies	5,820	2,631	-	-
Tax expense	32,780	14,161	13,602	18,797

Notes To The Accounts

for the Year ended 31 December 2002

7. Taxation (continued)

A reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows :

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Profit / (loss) before tax	61,303	(371,514)	(40,047)	131,326
Tax at the rates applicable	13,487	(91,021)	(8,810)	32,175
Write-back of provisions for properties held for sale not subject to tax	(4,840)	-	-	-
Provisions for properties held for sale not deductible for tax purpose	-	118,505	-	-
Losses not deductible for tax purpose	14,958	1,474	-	-
Expenses not deductible for tax purpose	5,435	6,919	786	306
Utilisation of capital allowances and losses	(3,427)	(2,984)	-	-
Different tax rates in other jurisdictions	10,079	762	-	-
Non-taxable income	(2,683)	(15,246)	(6,037)	(13,385)
Deficit on revaluation of investments in subsidiary and associated companies	-	-	28,605	-
Associated companies and other items	(3,342)	(2,519)	15	30
	29,667	15,890	14,559	19,126

The statutory income tax rate applicable to Singapore companies of the Group for Year of Assessment 2003 was 22% (Year of Assessment 2002: 24.5 %).

Net Tax Provision

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Provision for taxation	40,436	51,983	4,404	3,600
Income tax refund receivable	(1,447)	(5,115)	-	-
	38,989	46,868	4,404	3,600

Subject to Sections 23 and 37 of the Income Tax Act, Cap 134, the Group has certain unutilised tax losses of \$120,691,000 (2001: \$127,506,000) and capital allowances of \$46,000 (2001: \$46,000) at 31 December 2002 for which related tax benefits totalling \$26,562,000 (2001: \$31,250,000) have not been included in the accounts.

Deferred Taxation

Deferred tax at the end of the year consists of the following :

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Deferred tax liabilities:				
Differences in depreciation	25,634	23,735	-	-
Offshore income not remitted	10,809	11,324	9,039	9,377
	36,443	35,059	9,039	9,377
Deferred tax assets	-	-	-	-
Net deferred tax liabilities	36,443	35,059	9,039	9,377

8. Dividend

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Dividend paid: 6% (or 3 cents per share) less tax [2001: 6% (or 3 cents per share) less tax]	16,553	16,047	16,553	16,047

9. Earnings per Share

	Group	
	2002 \$'000	2001 \$'000
(a) The calculation of basic earnings / (loss) per share is based on the following:		
Profit / (loss) after tax and minority interests	26,373	(368,357)
Weighted average number of shares ('000)	708,599	708,506
(b) The calculation of diluted earnings /(loss) per share is based on the following:		
The average fair value of one ordinary share (\$)	0.97	1.87
Weighted average number of shares (used in the calculation of basic earnings per share) ('000)	708,599	708,506
Number of unissued shares under option ('000)	454	4,955
Number of shares that would have been issued at fair value ('000)	(262)	(3,497)
Weighted average number of shares ('000)	708,791	709,964

Notes To The Accounts

for the Year ended 31 December 2002

10. Share Capital

	Group and Company 2002 Shares '000		Group and Company 2001 Shares '000	
Authorised: 1,000,000,000 shares of 50 cents each with equal voting rights	1,000,000	1,000,000	500,000	500,000
Issued and fully paid: 708,619,081 (2001: 708,573,081) shares of \$0.50 each	708,619	708,573	354,310	354,287
Issued and fully paid: At 1 January	708,573	708,379	354,287	354,190
Shares issued under the Keppel Land Share Option Scheme	46	194	23	97
At 31 December	708,619	708,573	354,310	354,287

During the year, the Company issued 46,000 shares comprising 4,000 shares at \$1.58 per share, 26,000 shares at 0.56 per share and 16,000 shares at \$1.71 per share to certain full-time employees on exercise of options under the Keppel Land Option Scheme.

At 31 December 2002, there were options granted to certain employees to take up 11,829,000 unissued shares in the Company as follows :

Subscription Price \$	Number of Shares
1.58	326,000
0.56	454,000
1.71	386,000
2.48	1,103,000
1.87	1,142,000
2.47	1,483,000
1.35	3,279,000
1.44	3,656,000
	<u>11,829,000</u>

Except under certain circumstances, an option may be exercised after two years from the date of grant but not later than the expiry date. The shares under option may be exercised in full or in respect of 100 shares or a multiple thereof on the payment of the subscription price.

The full-time employees to whom the options have been granted do not have the right to participate by virtue of the options in a share issue of any other company.

Further information on the Keppel Land Option Scheme is disclosed in the Directors' Report.

11. Reserves

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Share premium	812,111	812,086	812,111	812,086
Capital reserves:				
Capital redemption reserves	3,993	3,993	-	-
Asset revaluation and other reserves	530,589	649,416	-	53,691
	534,582	653,409	-	53,691
Foreign currency translation account	(132,049)	(137,982)	(60,753)	(82,537)
Revenue reserves:				
Retained profit / (loss)	(88,666)	(99,451)	374,620	444,822
	1,125,978	1,228,062	1,125,978	1,228,062
Revenue reserves retained in:				
Company	374,620	444,822	374,620	444,822
Subsidiaries	(470,801)	(547,155)	-	-
Associated companies	7,515	2,882	-	-
	(88,666)	(99,451)	374,620	444,822

Capital redemption reserves represent the amount by which the issued share capital of the subsidiaries are diminished on cancellation of shares bought-back.

Asset revaluation reserves of the Group represent mainly the revaluation surplus from the Group's investment buildings. Asset revaluation reserves of the Company represent mainly the revaluation surplus of its subsidiary and associated companies.

None of the above capital reserves is free for distribution as dividends.

The foreign currency translation account represents exchange differences arising from the translation of the financial statements of foreign subsidiaries and associated companies, and exchange differences in respect of offsetting foreign currency loans. The Group's investments in Indonesia have been written down vide such year-end translation of foreign currencies, and the deficits have been included in this foreign currency translation account.

Revenue reserves are retentions of distributable profits. However, based on estimated tax-exempt shipping profits and tax credits available in Singapore and Malaysia, and the prevailing tax rates applicable to dividends, reserves of the Company amounting to \$283,068,000 (2001: \$212,010,000) are available for distribution as dividends without incurring additional tax liability.

Notes To The Accounts

for the Year ended 31 December 2002

12. Long-term Borrowings

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Bonds due 2005, secured	180,000	180,000	-	-
Borrowings under MTN Programme	393,750	-	393,750	-
Bank borrowings:				
Secured	1,699	405,458	-	-
Unsecured	402,486	310,156	300,586	252,816
	404,185	715,614	300,586	252,816
Loans from related companies, unsecured	936,171	1,613,382	901,958	1,573,382
Total	1,914,106	2,508,996	1,596,294	1,826,198

The Group's secured bonds due 2005 bear interest at a fixed rate of 5% per annum. The security is a mortgage of property held by a subsidiary company.

On 7 January 2002, the Company established a US\$800 million Multicurrency Medium Term Note ("MTN") Programme. Under this MTN Programme, the Company can issue notes in series or tranches and may be denominated in Singapore dollars, US dollars or other currency deemed appropriate at the time.

Notes issued during the financial year and which were outstanding at balance sheet date amounted to \$393,750,000. The notes are unsecured and comprise (a) Fixed Rate Notes of \$287,750,000 with maturities of up to five years, and (b) Variable Rate Notes Due 2007 of \$106,000,000. Interest payable is based on money markets rates ranging from 1.12% to 3.4% per annum.

The Group's secured bank borrowings bear interest at rate of 7% (2001: 2.53% to 2.81%) per annum. The securities are mortgages of properties held by subsidiary companies.

Interest on the Group's unsecured bank borrowings is payable at rates ranging from 2% to 5.2% (2001: 2.44% to 10%) per annum.

The above long-term borrowings are repayable between two to five years. Borrowings repayable within one year are shown under current liabilities.

Loans from related companies have no fixed terms of repayment and are not expected to be repaid over the next 12 months. Interest is payable at rates ranging from 1.32% to 5.97% (2001: 1.41% to 7.98%) per annum.

13. Fixed Assets

	Land and Buildings		Machinery	Total
	Freehold	Long	Equipment	
	\$'000	Lease	& Vehicles	\$'000
	\$'000	\$'000	\$'000	\$'000
GROUP				
Cost or Valuation				
At 1 January 2002				
Valuation 2001	6,506	-	-	6,506
Cost	1,842	214,153	140,353	356,348
	8,348	214,153	140,353	362,854
Additions	-	-	2,194	2,194
Disposals	(8,842)	-	(10,298)	(19,140)
Reclassification	-	(1,473)	1,473	-
Exchange differences arising on consolidation	650	(12,861)	(5,724)	(17,935)
At 31 December 2002	156	199,819	127,998	327,973
Representing:				
Cost	156	199,819	127,998	327,973
Depreciation				
At 1 January 2002	68	12,704	72,213	84,985
Depreciation for the year	5	7,174	8,176	15,355
Disposals	-	-	(9,721)	(9,721)
Reclassification	-	1,221	(1,221)	-
Exchange differences arising on consolidation	-	(369)	(2,525)	(2,894)
At 31 December 2002	73	20,730	66,922	87,725
Depreciation for 2001	5	8,234	10,273	18,512
Net Book Value				
At 31 December 2002	83	179,089	61,076	240,248
At 1 January 2002	8,280	201,449	68,140	277,869

Notes To The Accounts

for the Year ended 31 December 2002

13. Fixed Assets (continued)

	Freehold Land and Buildings \$'000
COMPANY	
Cost	
At 1 January 2002 and at 31 December 2002	156
Depreciation	
At 1 January 2002	68
Depreciation for the year	5
At 31 December 2002	73
Depreciation for 2001	5
Net Book Value	
At 31 December 2002	83
At 1 January 2002	88

14. Investment Properties

	Group Land and Buildings		
	Freehold \$'000	Long Lease \$'000	Total \$'000
Valuation			
At 1 January 2002	518,260	1,826,474	2,344,734
Additions	13	2,223	2,236
Disposals	-	(122)	(122)
Revaluation surplus / (deficit)	(65,850)	(98,260)	(164,110)
Exchange differences arising on consolidation	(290)	(4,074)	(4,364)
Disposal of subsidiary company	-	(543,000)	(543,000)
Other adjustments	1,220	(546)	674
At 31 December 2002	453,353	1,182,695	1,636,048

The Group's investment properties (including integral plant and machinery) are stated at Directors' valuation based on the following valuations (open market value basis) by independent firms of professional valuers as at 31 December 2002:

- (a) Colliers International Consultancy & Valuation (Singapore) Pte Ltd for properties in Singapore;
- (b) F P D Savills (Singapore) Pte Ltd for properties in Vietnam;
- (c) PT. Wilson Properti Advisindo for a property in Indonesia.

14. Investment Properties (continued)

Based on these valuations, the Group's share of net deficit over their book value amounted to \$144,950,000 (2001: \$186,885,000) and has been taken direct to capital reserves.

Properties amounting to \$409,700,000 (2001: \$1,016,400,000) in value and included in the above balances are jointly mortgaged to banks as securities for borrowings referred to in Note 12.

15. Properties Held for Development

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Properties held for development comprise:				
Land cost	99,621	96,062	-	-
Development cost incurred to date	70,177	71,999	-	-
	169,798	168,061	-	-

Properties held for development are transferred to fixed assets or investment properties when the respective developments are completed.

16. Subsidiary Companies

	Company	
	2002 \$'000	2001 \$'000
At Directors' valuation		
Quoted shares (Market value \$26,149,000; 2001: \$12,825,000)	27,365	27,455
Unquoted shares	1,030,104	1,208,704
	1,057,469	1,236,159
Advances to subsidiary companies (Non-trade)	1,715,013	1,858,611
	2,772,482	3,094,770
Less: Advances from subsidiary companies (Non-trade)	(102,144)	(5,680)
	2,670,338	3,089,090

The advances to and from subsidiary companies are unsecured and have no fixed terms of repayment. Interest-bearing advances to and from subsidiary companies are charged at rates ranging from 0.43% to 5% (2001: 4.2% to 6%) per annum.

The Company's investment in its subsidiary companies is stated at the attributable share of their combined net asset value. The revaluation deficit for the year is \$158,896,000 (2001: \$666,592,000) of which \$28,872,000 (2001: \$666,592,000) is taken direct to capital reserves and \$130,024,000 (2001: Nil) is debited to profit and loss account for the year.

Notes To The Accounts

for the Year ended 31 December 2002

17. Associated Companies

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
At Directors' valuation	-	-	296,949	306,376
At cost	321,250	324,882	-	-
Share of post-acquisition retained revenue reserves (Distributable)	7,515	2,882	-	-
Capital and other reserves (Non-distributable)	38,621	60,871	-	-
Investment in associated companies (See note below)	367,386	388,635	296,949	306,376
Advances to associated companies (Non-trade)	368,888	352,450	54,256	52,046
Advances from associated companies (Non-trade)	(4,696)	(4,800)	(2,119)	(2,119)
	731,578	736,285	349,086	356,303
Investment in associated companies is represented by:				
Quoted shares (Market value \$8,237,000; 2001: \$18,352,000)	26,071	26,071	26,071	26,071
Unquoted shares	341,315	362,564	270,878	280,305
	367,386	388,635	296,949	306,376

The advances to and from associated companies are unsecured, have no fixed terms of repayment and are not expected to be repaid during the next 12 months. Interest is charged at rates ranging from 1.31% to 4.25% (2001: 1.63% to 3.13%) per annum on interest-bearing advances to associated companies.

The Company's and the Group's investments in associated companies are stated at the attributable share of their combined net asset value. The revaluation deficit for the Company for the year of \$7,426,000 (2001: surplus of \$346,000) is taken direct to capital reserves.

Details of the Group's share of profits less losses and retained revenue reserves of associated companies are as follows:

	Group	
	2002 \$'000	2001 \$'000
Profit before taxation	15,178	8,448
Taxation	(5,820)	(2,631)
Profit after taxation	9,358	5,817
Exceptional item	(188)	-
	9,170	5,817
Retained revenue reserves:		
At 1 January	2,882	9,897
Profit for the year	9,170	5,817
Dividends	(5,226)	(3,443)
Adjustment arising from change in Group structure	(188)	5,628
Transfer to capital reserves	877	(15,017)
At 31 December	7,515	2,882

18. Other Investments

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Quoted shares in corporations, at cost	2,573	2,692	-	-
Unquoted shares in corporations, at cost	67,953	80,373	7,288	7,288
Convertible loan stock, at cost	2,000	2,000	2,000	2,000
	72,526	85,065	9,288	9,288
Provisions	(19,468)	(12,468)	(5,168)	(5,168)
	53,058	72,597	4,120	4,120
Analysis of provisions:				
At 1 January	(12,468)	(5,168)	(5,168)	(5,168)
Provision during the year	(7,000)	(7,300)	-	-
At 31 December	(19,468)	(12,468)	(5,168)	(5,168)
Market value of quoted investments	6,713	10,125	-	-

Unquoted shares in corporations, at cost represent mainly the Group's interest in the underlying property development project undertaken by a Hongkong corporation.

19. Proceeds From Sale of Residential Receivables

Two wholly-owned subsidiary companies are developing and have launched the sale of three residential projects in Singapore. They are Butterworth 8 and The Edgewater by Keppel Land Realty Pte Ltd ("KLR"), and Amaranda Gardens by Sherwood Development Pte Ltd ("SD").

KLR and SD ("the Developers") have sold units in each of the projects under a deferred payment scheme. The initial 10% of the sale price has been received by the Developers. The remaining 90% of the sale price ("the Receivables") will be paid to the Developers when Temporary Occupation Permit ("TOP") is obtained for each project and thereafter.

In June 2002, the Developers (as vendors) entered into two agreements for the sale of the Receivables to Bayerische Hypo-Und Vereinsbank AG (as purchaser). The amount of \$302 million shown as proceeds from the sale of residential receivables in the balance sheet represents :

	\$'000
Worth of Receivables	355,700
Deferred consideration	(53,700)
Proceeds from the sale of residential receivables	302,000
The proceeds consist of:	
Cash received	165,000
Amount deposited with bank in escrow account for the payment of construction cost on the three projects	102,000
Discount on sale and fees payable	35,000
	302,000

The deferred consideration will be paid to the Developers upon the receipt of TOPs and thereafter, and the completion of certain conditions as provided for in the agreements with the purchaser. The discount on the sale of the receivables and fees payable amounting to \$35,000,000 have been charged to the profit and loss account as expense.

Notes To The Accounts

for the Year ended 31 December 2002

20. Properties Held for Sale

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Properties under development				
Land cost	1,586,659	1,489,180	-	-
Development cost incurred to date	207,985	76,286	-	-
Related overhead expenditure	261,513	241,526	-	-
Development profit/(loss)	1,091	(18,729)	-	-
Progress billings received and receivable	(80,072)	(48,410)	-	-
Provisions	(745,541)	(810,050)	-	-
	1,231,635	929,803	-	-
(b) Completed properties and land held for sale	109,285	112,407	-	-
Total	1,340,920	1,042,210	-	-
Analysis of provisions:				
At 1 January	(810,050)	(326,356)	-	-
Provision during the year	-	(483,694)	-	-
Provisions written back	57,019	-	-	-
Provisions utilised	7,490	-	-	-
At 31 December	(745,541)	(810,050)	-	-

Interest capitalised during the year was \$50,668,000 (2001: \$77,726,000) at rates ranging from 2.72% to 7% (2001: 4.95% to 8.44%) per annum.

Properties amounting \$110,474,000 (2001: \$85,490,000) in value and included in the above balances are jointly mortgaged to banks as securities for borrowings referred to in Note 26.

21. Stocks

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Spare parts and consumable stores	3,246	3,732	-	-
Analysis of provision:				
At 1 January	206	822	-	-
Provision during the year	-	-	-	-
Utilised	(206)	(616)	-	-
At 31 December	-	206	-	-

22. Debtors

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Trade debtors				
Trade debtors	22,054	66,238	-	-
Provision for doubtful debts	(3,685)	(1,532)	-	-
	18,369	64,706	-	-
Analysis of provision:				
At 1 January	(1,532)	(1,532)	-	-
Provision	(2,153)	-	-	-
At 31 December	(3,685)	(1,532)	-	-
(b) Other debtors				
Prepaid project costs and prepayments	34,945	7,050	31,904	682
Deposits paid	1,213	1,067	-	-
Staff loans	736	1,170	-	-
Interest receivable	6,376	5,278	608	792
Advances to corporations in which the Group has investment interests	18,336	34,808	1,608	1,608
Advances to minority shareholders of subsidiary companies	11,222	11,601	-	-
Other debtors	13,876	13,911	-	-
Other recoverable amounts	18,156	13,461	254	300
	104,860	88,346	34,374	3,382
Less: Provision	(3,963)	(3,766)	(1,708)	(1,708)
	100,897	84,580	32,666	1,674
Analysis of provision:				
At 1 January	(3,766)	(6,927)	(1,708)	(6,869)
Provision during the year	(197)	(2,000)	-	-
Provision written back	-	5,161	-	5,161
At 31 December	(3,963)	(3,766)	(1,708)	(1,708)
Total	119,266	149,286	32,666	1,674

Advances to corporations are unsecured and have no fixed terms of repayment. Interest is charged at rates ranging from 2.75% to 3.13% (2001: 3.31% to 7.94%) per annum on interest-bearing advances. These advances represent mainly the Group's interests in the underlying property development project undertaken by a Singapore corporation.

Advances to minority shareholders are unsecured, have no fixed terms of repayment and are interest free.

Notes To The Accounts

for the Year ended 31 December 2002

23. Amounts Owning by / (to) Holding and Related Companies

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Current account (non-trade):				
Amount owing by / (to) to holding company	(158)	1,339	-	(21)
Amount owing to related companies	(3,867)	(2,412)	(1,412)	(3,028)
	(4,025)	(1,073)	(1,412)	(3,049)
Deposits and short-term borrowings:				
Surplus cash deposited with related companies	57,241	117,921	34,094	38,273
Advances to holding company	-	5,000	-	-
Advances to related companies	28,347	36,559	5,159	6,353
Short-term borrowings from related companies, unsecured	(11,307)	(17,166)	-	-
	74,281	142,314	39,253	44,626
Total	70,256	141,241	37,841	41,577

Borrowings from related companies are repayable within one year, and bear interest at rates ranging from 1.32% to 5.97% (2001: 1.41% to 7.98%) per annum.

The immediate and ultimate holding company is Keppel Corporation Limited, incorporated in Singapore.

Related companies are subsidiary companies of Keppel Corporation Limited.

24. Fixed Deposits, Bank Balances and Cash

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Amounts held under Project Account Rules 1985, withdrawals from which are restricted to payment for expenditure incurred on projects	2,153	1,423	-	-
Amounts held in escrow account for payment of construction cost (Note 19)	102,000	-	-	-

25. Creditors

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Trade creditors	34,326	20,359	-	-
Deposits received	16,706	27,038	-	-
Loans from minority shareholders of certain subsidiary companies	199,259	200,394	-	-
Interest payable	7,409	28,104	3,601	2,468
Retention monies	6,874	10,710	-	-
Accruals	180,319	190,049	4,934	6,037
	444,893	476,654	8,535	8,505

The loans from the minority shareholders of certain subsidiary companies are unsecured and have no fixed terms of repayment. Interest is payable at rates ranging from 4% to 5% (2001: 4.2% to 6%) per annum.

26. Short-term Borrowings

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Floating Rate Notes, due 2001 and due 2002, unsecured	-	83,500	-	83,500
Bank borrowings:				
Secured	39,075	-	-	-
Unsecured	98,456	45,571	-	-
	137,531	45,571	-	-
Total	137,531	129,071	-	83,500

Secured bank borrowings bear interest at rate of 2.72% per annum and are repayable within one year. The security is a mortgage of property held by a subsidiary company.

Unsecured bank borrowings bear interest at rates ranging from 2% to 3.53% (2001: 4.09% to 9.06%) per annum, and are repayable within one year.

27. Sales, Profits and Assets Employed by Segment**(a) By Industry – Segment**

The Group operates principally in the property sector.

(b) By Geographical Location – 2002

	Singapore \$'000	Other Asian Countries (including Australia) \$'000	Other countries \$'000	Consolidated Total \$'000
Sales to third parties	192,725	106,216	27	298,968
Operating profit	105,601	13,858	(244)	119,215
Segment assets	2,542,711	1,048,220	-	3,590,931
Capital expenditure	1,063	1,085	-	2,148
Depreciation charge	524	14,831	-	15,355

Notes To The Accounts

for the Year ended 31 December 2002

27. Sales, Profits and Assets Employed by Segment (continued)

(c) By Geographical Location - 2001

	Singapore \$'000	Other Asian Countries (including Australia) \$'000	Other countries \$'000	Consolidated Total \$'000
Sales to third parties	207,408	93,103	26	300,537
Operating profit	118,398	5,307	169	123,874
Segment assets	3,225,977	874,071	-	4,100,048
Capital expenditure	6,222	8,428	-	14,650
Depreciation charge	463	18,049	-	18,512

28. Capital Commitments

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(a) Estimated development costs for investment properties :				
(i) Contracted for	-	-	-	-
(ii) Not contracted for	-	4,600	-	-
(b) Estimated development costs for properties for sale:				
(i) Contracted for	361,990	228,948	-	-
(ii) Not contracted for	1,065,326	671,650	-	-
	1,427,316	905,198	-	-
Less: Minority shareholders' share	(126,200)	(78,972)	-	-
	1,301,116	826,226	-	-
(c) Estimated capital subscription in associated companies	140,776	227,243	-	67,535
(d) Capital subscription in other corporations	43,775	45,900	43,775	45,900

29. Contingent Liabilities, Unsecured

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Guarantees given to financial institutions in connection with:				
(a) Facilities given to subsidiary companies	-	-	265,570	68,596
(b) Facilities given to associated companies	330,099	346,304	323,000	338,861
(c) Performance guarantees	30,000	-	-	-

No material losses under these unsecured guarantees are expected.

30. Significant Related Party Transactions

(a) The following are the significant inter-company transactions entered into by the Company with:

	2002	2002	2001	2001
	Holding Company and Fellow Subsidiaries \$'000	Subsidiary Companies \$'000	Holding Company and Fellow Subsidiaries \$'000	Subsidiary Companies \$'000
Interest income	644	64,037	1,497	87,606
Interest expense	(30,553)	(18)	(54,700)	-

(b) Significant inter-company transactions entered into by the Group with the holding company, fellow subsidiaries and related parties are as follows:

	2002 \$'000	2001 \$'000
Interest income	3,195	3,794
Interest expense	(31,641)	(62,007)
Management fees paid	(2,639)	(1,615)
Rental income	3,821	6,122
Project management fees received	777	2,794
Property management fees received	67	65
Marketing commission received	13	88
Other products and services	(5,074)	(988)

(c) Transactions entered into by the Group with the Directors of the Company are as follows:

	2002 \$'000	2001 \$'000
Consideration for the sale of one unit each to two Directors of the Company in an overseas residential development	525	-

Notes To The Accounts

for the Year ended 31 December 2002

31. Information Required by Paragraph 7 of the Ninth Schedule of the Companies Act

	Amounts Payable by the Company		Amount Payable to the Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Not later than two years	370,382	359,269	1,792,370	1,956,957
Later than two years but not more than five years	1,295,708	1,573,382	-	-
Later than five years	-	-	-	-
	1,666,090	1,932,651	1,792,370	1,956,957

32. Financial Instruments

Financial Risk Management Objectives and Policies

The Group is exposed to a variety of market risks including the effects of changes in interest rate and foreign currency exchange rates.

To manage the market risks, the Group uses derivative financial instruments where appropriate, for example interest rate swaps, interest rate cap agreements and forward foreign exchange contracts. The Group does not issue or hold derivative financial instruments for trading purposes.

The risk management policies are summarised as follows:

Interest Rate Risk

The Group's exposure for changes in interest rates is in respect of deposits and debt obligations with related companies and external financial institutions.

The interest rate management policy is aimed at optimising net interest cost and reducing volatility. The Group borrows a mix of fixed and variable rate debt with varying tenors. The Group also uses interest rate swaps to hedge the underlying debt obligations.

Foreign Currency Risk

The Group is exposed to foreign exchange movements on its net investment in foreign subsidiaries, which generate revenue and incur costs denominated in foreign currencies. Assets held in foreign currencies are, to a large extent, financed by borrowings in the same currencies. Where appropriate, the Group will also enter into forward foreign exchange contracts to hedge against its foreign exchange risk in anticipated purchase or sale transactions denominated in foreign currencies.

Credit Risk

Credit risk arises in the event of the inability of a counterparty to meet the terms of the Group's financial instrument contracts. It is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group. It is also the Group's policy to enter into financial instrument contracts with a diversity of prime financial institutions.

33. Fair Value of Financial Assets and Liabilities

The carrying amounts of the following financial assets and liabilities of the Group and Company approximate their fair values due to their short-term nature: Bank and cash balances, debtors, creditors and short-term borrowings.

The fair values of the long-term borrowings as at 31 December 2002 are as stated below. They are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

	Group		Company	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Long-term borrowings	1,914,106	1,919,440	1,596,294	1,598,040

34. Comparative Figures

Certain comparative figures have been reclassified to conform with this year's presentation, and with the revised accounting policy arising from changes in the Singapore Statement of Accounting Standard 12 as set out in paragraph (q) and (s) of the Summary of Significant Accounting Policies.

35. Post Balance Sheet Date Events

On 8 January 2003, the Company announced that Sherwood Development Pte Ltd, a wholly-owned subsidiary, had entered into a conditional agreement for the sale of a freehold 31,312 sq ft site at Norfolk Road, Singapore. The sale will be for a cash consideration of \$26 million and will, upon completion, result in a write-back of provision for properties held for sale of about \$6.6 million. The completion of the sale was announced on 26 March 2003.

36. Group Companies

Information relating to the subsidiary companies consolidated in these accounts and to the associated companies whose results are included in the accounts is given on pages 200 to 208.

37. Corporate Information

The Company is incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its registered office is 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024.

The financial statements of Keppel Land Limited for the year ended 31 December 2002 were authorised for issue on 27 March 2003 in accordance with a resolution of the Directors.

The number of employees of the Group as at 31 December 2002 was 1,756 (2001: 1,840 employees). The Company has no direct employees.

Subsidiary and Associated Companies

	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	Principal Activities
	2002 %	2001 %	2002 \$'000	2001 \$'000		
Subsidiaries						
Acresvale Investment Pte Ltd	100	100	1	1	Singapore	Property development and investment
Boulevard Development Pte Ltd *	100	100	1	1	Singapore	Investment holding
Bintan Bay Resort Pte Ltd*	90	90	1,607	1,607	Singapore	Investment holding
Bugis Junction Asset Management Pte Ltd *	57	57	11	11	Singapore	Investment holding
Bukit Timah Hill Development Pte Ltd					Singapore	Property development
Ordinary Shares	100	100	15,381	15,381		
Preference Shares	100	100	25,000	25,000		
Capital Square Pte Ltd *						
(Disposed 5.12.2002)	-	70	-	101,500	Singapore	Property investment
Da Di Investment Pte Ltd	100	-	-	-	Singapore	Investment holding
Daysville Development Pte Ltd *	46	46	1	1	Singapore	Investment holding
Denton Investment Pte Ltd	100	100	-	-	Singapore	Investment holding
Dovesdale Development Pte Ltd	100	100	1	1	Singapore	Investment holding
Earnwell Pte Ltd	100	100	4	4	Singapore	Property investment
EFACS (Asia) Pte Ltd	100	-	-	-	Singapore	Investment holding
Evansville Investment Pte Ltd	100	100	41,938	41,938	Singapore	Property development
Experre Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	104	104		
Preference Shares	100	100	12,500	12,500		
Fernland Investment Pte Ltd	55	55	1,651	1,651	Singapore	Investment holding
Flanningan Investment Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	10	10		
Preference Shares	100	100	8,500	8,500		
Glenville Estate Investment Pte Ltd	100	100	1	1	Singapore	Investment holding
Goodways Investment Pte Ltd	60	60	1,261	1,261	Singapore	Investment holding
Greenfield Development Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	101	101		
Preference Shares	100	100	125,400	125,400		
Hampshire Pte Ltd	100	-	-	-	Singapore	Investment holding
Harvestland Development Pte Ltd	100	100	1	1	Singapore	Property development and investment
Health Services Investment of Singapore Pte Ltd *	100	100	1,350	1,350	Singapore	Investment holding

	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	Principal Activities
	2002 %	2001 %	2002 \$'000	2001 \$'000		
Subsidiaries						
Health Services Management of Singapore Pte Ltd *	100	100	45	45	Singapore	Health services management
High Point Development Pte Ltd	100	100	121	121	Singapore	Investment holding
Hillsvale Resort Pte Ltd	100	100	1	1	Singapore / China	Property investment
Hillwest Pte Ltd	100	-	-	-	Singapore	Property holding
Hospitality Sales Pte Ltd	100	100	1	1	Singapore	Hotel and resort management
Hotel Procurement Pte Ltd	100	100	11	11	Singapore	Hotel services
KeplandeHub Limited					Singapore	Investment holding
Ordinary Shares	100	100	100	100		
Preference Shares	100	100	40,000	40,000		
Keppel Digihub Holdings Pte Ltd *	100	100	1	1	Singapore	Investment, management and holding company
Keppel Digihub Ltd *	100	100	1,000	1,000	Singapore	Property investment
Keppel Land China Holdings Pte Ltd *	100	100	1	1	Singapore	Investment holding
Keppel Land Construction Management Pte Ltd	100	100	101	101	Singapore	Management services
Keppel Land Estate Pte Ltd	100	100	1	1	Singapore	Investment holding
Keppel Land International Limited					Singapore	Property services
Ordinary Shares	100	100	28	28		
Preference Shares	100	100	30,000	30,000		
Keppel Land Investment Pte Ltd	100	100	1	1	Singapore	Investment holding
Keppel Land Properties Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	5,509	5,509		
Preference Shares	100	100	200,000	200,000		
Keppel Land Realty Pte Ltd	100	100	1,006	1,006	Singapore	Property development and investment
Keppel Land Vietnam Properties Pte Ltd (Formerly Grandsdale Investment Pte Ltd)	100	100	1	1	Singapore	Investment holding
Keppel Land (Mayfair) Pte Ltd *	100	100	1,000	1,000	Singapore	Property development
Keppel Land (Palm Gardens) Pte Ltd *	100	100	1,000	1,000	Singapore	Property development
Keppel Land (Villa Verde) Pte Ltd *	100	100	1,000	1,000	Singapore	Property development
Keppel Land (Tower D) Pte Ltd *	100	100	139,000	139,000	Singapore	Property development and investment
Keppel Land (Indonesia) Pte Ltd	100	100	1	1	Singapore	Investment, management and holding company

Subsidiary and Associated Companies

	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	Principal Activities
	2002 %	2001 %	2002 \$'000	2001 \$'000		
Subsidiaries						
Keppel Land (Philippines) Pte Ltd	100	100	1	1	Singapore	Investment, management and holding company
Keppel Land Fund Management Ltd	100	100	6	6	Singapore	Fund management
Kingsley Investment Pte Ltd	100	100	-	-	Singapore	Investment holding
Le Vision Pte Ltd	100	100	2	2	Singapore	Investment holding
Mansfield Developments Pte Ltd	100	100	2,336	2,336	Singapore	Property development
Mansfield Realty Limited	100	100	1,198	1,198	Singapore	Property investment
Meadowville Investment Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	1	1		
Preference Shares	100	100	54,000	54,000		
Merryfield Investment Pte Ltd *	100	100	1	1	Singapore	Investment holding
Montfort Development Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	101	101		
Preference Shares	100	100	28,000	28,000		
Ocean & Capital Properties Pte Ltd	85	85	18,037	18,037	Singapore	Property development
Ocean Properties Pte Ltd *	76	76	406,780	406,780	Singapore	Property investment
Oceandale Investment Pte Ltd	100	100	1	1	Singapore	Management and consultancy services
OIL (Asia) Pte Ltd					Singapore	Financial services
Ordinary Shares	100	100	9,931	9,931		
Preference Shares	100	100	80,000	80,000		
Palmville Investment Pte Ltd	84	84	85	85	Singapore	Investment holding
Pasir Panjang Realty Pte Ltd	100	100	9,170	9,170	Singapore	Property investment
Prestige Landmark Pte Ltd	51	51	510	510	Singapore	Investment holding
Rosedale Properties Pte Ltd	70	70	1,051	1,051	Singapore	Investment holding
Saigon Centre Holdings Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	101	101		
Preference Shares	100	100	63,000	63,000		
Sedona Clubs and Resorts International Pte Ltd	100	100	1	1	Singapore	Club management
Sedona Hotels International Pte Ltd	100	100	101	101	Singapore	Hotel and resort management
Semtec Construction Pte Ltd	63	63	316	316	Singapore	Building retrofitting and construction
Sherwood Development Pte Ltd	100	100	1,505	1,505	Singapore	Property development
Silkland Investment Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	100	100		
Preference Shares	100	100	10,800	10,800		
Spring City Resort Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	101	101		
Preference Shares	100	100	39,000	39,000		

	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	Principal Activities
	2002 %	2001 %	2002 \$'000	2001 \$'000		
Subsidiaries						
Starville Investment Pte Ltd *	70	70	1,000	1,000	Singapore / Australia	Property investment
Steadfast Development Pte Ltd *	36	36	2,110	2,110	Singapore	Property development
Straits Mansfield Property Marketing Pte Ltd	100	100	12	12	Singapore	Provision of marketing services
Straits Properties Limited	100	100	74,492	74,492	Singapore	Investment holding and property management
Straits Property Investments Pte Ltd	100	100	200,136	200,136	Singapore	Investment holding
Straits Property Management Pte Ltd	100	100	28	28	Singapore	Property management and estate agency services
Straits Steamship Retail Management Pte Ltd	100	100	101	101	Singapore	Management of retail centres
Straits-CM Village Hotel Pte Ltd *	39	39	2	2	Singapore	Property investment
Straits-KMP Resort Development Pte Ltd *	46	46	1,786	1,786	Singapore	Investment holding
Sunlake Development Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	101	101		
Preference Shares	100	100	13,000	13,000		
Swansville Investment Pte Ltd	100	100	1	1	Singapore	Investment holding
Tat Chuan Development Pte Ltd	100	100	26,117	26,117	Singapore	Property development
Toshmatic Pte Ltd					Singapore	Investment holding
Ordinary Shares	100	100	104	104		
Preference Shares	100	100	17,600	17,600		
Ultimore Development Pte Ltd *	100	100	1	1	Singapore	Investment holding
Valour Investment Pte Ltd	100	100	1	1	Singapore / United Kingdom	Property investment
Virginia Developments Pte Ltd (Voluntarily struck-off)	-	51	-	2,602	Singapore	Property investment
Waterfront Properties Pte Ltd	50	50	5,852	5,852	Singapore	Property development
Waterville Investment Pte Ltd	100	100	1	1	Singapore	Investment holding
Willowville Pte Ltd *	100	100	6	6	Singapore	Investment holding
Wiseland Investment Pte Ltd	100	100	101	101	Singapore	Investment holding
Wisely Pte Ltd (Formerly Wisely Consultancy Pte Ltd)	100	100	2	2	Singapore	Investment holding
Astek Pty Ltd (A)	100	100	12,477	12,477	Australia	Financial services
Keppel Land Development Pty Ltd * (A)	100	100	-	-	Australia	Property development
Keppel Land Pty Ltd (A)	100	100	-	-	Australia	Investment holding
Straits Properties (Bayswater) Pty Ltd * (A)	100	100	-	-	Australia	Property investment
Aintree Assets Ltd (H)	100	100	2	2	British Virgin Islands	Investment holding

Subsidiary and Associated Companies

	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	Principal Activities
	2002 %	2001 %	2002 \$'000	2001 \$'000		
Subsidiaries						
Double Peak Holdings Ltd (H)					British Virgin Islands / Singapore	Investment holding
Ordinary Shares	100	100	-	-		
Preference Shares	100	100	226,330	226,330		
Erskine Holdings Ltd * (H)	70	70	1	1	British Virgin Islands / Hong Kong	Investment holding
Pembury Properties Ltd * (H)	100	100	1,683	1,683	British Virgin Islands / Singapore	Investment holding
Red Vibrant Investments Ltd (H)	100	-	-	-	British Virgin Islands / Vietnam	Investment holding
Saigon Centre Investment Ltd * (H)	100	100	17,821	17,821	British Virgin Islands / Hong Kong	Investment holding
Shankerville Ltd (H)	100	-	-	-	British Virgin Islands	Investment holding
Smooth Sail Investments Ltd * (H)	100	100	-	-	British Virgin Islands / Indonesia	Investment holding
Vanese International Ltd * (H)	70	70	1	1	British Virgin Islands / Hong Kong	Investment holding
Vobster Properties Ltd * (H)	100	100	-	-	British Virgin Islands / Indonesia	Investment holding
Kep Corporation Incorporated * (H)	100	100	1,089	1,089	Cayman Islands	Financial services
Beijing Kingsley Property Development Co Ltd * (A)	100	-	35,020	-	China	Property development
Chengdu Hillwest Development Co Ltd * (A)	100	-	11,206	-	China	Property development
Keppel Land (Shanghai) Management Co Ltd * (A)	100	100	245	-	China	Property services
Shanghai Merryfield Land Co Ltd * (A)	99	99	54,356	54,356	China	Property development
Shanghai Floraville Land Co Ltd* (A)	99	99	1,624	1,624	China	Property development
Shanghai Pasir Panjang Land Co Ltd * (A)	99	99	36,474	2,561	China	Property development
Duit Investments Ltd * (A)	100	100	644	644	Hong Kong	Financial services
Keppel Land (Hong Kong) Ltd (C)	100	100	11,342	11,342	Hong Kong	Investment holding

	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	Principal Activities
	2002 %	2001 %	2002 \$'000	2001 \$'000		
Subsidiaries						
Keppel Land (Saigon Centre) Ltd * (A)	100	100	6	6	Hong Kong	Investment holding
Straits Investments Ltd * (C)	100	100	1,365	1,365	Hong Kong	Investment holding
Straits-KMP (HK) Ltd * (A)	51	51	-	-	Hong Kong	Investment holding
Ventek International Ltd * (A)	100	100	1	1	Hong Kong	Investment holding
PT Kepland Investama * (E2)	100	100	71,080	71,080	Indonesia	Property investment / development
PT Kepindo Properti * (E2)	100	100	37	37	Indonesia	Property services
PT Keppel Land * (A)	100	100	19,937	19,937	Indonesia	Property services / investment
PT Ria Bintan * (A)	46	46	55,261	55,261	Indonesia	Property development
PT Sedona Hotels Indonesia * (A)	100	100	1,126	1,126	Indonesia	Hotel and resort management
PT Sentral Supel Perkasa * (A)	80	80	19,937	19,937	Indonesia	Property investment / development
PT Sentral Tanjungan Perkasa * (A)	80	80	48,843	48,843	Indonesia	Property development
PT Straits CM Village * (A)	39	39	41,513	41,513	Indonesia	Hotel ownership and operations
Keppel Land Sdn Bhd (A)	100	100	-	-	Malaysia	Property services
Straits Greenfield Ltd * (A)	100	100	5,797	5,797	Myanmar	Hotel ownership and operations
Wiseland Investment Myanmar Ltd * (A)	100	100	3,292	3,292	Myanmar	Hotel ownership and operations
Keppel Philippines Properties Inc. (B)	50.5	50.5	15,976	15,976	Philippines	Investment holding
Keppel Thai Properties Public Co Ltd (Formerly Five Stars Property Public Co Ltd) (A)	45	45	14,208	14,208		Thailand Property development investment
Top Property Co Ltd*	66	45	8	-	Thailand	Property development
Utayan Thani Co Ltd * (A)	49	49	6	6	Thailand	Investment holding
Straits (USA) Inc	100	100	10,555	10,555	United States of America	Investment holding
Straits Realty (Texas) Inc. *	100	100	8,890	8,890	United States of America	Investment holding
International Centre * (E2)	43	43	8,307	8,307	Vietnam	Property investment
Keppel Land Watco I Co Ltd * (A)	68	68	38,977	38,977	Vietnam	Property investment / development
Keppel Land Agtex Ltd * (D2)	60	60	5,169	5,169	Vietnam	Property investment
Quang Ba Royal Park JV Co * (D2)	59	59	34,902	34,902	Vietnam	Property investment

Subsidiary and Associated Companies

	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	Principal Activities
	2002 %	2001 %	2002 \$'000	2001 \$'000		
Associates						
Asia Real Estate Fund Management Limited *	50	50	500	500	Singapore	Fund management
Altantic Marina Services (Asia Pacific) Pte Ltd (E1)	20	20	1,680	1,680	Singapore	Property investment
Bugis City Holdings Pte Ltd	31	31	55,304	55,304	Singapore	Property investment
China-Singapore International Pte Ltd (F1)	20	20	4,001	4,001	Singapore	Investment holding
DL Properties Ltd	35	35	31,832	31,832	Singapore	Property investment
Dragon Land Ltd	25	25	27,429	27,429	Singapore	Property investment and development
EM Services Pte Ltd (F1)	25	25	500	500	Singapore	Property management
FELS SES International Pte Ltd (E1)	17	17	1,470	1,470	Singapore	Investment holding
Keppel Bay Pte Ltd (F1)	30	30	1,476	1,476	Singapore	Property development
Keppel Marina Holdings Pte Ltd (F1)	30	30	4,404	4,404	Singapore	Development of marina
Keppel Point Pte Ltd (F1)	30	30	52,622	52,622	Singapore	Property development / investment
Keppel Power Systems Pte Ltd (F1) (Voluntary struck-off)	-	15	-	1,782	Singapore	Investment holding
Kingsdale Development Pte Ltd *	50	50	7	7	Singapore	Investment holding
One Raffles Quay Pte Ltd * (Formerly One Marina Boulevard Pte Ltd)	33	33	-	-	Singapore	Property development
Parkville Development Pte Ltd *	50	50	10,500	10,500	Singapore	Property investment
SAFE Enterprises Pte Ltd (D1)	25	25	21,971	21,971	Singapore	Investment holding
Sedona Hotel Bintan Management Pte Ltd * (D1)	49	49	25	25	Singapore / Indonesia	Hotel management
Semtec-Syntech Pte Ltd *	32	32	50	50	Singapore	Construction
Sing-Mas Investment Pte Ltd * (D1)	30	30	10,804	10,804	Singapore	Investment holding
Singapore Suzhou Industrial Holdings Pte Ltd * (D1)	25	25	12,026	12,026	Singapore	Investment holding
Straits Parco Retail Management Pte Ltd * (F1)	33	33	330	330	Singapore	Investment holding
Suzhou Property Development Pte Ltd * (D1)	25	25	250	250	Singapore	Investment holding
Tenantworld Pte Ltd * (D1)	25	25	313	313	Singapore	E-exchange and collaboration hub
Keppel Kunming Resort Ltd (G)	15	15	-	-	Hong Kong	Property investment
PT Pantai Indah Tateli * (A)	50	50	28,235	28,235	Indonesia	Property development
PT Pulomas Gemala Misori * (A)	25	25	8,024	8,024	Indonesia	Property development
PT Purimas Straits Resort * (G)	25	25	4,245	4,245	Indonesia	Development of holiday resort

	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	Principal Activities
	2002 %	2001 %	2002 \$'000	2001 \$'000		
PT Purosani Sri Persada * (D2)	20	20	6,013	6,013	Indonesia	Property investment
Jernih Rezeki Sdn Bhd * (A)	49	49	1,396	1,396	Malaysia	Property development
Renown Property Holdings (M) Sdn Bhd (A)	40	40	4,219	4,219	Malaysia	Property investment
Tropical Garden NV * (G)	25	25	13	13	Netherlands Antilles	Investment holding
Keppel Houston Group Partnership * (H)	30	30	10,937	10,937	United States of America	Property investment
INACTIVE COMPANIES						
	Effective Equity Interest		Cost of Investment		Country of Incorporation/ Place of Business	
	2002 %	2001 %	2002 \$'000	2001 \$'000		

Subsidiaries

Fairfield Properties Pte Ltd *	82	82	5,346	5,346	Singapore
Floraville Estate Pte Ltd	100	100	1	1	Singapore
iPP Technology Pte Ltd *	100	100	571	571	Singapore
Keppel Land Asia Pte Ltd	100	100	1	1	Singapore
Keppel Land (UK) Pte Ltd	100	100	1	1	Singapore
Mansfield & Company Pte Ltd	100	100	30,000	30,000	Singapore
Mansfield Investments Pte Ltd *	100	100	100	100	Singapore
Transport & Storage Pte Ltd	90	90	-	-	Singapore
QAF-OIL (Hong Kong) Ltd (C)	51	51	1,807	1,807	Hong Kong
Pride Properties Sdn Bhd (A)	100	100	-	-	Malaysia
Wellmade Land Sdn Bhd (A)	100	100	-	-	Malaysia

Associates

Hotforge Energy Services Pte Ltd	50	50	-	-	Singapore
Straits-TCG Systems Automation Pte Ltd *	50	50	10	10	Singapore
Malaysian Mokes Sdn Bhd * (G)	49	49	45	45	Malaysia
QAF-OIL (Thailand) Ltd * (A)	24	24	338	338	Thailand

Subsidiary and Associated Companies

Notes:

1. The holding in the equity shown for each subsidiary and associated company is the proportion attributable to Keppel Land Limited. Changes in interest, if any, and subsidiary and associated companies acquired or disposed of during the year are as indicated in brackets against the companies concerned. Subsidiaries (including their subsidiaries and associated companies) and associated companies directly owned by Keppel Land Limited are included in the above list.
2. Associated companies are those in which the Group has a long-term substantial equity interest and in whose commercial and financial policy decisions the Group actively participates.
3. The cost of investment in each subsidiary/associated company is the proportion of the historical cost of its shares attributable to Keppel Land Limited. Companies indicated with an asterisk (*) are indirectly held by Keppel Land Limited.
4. All the active companies operate in their respective countries of incorporation, unless otherwise specified.
5. All the companies are audited by Ernst & Young, Singapore except for the following :
 - (A) Audited by overseas associated firms of Ernst & Young
 - (B) Audited by Sycip Gorres Velayo & Co, Philippines, an associated firm of Ernst & Young
 - (C) Audited by PKF, Hong Kong
 - (D1) Audited by KPMG, Singapore
 - (D2) Audited by overseas practice of KPMG
 - (E1) Audited by Deloitte & Touche, Singapore
 - (E2) Audited by overseas practice of Deloitte & Touche
 - (F1) Audited by Pricewaterhouse Coopers, Singapore
 - (F2) Audited by overseas practice of Pricewaterhouse Coopers
 - (G) Audited by other firms of auditors
 - (H) Not required to be audited by law in the country of incorporation.

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited, the Audit Committee and Board of Directors of the Company confirm that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies will not compromise the standard and effectiveness of the audit of the Group.

Corporate Information

Board of Directors

LIM CHEE ONN
Chairman

KEVIN WONG KINGCHEUNG
Managing Director

LIM LEONG GEOK

THAI CHEE KEN

KHOR POH HWA

LIM HO KEE

TSUI KAI CHONG

LEE AI MING

LOH WING SIEW

CHOO CHIAU BENG

TEO SOON HOE

Audit Committee

THAI CHEE KEN
Chairman

LIM LEONG GEOK

TSUI KAI CHONG

Nominating Committee

LIM HO KEE
Chairman

THAI CHEE KEN

KHOR POH HWA

Remuneration Committee

LIM LEONG GEOK
Chairman

LIM HO KEE

TSUI KAI CHONG

Joint Company Secretaries

CHOO CHIN TECK

HO MUN PIEW

Registered Office

230 Victoria Street #15-05
Bugis Junction Towers
Singapore 188024
Telephone: 63388111
Facsimile: 63377168
Website: <http://www.keppelland.com.sg>

Auditors

ERNST & YOUNG
Certified Public Accountants
Singapore
Audit Partner : FANG AI LIAN
(Wef year ended 31 December 2002)

Registrar

KON CHOON KOOI PTE LTD
47 Hill Street #06-02
Chinese Chamber of Commerce
& Industry Building
Singapore 179365
Telephone: 63363355
Facsimile: 63372197

Share Listing

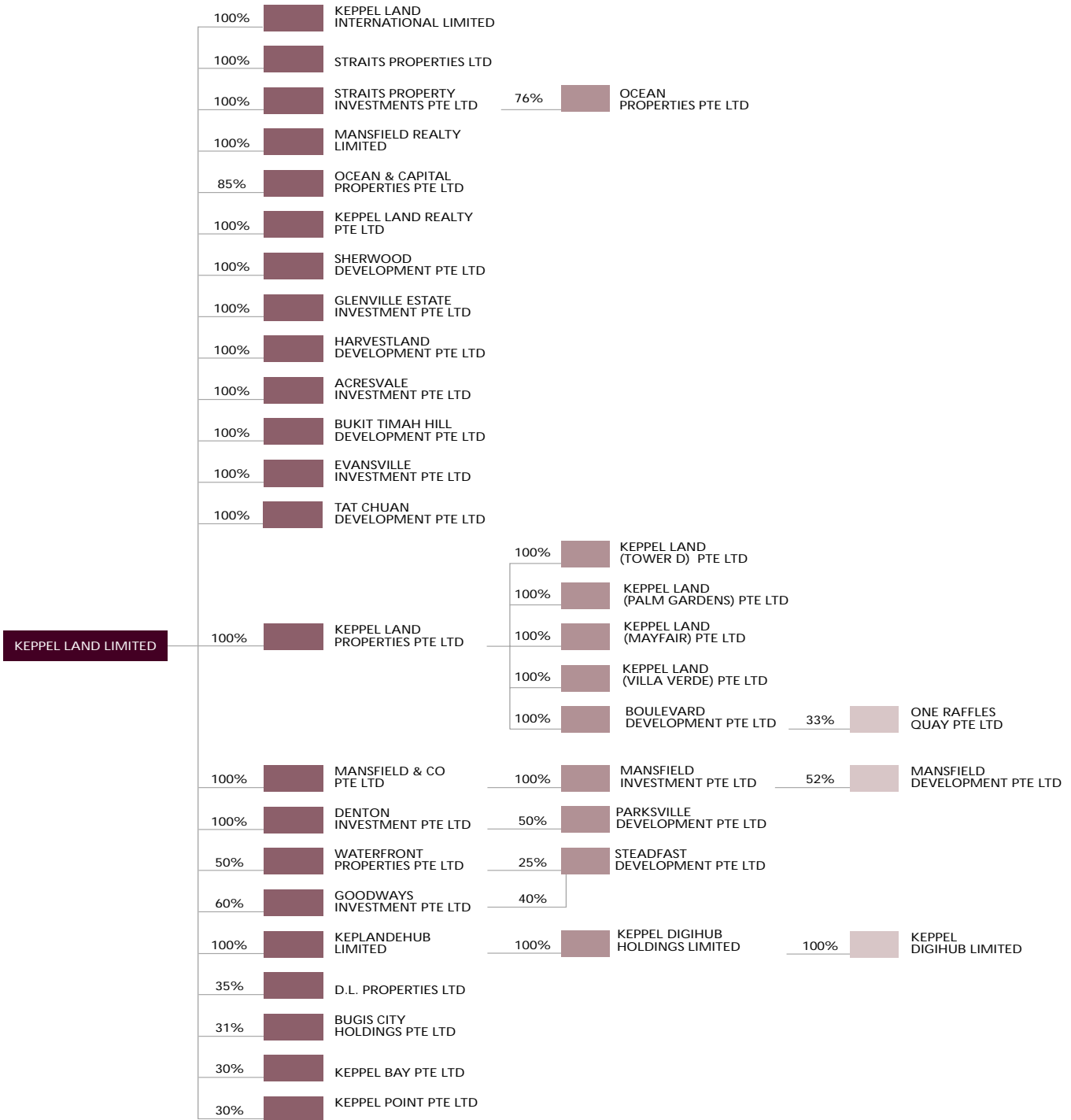
The Company's shares are listed on the Singapore Exchange Securities Trading Limited.

General

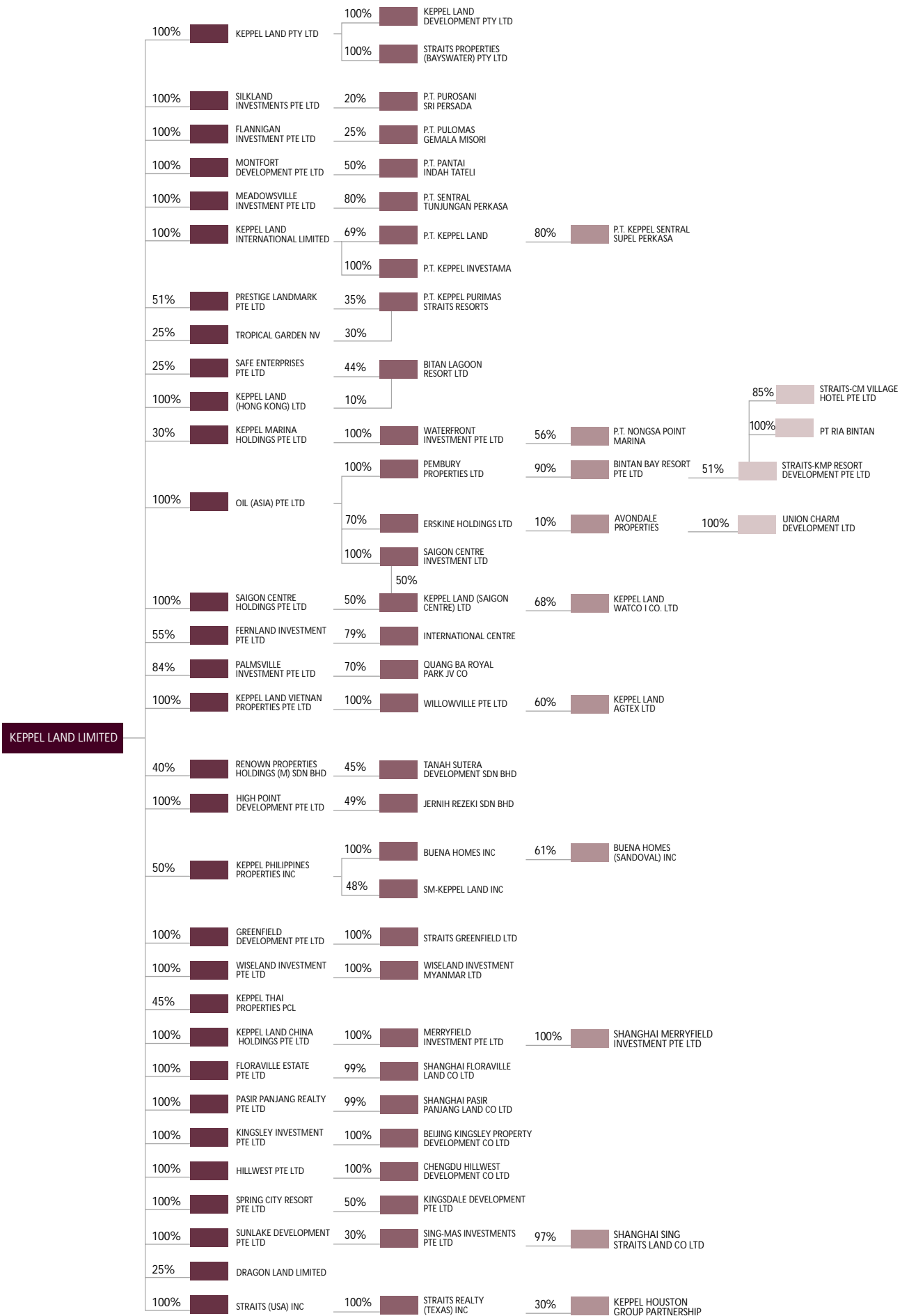
For further information about Keppel Land Limited, please contact the Secretariat at the Registered Office.

Corporate Structure

Singapore Projects



Note: This is intended to show only the principal companies involved in the Group's Singapore and overseas property projects. For a complete list of Group companies, please refer to pages 200 to 208. The Group's property projects are shown on pages 138 to 149.



Calendar Of Financial Events

Announcement of interim results	24 July 2002
End of financial year	31 December 2002
Preliminary announcement of total year results	27 January 2003
Despatch of Summary Financial Report	21 April 2003
Despatch of Annual Report	5 May 2003
Annual General Meeting	20 May 2003
2002 proposed final dividend	
Books closure dates	29 to 30 May 2003 (Both dates inclusive)
Payment date	10 June 2003
<hr/>	
End of Financial year	31 December 2003
Announcement of first quarter 2003 results	April 2003
Announcement of second quarter 2003	July 2003
Announcement of third quarter 2003	October 2003
Preliminary announcement of full year results	January 2004
Annual General Meeting	April 2004
Proposed final dividend payout date	May 2004
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Statistics of Shareholdings

as at 27 March 2003

Authorised share capital : \$500,000,000

Issued and fully paid-up capital : \$354,309,540

Class of shares : Shares of 50 cents each with equal voting rights

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 999	988	8.49	318,659	0.04
1,000 - 10,000	9,338	80.20	32,072,994	4.53
10,001 - 1,000,000	1,299	11.16	49,556,379	6.99
1,000,001 and above	18	0.15	626,671,049	88.44
Total	11,643	100.00	708,619,081	100.00

Location of Shareholdings	Number of Shareholders	%	Number of Shares	%
Singapore	10,878	93.43	703,641,388	99.30
Malaysia	606	5.21	3,677,955	0.52
Others	159	1.36	1,299,738	0.18
Total	11,643	100.00	708,619,081	100.00

Twenty Largest Shareholders	Number of Shares	%
1. Keppel Corporation Limited	369,698,733	52.17
2. DBS Nominees Pte Ltd	51,399,717	7.25
3. United Overseas Bank Nominees Pte Ltd	50,382,467	7.11
4. Citibank Nominees Singapore Pte Ltd	46,195,517	6.52
5. Raffles Nominees Pte Ltd	37,425,226	5.28
6. HSBC (Singapore) Nominees Pte Ltd	21,801,772	3.08
7. KF Nominees Pte Ltd	10,020,000	1.41
8. DB Nominees (S) Pte Ltd	9,826,833	1.39
9. Oversea Chinese Bank Nominees Pte Ltd	7,744,261	1.09
10. J M Sassoos & Co (Pte) Ltd	5,608,207	0.79
11. Morgan Stanley Asia (Singapore) Sec. Pte Ltd	4,878,797	0.69
12. Tudor Court Gallery Pte Ltd	2,064,000	0.29
13. Nomura Securities Singapore Pte Ltd	2,013,000	0.28
14. Hong Leong Enterprises Pte Ltd	1,871,000	0.27
15. ABN Amro Nominees Singapore Pte Ltd	1,721,891	0.25
16. Selat Pte Ltd	1,691,972	0.24
17. OCBC Securities Private Ltd	1,241,075	0.18
18. UOB Kay Hian Pte Ltd	1,086,581	0.15
19. Philip Securities Pte Ltd	916,383	0.13
20. Island Investment Company Pte Ltd	904,718	0.12
Total	628,492,150	88.69

Substantial Shareholders	Number of Shares	%
1. Temasek Holdings (Pte) Ltd (Deemed interest)	380,417,733	53.7
2. Keppel Corporation Limited (including holdings by subsidiary companies)	379,697,733	53.6

Temasek Holdings (Pte) Ltd holds 32% in the share capital of Keppel Corporation Limited and is deemed to be interested in the shares of Keppel Land Limited held by Keppel Corporation Limited.

Approximately 46% of the issued shares of Keppel Land Limited are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

Notice of Annual General Meeting

ALL MEMBERS ARE CORDIALLY INVITED to attend the Annual General Meeting of the Company which will be held at InterContinental Singapore, Ballroom 2 (Level 2), 80 Middle Road, Singapore 188966 on 20 May 2003 at 10:30 a.m. to transact the following business:

1. To receive and, if thought fit, adopt the Directors' Report and Accounts for the year ended 31 December 2002 **(Resolution 1)**.
2. To declare dividends as recommended by the Directors **(Resolution 2)**.
3. (a) To re-elect, pursuant to a Special Resolution, the following Director who is retiring in accordance with Section 153(2) of the Companies Act and has offered himself for re-election:
Mr Lim Leong Geok **(Resolution 3)** (Note 1).
- (b) To re-elect the following Director who is retiring in accordance with Article 100 of the Articles of Association of the Company and has offered herself for re-election:
Mrs Lee Ai Ming **(Resolution 4)**.
- (c) To re-elect the following Director who is retiring in accordance with Article 94 of the Articles of Association of the Company and has offered himself for re-election:
Mr Teo Soon Hoe **(Resolution 5)**.
4. To approve Directors' fees **(Resolution 6)**.
5. To appoint Auditors, and to authorise Directors to fix their remuneration **(Resolution 7)**.
6. As special business, to consider and, if thought fit, pass the following Ordinary Resolutions:
RESOLVED that:
 - (a) pursuant to Section 161 of the Companies Act, Cap 50, the Directors be and are hereby empowered to issue shares in the Company (whether by way of bonus issue, rights issue or otherwise, and including any capitalisation pursuant to Article 136 of the Articles of Association of the Company of any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the profit and loss account or otherwise available for distribution) at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that:
 - (i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50% of the issued capital of the Company as at the date of the passing of this Resolution as calculated in accordance with (iii) below, and
 - (ii) the aggregate number of shares issued other than on a pro-rata basis to existing Members does not exceed 20% of the Company's issued share capital as at the date of the passing of this Resolution as calculated in accordance with (iii) below,
 - (iii) for the purpose of determining the aggregate number of shares that may be issued pursuant to this Resolution, the percentage of issued share capital is calculated based on the issued share capital of the Company as at the date of the passing of this Resolution after adjusting for:
 - (aa) new shares arising from the conversion of convertible securities or exercise of employee share options in issue as at the date of the passing of this Resolution; and
 - (bb) any subsequent consolidation or sub-division of shares

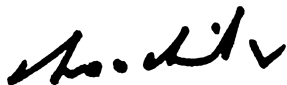
such authority to continue in force until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, unless previously revoked or varied at a general meeting of the Company **(Resolution 8)**;
 - (b) (i) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in Appendix A of the Company's Circular to Members dated 21 April 2003 ("the Circular") with any party who is of the class of Interested Persons described in the Circular provided that such transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders and in accordance with the review procedures set out in Appendix A of the Circular; and

- (ii) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company to give effect to this Resolution (**Resolution 9**); and
- (c) the Directors of the Company be and are hereby authorised to make purchases from time to time of up to 10% of the issued share capital of the Company as at the date of this Resolution at any price up to but not exceeding the Maximum Price, in accordance with Appendix B of the Circular and the "Guidelines on Share Purchases" set out in Appendix 2A of the Circular to Members dated 14 September 1999, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is or is required by law to be held, whichever is the earlier (**Resolution 10**).
7. To transact such other business which can be transacted at the Annual General Meeting of the Company.

NOTICE IS HEREBY GIVEN that the Register of Members of the Company will be closed from 29 to 30 May 2003 (both dates inclusive) for the preparation of dividend warrants. Duly completed transfers received by the Company up to 5:00 p.m. on 28 May 2003 will be registered before entitlements to the proposed dividend for the year ended 31 December 2002 are determined.

Directors have recommended a first and final dividend of 7% (or 3.5 cents per share) less tax amounting to \$19.3 million on the existing capital (2001: 6% less tax or 3.0 cents per share less tax amounting to \$16.6 million) in respect of the financial year ended 31 December 2002 for approval by Members at the Annual General Meeting to be held on 20 May 2003. The final dividend, if approved, will be payable on 10 June 2003.

By Order of the Board



CHOO CHIN TECK
Company Secretary

Singapore, 21 April 2003

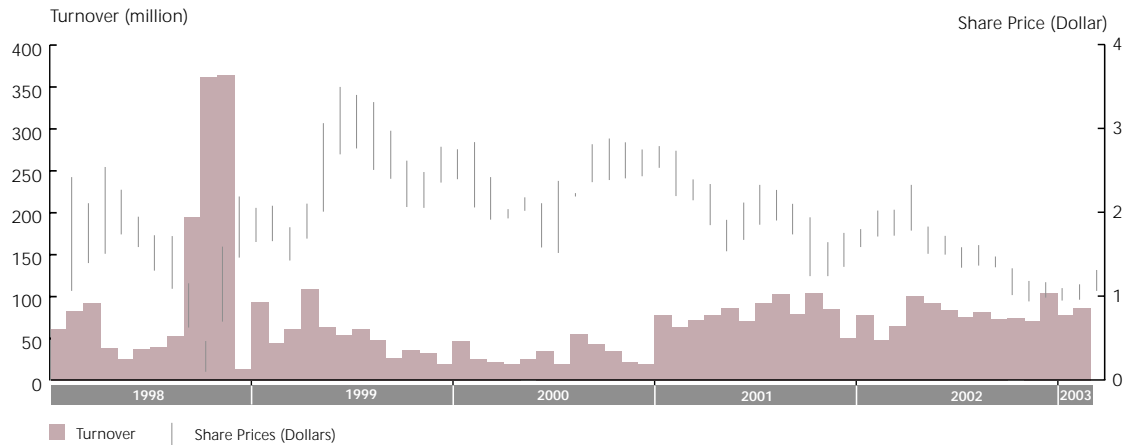
NOTES:

- In accordance with Section 153(6) of the Companies Act, Cap 50, this Resolution requires the affirmative votes of three-fourths of the Members present and voting at the Annual General Meeting. If re-elected, Mr Lim Leong Geok will hold office until the next Annual General Meeting of the Company.

Mr Lim is the Chairman of the Remuneration Committee, a member of the Audit Committee and an Independent Director.
- A Member is entitled to appoint one proxy or two proxies to attend and vote in his place. A proxy need not also be a Member of the Company. A Member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. Members wishing to vote by proxy at the Meeting may use the Proxy Form enclosed. To be valid, the completed Proxy Form must be lodged at the Registered Office of the Company at 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024 not less than 48 hours before the Meeting.

Share Transaction Statistics

Shares Prices and Turnover



Straits Times and Straits Times Properties Indices



Investor Data

	1998	1999	2000	2001	2002
Earnings per share (cents) (Note 1)	(53.5)	11.8	17.3	(52.0)	3.7
Dividend per share (cents) (Note 2)	3	3	3	3	3.5
Share price (cents) (Note 3)					
Highest	254	350	287	274	234
Lowest	46	142	151	123	93
Average	150	246	219	198	163
Last done	179	273	279	1.72	97
Turnover (million shares)	1,367.2	651.5	368.3	964.7	947.8
Dividend yield (%) (Note 4)	2.0	1.2	1.4	1.5	2.1
Net price-earnings ratio (Note 4)	n.m.	20.8	12.8	n.m.	44.1
Net tangible assets per share (\$)	2.80	3.04	3.16	2.28	2.09

Notes

- 1 Earnings are Group profit / (loss) after tax before extraordinary items.
- 2 These are gross dividends declared out of taxed profits.
- 3 Share prices reflect transactions recorded on the Singapore Exchange Securities Trading Limited.
- 4 In calculating dividend yields and net price-earnings ratios, the average share prices have been used.
- 5 n.m. means not meaningful.