

KEPPEL LAND LIMITED

1 UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2003

The Directors of Keppel Land Limited advise the following unaudited results of the Group for the half year ended 30 June 2003.

1 (a) GROUP PROFIT AND LOSS ACCOUNTS

	Second Quarter Ended 30.06.03	Second Quarter Ended 30.06.02	+ / (-) %	Half Year Ended 30.06.03	Half Year Ended 30.06.02	+ / (-) %
	\$'000	\$'000		\$'000	\$'000	
SALES	155,206	48,568	+219.6	298,095	138,097	+115.9
COST OF SALES	(125,198)	(20,581)	+508.3	(233,117)	(72,422)	+221.9
GROSS PROFIT	30,008	27,987	+7.2	64,978	65,675	-1.1
Marketing expenses	(597)	(574)	+4.0	(1,206)	(1,148)	+5.1
Administrative expenses	(6,634)	(7,388)	-10.2	(13,267)	(14,777)	-10.2
OPERATING PROFIT	22,777	20,025	+13.7	50,505	49,750	+1.5
Interest and investment income	3,632	4,300	-15.5	6,722	8,893	-24.4
Interest expense	(11,040)	(5,474)	+101.7	(15,916)	(11,088)	+43.5
Share of results of associated companies	8,112	594	+1265.7	11,446	3,442	+232.5
PROFIT BEFORE EXCEPTIONAL ITEMS	23,481	19,445	+20.8	52,757	50,997	+3.5
Exceptional items	-	2,501		-	2,501	
PROFIT BEFORE TAXATION	23,481	21,946	+7.0	52,757	53,498	-1.4
Taxation	1,063	(2,811)	nm	(5,235)	(7,316)	-28.4
PROFIT AFTER TAXATION	24,544	19,135	+28.3	47,522	46,182	+2.9
Minority interests	1,389	(553)	nm	(78)	(2,425)	-96.8
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	25,933	18,582	+39.6	47,444	43,757	+8.4
Basic earnings per share (cents)	3.6	2.6		6.7	6.1	
Diluted earnings per share (cents)	3.6	2.6		6.7	6.1	
Depreciation	3,303	4,275		6,839	9,309	

1(b)(i) BALANCE SHEETS as at 30 June 2003

	Group		Company	
	30.06.03	31.12.02	30.06.03	31.12.02
	\$'000	\$'000	\$'000	\$'000
SHARE CAPITAL	354,374	354,310	354,374	354,310
RESERVES	1,160,553	1,125,978	1,160,553	1,125,978
SHARE CAPITAL AND RESERVES	1,514,927	1,480,288	1,514,927	1,480,288
MINORITY INTERESTS	203,748	189,604	-	-
LONG-TERM BORROWINGS	1,508,119	1,914,106	1,165,801	1,596,294
	3,226,794	3,583,998	2,680,728	3,076,582
Represented by:				
FIXED ASSETS	238,223	240,248	81	83
INVESTMENT PROPERTIES	1,636,048	1,636,048	-	-
PROPERTIES HELD FOR DEVELOPMENT	170,037	169,798	-	-
INVESTMENTS				
Subsidiary companies	-	-	2,732,535	2,670,338
Associated companies	796,211	731,578	390,060	349,086
Other investments	51,832	53,058	4,120	4,120
	848,043	784,636	3,126,715	3,023,544
PROCEEDS FROM SALE OF RESIDENTIAL RECEIVABLES	(302,000)	(302,000)	-	-
CURRENT ASSETS				
Properties held for sale	1,256,016	1,340,920	-	-
Stocks	4,083	3,246	-	-
Debtors	136,772	119,266	27,617	32,666
Amounts owing by holding and related companies	113,496	70,256	63,662	37,841
Fixed deposits, bank balances and cash	216,062	179,436	9,212	4,426
	1,726,429	1,713,124	100,491	74,933
Less:				
CURRENT LIABILITIES				
Creditors	482,659	444,893	11,482	8,535
Net tax provision	46,909	38,989	2,063	4,404
Short-term borrowings	523,975	137,531	523,975	-
	1,053,543	621,413	537,520	12,939
NET CURRENT ASSETS / (LIABILITIES)	672,886	1,091,711	(437,029)	61,994
DEFERRED TAXATION	(36,443)	(36,443)	(9,039)	(9,039)
	3,226,794	3,583,998	2,680,728	3,076,582

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

Amount repayable in one year or less, or on demand

As at 30 June 2003		As at 31 December 2002	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	523,975	39,075	109,763

Amount repayable after one year

As at 30 June 2003		As at 31 December 2002	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
181,699	1,326,420	181,699	1,732,407

Details of any collateral

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

**1(c) CONSOLIDATED CASH FLOW STATEMENT
for the half year ended 30 June 2003**

	Second Quarter Ended 30.06.03 \$'000	Second Quarter Ended 30.06.02 \$'000	Half Year Ended 30.06.03 \$'000	Half Year Ended 30.06.02 \$'000
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit before interest, taxation and exceptional items	22,777	20,025	50,505	49,750
Adjustments for:				
Depreciation of fixed assets	3,303	4,275	6,839	9,309
Other items	-	(143)	-	(270)
Operating income before reinvestment in working capital	26,080	24,157	57,344	58,789
Decrease / (increase) in debtors	(8,952)	3,524	(17,506)	5,549
Decrease / (increase) in consumable stocks and work-in-progress	3,982	(3,391)	2,939	(3,921)
Development expenditure	(78,670)	(124,613)	(131,326)	(157,829)
Proceeds from progress billings	96,176	5,117	212,215	32,743
Proceeds from sale of residential receivables	-	302,000	-	302,000
Increase / (decrease) in creditors	37,609	894	34,933	26,920
Cash generated from operations	76,225	207,688	158,599	264,251
Income from investment received	2	1	2	1
Interest received	2,040	6,778	3,871	8,893
Income from interest in associated undertakings	1,590	(2,478)	2,849	-
Interest paid	(11,040)	(5,475)	(15,916)	(11,089)
Income taxes paid	(4,209)	(5,504)	(7,904)	(12,662)
NET CASH PROVIDED BY OPERATING ACTIVITIES	64,608	201,010	141,501	249,394
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets and investment properties	(362)	(566)	(1,045)	(1,357)
Additional investment / (divestment) in associated companies	1,968	(390)	1,707	(390)
Proceeds from sale of fixed assets	25	23,303	25	23,430
NET CASH USED IN INVESTING ACTIVITIES	1,631	22,347	687	21,683
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital by company	72	7	72	41
Net loan drawdown / (repayment)	(122,725)	56,604	(13,073)	3,137
Advances from minority shareholders of certain subsidiaries	6,222	992	6,890	2,296
Loans to related and associated companies, less dividends	(3,944)	(327)	(56,528)	(226)
Dividends paid to shareholders	(19,347)	(16,553)	(19,347)	(16,553)
Contributions by, less dividends to minority shareholders of subsidiary companies	15,103	(2,447)	14,339	(2,447)
NET CASH PROVIDED / (USED IN) FINANCING ACTIVITIES	(124,619)	38,276	(67,647)	(13,752)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(58,380)	261,633	74,541	257,325
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	358,291	218,339	225,370	221,641
EXCHANGE ADJUSTMENTS	2,449	(230)	2,449	776
CASH AND CASH EQUIVALENTS AT END OF PERIOD	302,360	479,742	302,360	479,742

1(c) **CONSOLIDATED CASH FLOW STATEMENT**
for the half year ended 30 June 2003

Second Quarter Ended 30.06.03 \$'000	Second Quarter Ended 30.06.02 \$'000	Half Year Ended 30.06.03 \$'000	Half Year Ended 30.06.02 \$'000
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REPRESENTED BY:

CASH AND CASH EQUIVALENTS

Fixed deposits, bank balances and cash	216,062	182,995	216,062	182,995
Deposits with related companies	86,298	313,037	86,298	313,037
Short-term borrowings from related companies	-	(16,290)	-	(16,290)
	302,360	479,742	302,360	479,742

Cash and cash equivalents of \$302.4 million as at 30 June 2003 include \$74.6 million held in escrow account for the payment of the construction costs of Amaranda Gardens, Butterworth 8 and The Edgewater, whose receivables from the sale of these projects have been monetised.

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY
for the half year ended 30 June 2003**

**GROUP STATEMENT OF CHANGES IN EQUITY
for the half year ended 30 June 2003**

	<u>Share Capital</u> \$'000	<u>Share Premium</u> \$'000	<u>Property Revaluation and Other Capital Reserves</u> \$'000	<u>Foreign Currency Translation Account</u> \$'000	<u>Retained Profit</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2003	354,310	812,111	534,582	(132,049)	(88,666)	1,480,288
Exchange differences arising on consolidation	-	-	-	(36)	-	(36)
Exchange differences on foreign currency borrowings	-	-	-	(5,436)	-	(5,436)
Net loss not recognised in profit and loss account	-	-	-	(5,472)	-	(5,472)
Net profit for the period	-	-	-	-	21,511	21,511
Balance at 31 March 2003	354,310	812,111	534,582	(137,521)	(67,155)	1,496,327
Exchange differences arising on consolidation	-	-	-	1,141	-	1,141
Exchange differences on foreign currency borrowings	-	-	-	10,801	-	10,801
Net gain not recognised in profit and loss account	-	-	-	11,942	-	11,942
Net profit for the period	-	-	-	-	25,933	25,933
Dividend paid for 2002	-	-	-	-	(19,347)	(19,347)
Issue of shares under the Keppel Land Share Option Scheme	64	8	-	-	-	72
Balance at 30 June 2003	354,374	812,119	534,582	(125,579)	(60,569)	1,514,927

1(d)(i) GROUP STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2002

	<u>Share Capital</u> \$'000	<u>Share Premium</u> \$'000	<u>Property Revaluation and Other Capital Reserves</u> \$'000	<u>Foreign Currency Translation Account</u> \$'000	<u>Retained Profit</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2002	354,287	812,086	653,409	(137,982)	(64,392)	1,617,408
Adjustment for change in accounting policy	-	-	-	-	(35,059)	(35,059)
As restated	354,287	812,086	653,409	(137,982)	(99,451)	1,582,349
Exchange differences arising on consolidation	-	-	-	6,118	-	6,118
Exchange differences on foreign currency borrowings	-	-	-	(303)	-	(303)
Net gain not recognised in profit and loss account	-	-	-	5,815	-	5,815
Net profit for the period	-	-	-	-	25,175	25,175
Issue of shares under the Keppel Land Share Option Scheme	10	24	-	-	-	34
Balance at 31 March 2002	354,297	812,110	653,409	(132,167)	(74,276)	1,613,373
Exchange differences arising on consolidation	-	-	-	(4,844)	-	(4,844)
Exchange differences on foreign currency borrowings	-	-	-	18,765	-	18,765
Net gain not recognised in profit and loss account	-	-	-	13,921	-	13,921
Net profit for the period	-	-	-	-	18,582	18,582
Dividend paid for 2001	-	-	-	-	(16,553)	(16,553)
Transfer from profit and loss account	-	-	17,903	-	-	17,903
Issue of shares under the Keppel Land Share Option Scheme	7	-	-	-	-	7
Balance at 30 June 2002	354,304	812,110	671,312	(118,246)	(72,247)	1,647,233

1(d)(i) **COMPANY STATEMENT OF CHANGES IN EQUITY**

For the half year ended 30 June 2003

	<u>Share Capital</u> \$'000	<u>Share Premium</u> \$'000	<u>Property Revaluation and Other Capital Reserves</u> \$'000	<u>Foreign Currency Translation Account</u> \$'000	<u>Retained Profit</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2003	354,310	812,111	-	(60,753)	374,620	1,480,288
Net surplus on revaluation of subsidiary and associated companies	-	-	19,946	-	-	19,946
Exchange differences on foreign currency borrowings	-	-	-	(5,436)	-	(5,436)
Net gain / (loss) not recognised in profit and loss account	-	-	19,946	(5,436)	-	14,510
Net profit for the period	-	-	-	-	1,529	1,529
Balance at 31 March 2003	354,310	812,111	19,946	(66,189)	376,149	1,496,327
Net surplus on revaluation of subsidiary and associated companies	-	-	28,959	-	-	28,959
Exchange differences on foreign currency borrowings	-	-	-	10,801	-	10,801
Net gain not recognised in profit and loss account	-	-	28,959	10,801	-	39,760
Net loss for the period	-	-	-	-	(1,885)	(1,885)
Dividend paid for 2002	-	-	-	-	(19,347)	(19,347)
Issue of shares under the Keppel Land Share Option Scheme	64	8	-	-	-	72
Balance at 30 June 2003	354,374	812,119	48,905	(55,388)	354,917	1,514,927

COMPANY STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2002

	Share Capital \$'000	Share Premium \$'000	Property Revaluation and Other Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Retained Profit \$'000	Total \$'000
Balance at 1 January 2002						
As previously reported	354,287	812,086	79,373	(82,537)	454,199	1,617,408
Adjustment for change in accounting policy	-	-	(25,682)	-	(9,377)	(35,059)
As restated	354,287	812,086	53,691	(82,537)	444,822	1,582,349
Net surplus on revaluation of subsidiary and associated companies	-	-	27,811	-	-	27,811
Exchange differences on foreign currency borrowings	-	-	-	(303)	-	(303)
Net gain / (loss) not recognised in profit and loss account	-	-	27,811	(303)	-	27,508
Net profit for the period	-	-	-	-	3,482	3,482
Issue of shares under Keppel Land Share Option Scheme	10	24	-	-	-	34
Balance at 31 March 2002	354,297	812,110	81,502	(82,840)	448,304	1,613,373
Net surplus on revaluation of subsidiary and associated companies	-	-	(1,970)	-	-	(1,970)
Exchange differences on foreign currency borrowings	-	-	-	18,765	-	18,765
Net gain / (loss) not recognised in profit and loss account	-	-	(1,970)	18,765	-	16,795
Net profit for the period	-	-	-	-	33,611	33,611
Dividend paid for 2001	-	-	-	-	(16,553)	(16,553)
Issue of shares under Keppel Land Share Option Scheme	7	-	-	-	-	7
Balance at 30 June 2002	354,304	812,110	79,532	(64,075)	465,362	1,647,233

1(d)(ii) SHARE CAPITAL

During the half year ended 30 June 2003, 129,000 new shares were issued by the Company under the Keppel Land Share Option Scheme.

As at 30 June 2003, there were unexercised options for 11,115,000 of unissued ordinary shares of \$0.50 each under the Keppel Land Share Option Scheme.

2. AUDIT

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

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

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

5. CHANGES IN THE ACCOUNTING POLICIES

There are no changes in accounting policies.

6. EARNINGS PER ORDINARY SHARE

	GROUP		
	Half Year 2003	Half Year 2002	+ / (-)%
Earnings per ordinary share of the Company for the half year based on Group net profit attributable to Shareholders:			
(i) Based on the weighted average number of shares	6.7 cents	6.1 cents	+ 9.8
(ii) On a fully diluted basis	6.7 cents	6.1 cents	+ 9.8

7. NET ASSET VALUE

	GROUP		COMPANY	
	30.06.03	31.12.02	30.06.03	31.12.02
Net asset value per share based on issued share capital at the end of the period (\$)	2.14	2.09	2.14	2.09

8. REVIEW OF GROUP PERFORMANCE

Group turnover for this half year is \$298.1 million compared with \$138.1 million for the first half of 2002. The higher turnover is due to sales from One Park Avenue (first launched in November 2002), a higher progressive recognition of sales for Amaranda Gardens, The Edgewater, Freesia Woods and Botanic Cove, and the sale of the Norfolk Garden site. An offsetting factor is lower rental income due to a decline in rentals and occupancies of the Group's office buildings in Singapore, and to the disposal of Capital Square towards the end of last year.

Group profit before tax at \$52.8 million is 3.5% higher. The increase is from profits of One Park Avenue and Caribbean at Keppel Bay as well as the write-back of \$6.6 million in provision for the Norfolk Garden site. These contributions are, however, partly offset by lower office rental income, a higher loss incurred by the Group's hotels and resorts, and a higher net interest expense due to additional funding for certain associated companies and new overseas projects.

Tax expense at \$5.2 million is 28.4% lower as a result of the benefit of group relief. Minority interests are also lower because of the disposal of Capital Square. In the first half of 2002, the exceptional gain of \$2.5 million is from the sale of Bayswater Village in Sydney.

Taking all of the above factors into account, Group attributable profit of \$47.4 million is an improvement of 8.4% over the corresponding profit in 2002.

In the opinion of the Directors, no factor has arisen between 30 June 2003 and the date of this report which would materially affect the results of the Group and the Company for the half year just ended.

9. VARIANCE FROM PROSPECT STATEMENT

No forecast was previously disclosed on the Group's results for the first half year ended 30 June 2003.

10. PROSPECTS

In Singapore, the residential and office property markets will continue to be soft unless the present uncertain economic environment improves. Depending on market conditions, the projects which are being prepared for launch or relaunch in the second half year 2003 include The Tresor, Pinnacles @ Wee Nam, and the remaining units of Caribbean at Keppel Bay.

Regionally, prospects in housing development for the growing middle-income populations in countries with continuous economic growth remain attractive, especially in China, Thailand and Vietnam. The strong demand in these countries is supported by rising affluence, government policies promoting home ownership and availability of mortgage financing at low interest rates. 8 Park Avenue in Shanghai, the first batch of detached houses in Bangkok, and Villa Riviera in Ho Chi Minh City are scheduled for launch by the end of the year.

11. DIVIDENDS**(a) Current financial period reported on**

None.

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

(b) Corresponding period of the immediately preceding financial year

None.

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

(c) DATE PAYABLE

Not applicable.

(d) BOOKS CLOSURE DATES

Not applicable.

**12. DIVIDEND STATEMENT
(if no dividend has been declared / recommended)**

No dividend has been declared for the first half year ended 30 June 2003.

13. SEGMENT ANALYSIS

By Business Segment

Group Figures						
Turnover		Profit before Tax		Attributable Profit		
Half Year 2003 \$'000	Half Year 2002 \$'000	Half Year 2003 \$'000	Half Year 2002 \$'000	Half Year 2003 \$'000	Half Year 2002 \$'000	
Property investment	43,735	68,591	26,124	39,978	18,000	28,465
Property trading	238,950	50,673	34,131	11,996	26,173	11,255
Hospitality and services	15,410	18,833	(7,498)	(977)	3,271	1,536
Before exceptional items	298,095	138,097	52,757	50,997	47,444	41,256
Exceptional items	-	-	-	2,501	-	2,501
After exceptional items	298,095	138,097	52,757	53,498	47,444	43,757

By Geographical Location

Group Figures						
Turnover		Profit before Tax		Attributable Profit		
Half Year 2003 \$'000	Half Year 2002 \$'000	Half Year 2003 \$'000	Half Year 2002 \$'000	Half Year 2003 \$'000	Half Year 2002 \$'000	
Singapore	143,791	105,595	34,472	53,105	34,300	41,322
Other countries	154,304	32,502	18,285	(2,108)	13,144	(66)
Before exceptional items	298,095	138,097	52,757	50,997	47,444	41,256
Exceptional items	-	-	-	2,501	-	2,501
After exceptional items	298,095	138,097	52,757	53,498	47,444	43,757

14. REVIEW OF SEGMENT PERFORMANCE

- (a) Turnover for property trading is higher as a result of sales from One Park Avenue and the disposal of the Norfolk Garden site, as well as the higher progressive recognition of sales for Amaranda Gardens, The Edgewater, Freesia Woods and Botanic Cove. In property investment, occupancies and rental rates are lower for the Group's office buildings in Singapore. The fall in rental income is also due to the sale of Capital Square in November 2002.
- (b) Attributable profit for property trading is higher due to contributions from One Park Avenue and Caribbean at Keppel Bay, and the sale of the Norfolk Garden site, partly offset by the final cost adjustments of \$10.1 million for The Mayfair, Palm Gardens and Villa Verde taken up in first half year of 2002. As for property investment, the decline in profit reflects the lower occupancies and rentals and the sale of Capital Square referred to above. Overall, Group attributable profit is higher due to the improvement in property trading profit and a lower tax expense arising from the benefit of group relief.
- (c) By geographical segment, overseas operations account for 27.7% of attributable profit in the current half year. In the corresponding period last year, overseas operations reported a breakeven result.

15. **FIRST HALF AND SECOND HALF YEAR RESULTS**

(a) **First Half and Second Half Year Results**

Not applicable.

(b) **Interested Person Transactions**

Name of Interested Person	Aggregate Value of all Interested Person Transactions during the Period under Review (excluding Transactions less than \$100,000 and Transactions conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST's Listing Manual).		Aggregate Value of all Interested Person Transactions conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST's Listing Manual.	
	Second Quarter 2003 \$'000	Second Quarter 2002 \$'000	Second Quarter 2003 \$'000	Second Quarter 2002 \$'000
(i) Property transactions				
Keppel Corporation Limited Group :				
Rental			542	683
Project management fees			196	232
Property management fees			18	17
Marketing commission			122	-
			878	932
(ii) Other services and products				
Keppel Corporation Limited Group :				
Treasury – interest income			320	376
Treasury – interest expense			(4,739)	(6,257)
Management fees paid			(572)	(579)
Other services – expense			(637)	(299)
Other services - income			49	-

16. TOTAL ANNUAL DIVIDEND

Total annual dividend amounted to

	2002 (\$'000)	2001 (\$'000)
Ordinary	19,347	16,553
Preference	-	-
Total:	19,347	16,553

BY ORDER OF THE BOARD

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