

PROFORMA FINANCIAL STATEMENT

UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2004

TABLE OF CONTENTS

	Page
1(a) GROUP PROFIT AND LOSS ACCOUNT	2
1(b)(i) BALANCE SHEETS	3
1(b)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES	4
1(c) CONSOLIDATED CASH FLOW STATEMENT	5
1(d)(i) STATEMENTS OF CHANGES IN EQUITY	8
1(d)(ii) SHARE CAPITAL	12
2 AUDIT	12
3 AUDITORS' REPORT	12
4 ACCOUNTING POLICIES	12
5 CHANGES IN ACCOUNTING POLICIES	12
6 EARNINGS PER ORDINARY SHARE	12
7 NET ASSET VALUE	13
8 REVIEW OF GROUP PERFORMANCE	13
9 VARIANCE FROM PROSPECT STATEMENT	14
10 PROSPECTS	14
11 BUSINESS DYNAMICS AND RISK FACTORS	14
12 DIVIDENDS	15
13 DIVIDEND STATEMENT	16
14 SEGMENT ANALYSIS	17
15 REVIEW OF SEGMENT PERFORMANCE	20
16 INTERESTED PERSON TRANSACTIONS	21
17 TOTAL ANNUAL DIVIDEND	22
Appendix QUARTERLY BREAKDOWN	23

1 UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2004

The Directors of Keppel Land Limited announce the following unaudited results of the Group for the half year ended 30 June 2004:

1 (a) GROUP PROFIT AND LOSS ACCOUNT for the half year ended 30 June 2004

	Second Quarter Ended 30.06.04 \$'000	Second Quarter Ended 30.06.03 \$'000	+ / (-) %	Half Year Ended 30.06.04 \$'000	Half Year Ended 30.06.03 \$'000	+ / (-) %
SALES	173,131	155,206	11.5	285,272	298,095	(4.3)
COST OF SALES	(132,572)	(125,198)	5.9	(212,590)	(233,117)	(8.8)
GROSS PROFIT	40,559	30,008	35.2	72,682	64,978	11.9
Marketing expenses	(615)	(597)	3.0	(1,235)	(1,206)	2.4
Administrative expenses	(6,644)	(6,634)	0.2	(15,273)	(13,267)	15.1
OPERATING PROFIT	33,300	22,777	46.2	56,174	50,505	11.2
Interest and investment income	2,248	3,632	(38.1)	7,059	6,722	5.0
Interest expense	(5,845)	(11,040)	(47.1)	(12,673)	(15,916)	(20.4)
Share of results of associated companies	6,464	8,112	(20.3)	15,188	11,446	32.7
PROFIT BEFORE EXCEPTIONAL ITEMS	36,167	23,481	54.0	65,748	52,757	24.6
Exceptional items	-	-		-	-	
PROFIT BEFORE TAXATION	36,167	23,481	54.0	65,748	52,757	24.6
Taxation	(3,577)	1,063	nm	(5,285)	(5,235)	1.0
PROFIT AFTER TAXATION	32,590	24,544	32.8	60,463	47,522	27.2
Minority interests	(2,000)	1,389	nm	(319)	(78)	309.0
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	30,590	25,933	18.0	60,144	47,444	26.8
Basic earnings per share (cents)	4.3	3.6		8.5	6.7	
Diluted earnings per share (cents)	4.3	3.6		8.5	6.7	
Profit attributable to shareholders is arrived at after charging / (crediting) the following:						
Depreciation	3,068	3,303		6,091	6,839	
Provision / (write back) for doubtful debts	(2,206)	167		(2,206)	241	
Foreign exchange (gain) / loss	571	(3,427)		2,913	254	

nm - not meaningful

1(b)(i) BALANCE SHEETS as at 30 June 2004

	Group		Company	
	30.06.04 \$'000	31.12.03 \$'000	30.06.04 \$'000	31.12.03 \$'000
SHARE CAPITAL	355,350	354,946	355,350	354,946
RESERVES	1,144,029	1,131,958	1,144,029	1,131,958
SHARE CAPITAL AND RESERVES	1,499,379	1,486,904	1,499,379	1,486,904
MINORITY INTERESTS	202,174	206,302	-	-
LONG-TERM BORROWINGS	1,788,161	1,853,129	1,237,112	1,461,133
	3,489,714	3,546,335	2,736,491	2,948,037
Represented by:				
FIXED ASSETS	235,288	242,028	76	78
INVESTMENT PROPERTIES	1,484,400	1,492,700	-	-
PROPERTIES HELD FOR DEVELOPMENT				
INVESTMENTS	188,280	195,147	-	-
Subsidiary companies	-	-	2,520,985	2,638,598
Associated companies	859,568	841,458	366,350	381,796
Other investments	34,851	55,574	4,120	4,120
	894,419	897,032	2,891,455	3,024,514
PROCEEDS FROM SALE OF RESIDENTIAL RECEIVABLES	-	(302,000)	-	-
CURRENT ASSETS				
Properties held for sale	1,052,111	1,171,861	-	-
Stocks	3,411	3,396	-	-
Debtors	131,439	133,844	22,558	27,561
Amounts owing by holding and related Companies	33,403	27,228	3,856	3,761
Fixed deposits, bank balances and cash	460,818	500,926	52,978	151,879
	1,681,182	1,837,255	79,392	183,201
Less:				
CURRENT LIABILITIES				
Creditors	517,984	495,697	5,319	5,477
Net tax provision	43,075	40,787	882	1,564
Short-term borrowings	403,778	247,816	223,778	247,816
	964,837	784,300	229,979	254,857
NET CURRENT ASSETS / (LIABILITIES)	716,345	1,052,955	(150,587)	(71,656)
Deferred taxation	(29,018)	(31,527)	(4,453)	(4,899)
	3,489,714	3,546,335	2,736,491	2,948,037

Review of financial position

As a result of the profit for 1H2004, the Group's net tangible assets per share improved to \$2.11 from \$2.09 as at December 2003. Net debt/equity ratio rose to 1.02 from 0.95 at end-December 2003 due largely to the payment of dividends for 2003 of \$23 million and land and related costs of \$25 million for the Group's China projects.

Note: Proceeds from the sale of residential receivables

By end-June 2004, the Group became entitled to the residual amounts due from the buyers of units in Butterworth 8, Amaranda Gardens and The Edgewater ("Projects"). The progress billings in respect of the residual amounts have been taken to properties held for sale. The proceeds from the sale of residential receivables arising from the past sale of units in the Projects have been offset against these progress billings.

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

Amount repayable in one year or less, or on demand

As at 30 June 2004		As at 31 December 2003	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
180,000	223,778	-	247,816

Amount repayable after one year

As at 30 June 2004		As at 31 December 2003	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
37,934	1,750,227	214,934	1,638,195

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 \$449.1 million (31.12.03: \$449.1 million).

**1(c) CONSOLIDATED CASH FLOW STATEMENT
for the half year ended 30 June 2004**

	Second Quarter Ended 30.06.04 \$'000	Second Quarter Ended 30.06.03 \$'000	Half Year Ended 30.06.04 \$'000	Half Year Ended 30.06.03 \$'000
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit before interest, taxation and exceptional items	33,300	22,777	56,174	50,505
Adjustments for:				
Depreciation of fixed assets	3,068	3,303	6,091	6,839
Write back of provision for properties held for sale	(14,527)	-	(14,527)	-
Provision / (write back) for doubtful debts	(2,206)	167	(2,206)	241
Operating income before reinvestment in working capital	19,635	26,247	45,532	57,585
Increase in debtors	(2,258)	(9,119)	2,405	(17,747)
Decrease / (increase) in work-in-progress and stocks	(15,346)	3,982	(33,651)	2,939
Development expenditure	(75,217)	(78,670)	(219,902)	(131,326)
Proceeds from progress billings	32,463	96,176	85,274	212,215
Increase / (decrease) in creditors	19,162	37,609	(875)	34,933
Cash (used in) / generated from operations	(21,561)	76,225	(121,217)	158,599
Income from investment received	-	2	-	2
Interest received	1,144	2,040	4,093	3,871
Income from interest in associated undertakings	1,104	1,590	2,966	2,849
Interest paid	(5,845)	(11,040)	(12,673)	(15,916)
Income taxes paid	(2,612)	(4,209)	(2,554)	(7,904)
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	(27,770)	64,608	(129,385)	141,501
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets and investment properties	(170)	(362)	(259)	(1,045)
Repayment of loans by investee company	-	-	20,636	-
Additional (investment) / divestment in associated companies	(10,032)	1,968	(11,276)	1,707
Proceeds from sale of fixed assets	13	25	13	25
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES	(10,189)	1,631	9,114	687
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital by company	241	72	1,134	72
Net loan drawdown / (repayment)	77,507	(122,725)	108,934	(13,073)
Advances from / (to) minority shareholders of certain subsidiaries	(1,456)	6,222	(1,694)	6,890
Repayments from / loans (to) related and associated companies, less dividends	(23,353)	(3,944)	508	(56,528)
Dividends paid to shareholders	(22,742)	(19,347)	(22,742)	(19,347)
Dividends to, less contributions by minority shareholders of subsidiary companies	(2,372)	15,103	(2,372)	14,339
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	27,825	(124,619)	83,768	(67,647)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(10,134)	(58,380)	(36,503)	74,541
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	474,759	358,291	500,926	225,370
EXCHANGE ADJUSTMENTS	(3,807)	2,449	(3,605)	2,449
CASH AND CASH EQUIVALENTS AT END OF PERIOD	460,818	302,360	460,818	302,360

**1(c) CONSOLIDATED CASH FLOW STATEMENT
 for the half year ended 30 June 2004**

Second Quarter Ended 30.06.04 \$'000	Second Quarter Ended 30.06.03 \$'000	Half Year Ended 30.06.04 \$'000	Half Year Ended 30.06.03 \$'000
--	--	---	---

REPRESENTED BY:

CASH AND CASH EQUIVALENTS

Fixed deposits, bank balances and cash	333,190	216,062	333,190	216,062
Deposits with related companies	127,628	86,298	127,628	86,298
Short-term borrowings from related companies	-	-	-	-
	460,818	302,360	460,818	302,360

Cash and cash equivalents of \$460.8 million as at 30 June 2004 include \$23.2 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.

Review of cash flows for 2Q2004

(i) Net cash used in operating activities

The Group's net cash used in operating activities for 2Q2004 was \$27.8 million compared with net cash inflow of \$64.6 million from operating activities in the corresponding quarter last year. Excluding development expenditure of \$75.2 million, which included payment of about \$25 million for land and related costs for projects in China, the Group's net cash from operating activities would have been \$47.4 million.

(ii) Net cash from investing activities

The Group's net cash used in investing activities for 2Q2004 was \$10.2 million compared with net cash inflow of \$1.6 million from investing activities in the corresponding quarter last year. This was mainly due to additional investment in an associated company which is part of the Group's property fund management business.

(iii) Net cash provided by financing

The Group's net cash provided by financing activities was \$27.8 million. Funds came largely from a net loan drawdown of \$77.5 million. This was partly offset by funding to associated companies of \$23.4 million and payment of dividends to shareholders, including minority shareholders, of \$25.1 million.

(iv) Overall, the net decrease in cash and cash equivalents of \$10.1 million was funded by the Group's strong cash balance of \$475 million as at 31 March 2004.

Review of cash flows for 1H2004

(i) Net cash used in operating activities

The Group's net cash used in operating activities was \$129.4 million compared with net cash inflow of \$141.5 million from operating activities in the corresponding period last year. Excluding development expenditure of \$219.9 million, which included payment of \$89 million for the purchase of the adjoining site at Wee Nam Road and the payment of about \$25 million for land and related costs for projects in China, the Group's net cash from operating activities would have been \$90.5 million.

(ii) Net cash from investing activities

The Group's net cash from investing activities was \$9.1 million. Contributing largely to this was a \$20.6 million loan repayment by an investee company partly offset additional investments of \$11.3 million in an associated company which is part of the Group's property fund management business.

(iii) Net cash provided by financing

The Group's net cash provided by financing activities was \$83.8 million. Funds came largely from a net loan drawdown of \$108.9 million, partly offset by the payment of dividends to shareholders, including minority shareholders, of \$25.1 million.

(iv) Overall, the net decrease in cash and cash equivalents of \$36.5 million was funded by the Group's strong cash balance of \$501 million as at December 2003.

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY
 for the half year ended 30 June 2004**
**GROUP STATEMENT OF CHANGES IN EQUITY
 for the half year ended 30 June 2004**

	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 2004	354,946	812,833	377,479	(50,892)	(7,462)	1,486,904
Exchange difference adjustments	-	-	-	3,150	-	3,150
Net gain not recognised in profit and loss account	-	-	-	3,150	-	3,150
Net profit for the period	-	-	-	-	29,554	29,554
Total gains for the period	-	-	-	3,150	29,554	32,704
Issue of shares under the Keppel Land Share Option Scheme	322	571	-	-	-	893
Net revaluation surplus realised and transferred profit and loss account	-	-	(11,116)	-	-	(11,116)
Balance at 31 March 2004	355,268	813,404	366,363	(47,742)	22,092	1,509,385
Exchange difference adjustments	-	-	-	(18,095)	-	(18,095)
Net loss not recognised in profit and loss account	-	-	-	(18,095)	-	(18,095)
Net profit for the period	-	-	-	-	30,590	30,590
Total gains / (loss) for the period	-	-	-	(18,095)	30,590	12,495
Dividend paid for 2003	-	-	-	-	(22,742)	(22,742)
Issue of shares under the Keppel Land Share Option Scheme	82	159	-	-	-	241
Balance at 30 June 2004	355,350	813,563	366,363	(65,837)	29,940	1,499,379

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 difference adjustments	-	-	-	(5,472)	-	(5,472)
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 difference adjustments	-	-	-	11,942	-	11,942
Net gain not recognised in profit and loss account	-	-	-	11,942	-	11,942
Net profit for the period	-	-	-	-	25,933	25,933
Total gains for the period	-	-	-	11,942	25,933	37,875
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

COMPANY STATEMENT OF CHANGES IN EQUITY
for the half year ended 30 June 2004

	<u>Share Capital</u> \$'000	<u>Share Premium</u> \$'000	Property Revaluation and Other Capital <u>Reserves</u> \$'000	Foreign Currency Translation <u>Account</u> \$'000	Retained <u>Profit</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2004	354,946	812,833	-	(51,160)	370,285	1,486,904
Exchange differences on foreign currency borrowings	-	-	-	6,340	-	6,340
Net gain not recognised in profit and loss account	-	-	-	6,340	-	6,340
Net surplus on revaluation of subsidiary and associated companies	-	-	-	-	13,347	13,347
Net profit for the period	-	-	-	-	1,901	1,901
Total gains for the period	-	-	-	6,340	15,248	21,588
Issue of shares under the Keppel Land Share Option Scheme	322	571	-	-	-	893
Balance at 31 March 2004	355,268	813,404	-	(44,820)	385,533	1,509,385
Exchange differences on foreign currency borrowings	-	-	-	(8,231)	-	(8,231)
Net loss not recognised in profit and loss account	-	-	-	(8,231)	-	(8,231)
Net surplus on revaluation of subsidiary and associated companies	-	-	-	-	17,213	17,213
Net profit for the period	-	-	-	-	3,513	3,513
Total gains / (loss) for the period	-	-	-	(8,231)	20,726	12,495
Dividend paid for 2003	-	-	-	-	(22,742)	(22,742)
Issue of shares under the Keppel Land Share Option Scheme	82	159	-	-	-	241
Balance at 30 June 2004	355,350	813,563	-	(53,051)	383,517	1,499,379

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
Exchange differences on foreign currency borrowings	-	-	-	(5,436)	-	(5,436)
Net loss not recognised in profit and loss account	-	-	-	(5,436)	-	(5,436)
Net surplus on revaluation of subsidiary and associated companies	-	-	-	-	19,946	19,946
Net profit for the period	-	-	-	-	1,529	1,529
Balance at 31 March 2003	354,310	812,111	-	(66,189)	396,095	1,496,327
Exchange differences on foreign currency borrowings	-	-	-	10,801	-	10,801
Net gain not recognised in profit and loss account	-	-	-	10,801	-	10,801
Net surplus on revaluation of subsidiary and associated companies	-	-	-	-	28,959	28,959
Net loss for the period	-	-	-	-	(1,885)	(1,885)
Total gains / (loss) for the period	-	-	-	10,801	27,074	37,875
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	-	(55,388)	403,822	1,514,927

1(d)(ii) SHARE CAPITAL

During the half year ended 30 June 2004, the Company issued 808,000 ordinary shares of \$0.50 each upon the exercise of options granted under the Keppel Land Share Option Scheme to executive employees. The share capital of the Company as at 30 June 2004 comprised 710,700,082 ordinary shares of \$0.50 each.

As at 30 June 2004, there were unexercised options for 10,426,500 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 2003.

5. CHANGES IN THE ACCOUNTING POLICIES

There are no changes in accounting policies.

6. EARNINGS PER ORDINARY SHARE

	GROUP		
	Half Year 2004	Half Year 2003	+ / (-)%
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	8.5 cents	6.7 cents	26.9
- Weighted average number of shares ('000)	709,500,455	708,637,605	0.1
(ii) On a fully diluted basis	8.5 cents	6.7 cents	26.9
- Adjusted weighted average number of shares ('000)	709,877,919	708,808,759	0.2

7. NET ASSET VALUE

	GROUP		COMPANY	
	30.06.04	31.12.03	30.06.04	31.12.03
Net asset value per share based on issued share capital at the end of the period (\$)	2.11	2.09	2.11	2.09

8. REVIEW OF GROUP PERFORMANCE

2Q2004

Group turnover for 2Q2004 was \$173.1 million compared with \$155.2 million for the corresponding quarter last year, an increase of 11.5% year-on-year. The higher turnover was due mainly to progressive recognition of revenue for One Park Avenue and two Singapore projects which received their Temporary Occupancy Permits ("TOPs") in June, viz Butterworth 8 and Amaranda Gardens. Rental income from the Group's office buildings was lower as compared to the second quarter of 2003 due to the soft office market.

At the pre-tax level, the Group's profit at \$36.2 million was 54% higher than that for 2Q2003. The main contributions came from progressive profit recognition for One Park Avenue, 8 Park Avenue and Caribbean at Keppel Bay, write-backs of provisions for Butterworth 8 and Amaranda Gardens, and lower net interest expense. Contributions from property investment were lower. Losses from the Group's hotels and resorts were also lower.

Group tax expense for 2Q2004 was \$3.6 million. This represented an effective tax rate of about 10% due largely to the benefit of group tax relief amounting to \$3.9 million in the quarter. In the corresponding quarter last year, a tax refund of \$1.1 million was recorded. This was due mainly to the benefit of group tax relief of about \$6.8 million.

After taking into account minority interests' share of profits of certain subsidiaries amounting to \$2 million, Group attributable profit was \$30.6 million compared with \$25.9 million for 2Q2003, an increase of 18%.

Earnings from overseas represented about 29% of the Group's attributable profit for 2Q2004, broadly in line with the level for 2Q2003.

1H2004

Group turnover for 1H2004 was \$285.3 million compared with \$298.1 million for 1H2003. The lower turnover was due mainly to timing differences in the progressive recognition of revenue for the Group's launched residential projects in Singapore and overseas. This was partly offset by further progressive revenue recognition for Butterworth 8 and Amaranda Gardens which received their TOPs in June this year, One Park Avenue and 8 Park Avenue, and the sale of two Cluny Hill land plots in 1Q2004. Rental income from the Group's office buildings was lower as compared to 1H2003 due to a competitive office market.

At the pre-tax level, Group profit at \$65.7 million was 24.6% higher than that for 1H2003. The Group's property trading projects were the main contributors to the increase. Contributions came largely from the sale of two Cluny Hill land plots, write-backs of provisions for Butterworth 8 and Amaranda Gardens, and progressive profit recognition for One Park Avenue, 8 Park Avenue and Caribbean at Keppel Bay. In addition, there were better contributions from other associated companies, viz Bugis City Holdings, trading projects in Malaysia and Ocean Towers in Shanghai. These contributions were, however, partly offset by lower contributions from property investment, and higher losses incurred by the Group's hotels and resorts.

As compared with 1H2003, net interest expense was 36% lower due to a generally benign interest rate environment.

Group tax expense of \$5.3 million was similar to that for 1H2003 due to the write-back of deferred tax provisions of about \$3 million as a result of the reduction in the corporate tax rate from 22% to 20%, a lower corporate tax rate of 20% for 2004 and group tax relief benefit of about \$3.9 million.

After taking into account minority interests' share of profits of certain subsidiaries amounting to \$0.3 million, Group attributable profit was \$60.1 million compared with \$47.4 million for 1H2003, an increase of 26.8%.

Earnings from overseas represented about 30% of the Group's attributable profit for 1H2004, an increase from 27.7% for the corresponding period last year. This is in line with the Group's expectation of growing overseas earnings to about 50% of its attributable profit by 2005.

In the opinion of the Directors, no factor has arisen between the end of 1H2004 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 2004.

10. PROSPECTS

Singapore's economy, based on advance estimates, grew at 11.7% year-on-year in 2Q2004. This was achieved on the back of strong exports and an improving employment market resulting in healthy consumer sentiments. This strong economic recovery has contributed, among other factors, to the residential price index for 2Q2004 maintaining an even keel at the same level as for 1Q2004. With prices stabilising and the outlook for employment brightening, the Group is hopeful that the recovery of the residential sector is underway. Caribbean at Keppel Bay will be relaunched in 3Q2004 while other projects including Urbana in River Valley, Park Infinia at Wee Nam and The Tresor are slated for launch in 2H2004.

More companies have indicated their plans to set up offices or expand operations in Singapore in view of the better economic climate. Rentals and capital values are, therefore, expected to consolidate and possibly improve given that the near-term supply of space is limited.

In China, the recent measures by the Chinese government to guide its economy towards a more sustainable growth path are not anticipated to impact materially demand for the Group's projects there. As such, more units of 8 Park Avenue, the Group's second trading project in Shanghai, will be launched after the sell-out of the first launch of 85 units in 1Q2004. The Group also intends to launch The Seasons in Beijing and The Waterfront in Chengdu in 2H2004. Residential projects in Thailand and Vietnam are also being prepared for launch in 2H2004.

11. BUSINESS DYNAMICS AND RISK FACTORS

The Group's strategy for enhancing shareholder value is to focus on developing properties for sale and managing property funds. Besides the Singapore property market, the Group is also expanding into the growing property markets of China, Vietnam and Thailand where there is still insufficient good quality housing to satisfy the needs of their growing middle class populations. The Group is also on the look out for value-accretive development opportunities in India, Indonesia and Malaysia.

With the strong GDP growth of 11.7% for 2Q2004, the recovery of the Singapore economy appears firm, and demand in the residential and office sectors is expected to pick up in tandem.

The success of the Group's regional efforts will be dependent, inter alia, on the following factors:

- Availability of prime residential sites at competitive prices for upper middle income housing;
- Availability of good sites at competitive prices in populous cities for township developments so that economies of scale can be achieved to provide good quality and affordable urban housing;
- Favourable lending laws and interest rates for property developers and end-purchaser financing;
- Favourable tax laws and double taxation treaties with Singapore, and ease of repatriating funds to Singapore;
- Proper management of interest and currency rate exposures.

The Group also faces possible challenges such as political uncertainty and social unrest issues.

The Group's property fund management business will develop further for recurring income. Efforts are being made to identify and invest in projects that will give the expected rates of return required by investors.

The Company will continue to monitor all major risks under the Group's Enterprise Risk Management Committee and take the necessary actions to mitigate or eliminate them.

12. 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.

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

No dividend has been declared for the first half year ended 30 June 2004.

14. SEGMENT ANALYSIS

2Q2004 vs 2Q2003

By Business Segment

Group Figures						
Turnover		Profit before Tax		Attributable Profit		
Second Quarter 2004 \$'000	Second Quarter 2003 \$'000	Second Quarter 2004 \$'000	Second Quarter 2003 \$'000	Second Quarter 2004 \$'000	Second Quarter 2003 \$'000	
Property investment	17,769	22,466	9,752	14,528	6,699	10,018
Property trading	145,162	124,757	33,455	16,539	27,049	11,801
Others	10,200	7,983	(7,040)	(7,586)	(3,158)	4,114
Before exceptional items	173,131	155,206	36,167	23,481	30,590	25,933
Exceptional items	-	-	-	-	-	-
After exceptional items	173,131	155,206	36,167	23,481	30,590	25,933

By Geographical Location

Group Figures						
Turnover		Profit before Tax		Attributable Profit		
Second Quarter 2004 \$'000	Second Quarter 2003 \$'000	Second Quarter 2004 \$'000	Second Quarter 2003 \$'000	Second Quarter 2004 \$'000	Second Quarter 2003 \$'000	
Singapore	115,445	67,488	21,308	13,905	21,646	18,436
Other countries	57,686	87,718	14,859	9,576	8,944	7,497
Before exceptional items	173,131	155,206	36,167	23,481	30,590	25,933
Exceptional items	-	-	-	-	-	-
After exceptional items	173,131	155,206	36,167	23,481	30,590	25,933

1H2004 vs 1H2003

By Business Segment

	Group Figures					
	Turnover		Profit before Tax		Attributable Profit	
	Half Year 2004 \$'000	Half Year 2003 \$'000	Half Year 2004 \$'000	Half Year 2003 \$'000	Half Year 2004 \$'000	Half Year 2003 \$'000
Property investment	36,311	43,735	21,895	26,124	18,248	18,000
Property trading	227,952	238,950	55,877	34,131	46,445	26,173
Others	21,009	15,410	(12,024)	(7,498)	(4,549)	3,271
Before exceptional items	285,272	298,095	65,748	52,757	60,144	47,444
Exceptional items	-	-	-	-	-	-
After exceptional items	285,272	298,095	65,748	52,757	60,144	47,444

By Geographical Location

	Group Figures					
	Turnover		Profit before Tax		Attributable Profit	
	Half Year 2004 \$'000	Half Year 2003 \$'000	Half Year 2004 \$'000	Half Year 2003 \$'000	Half Year 2004 \$'000	Half Year 2003 \$'000
Singapore	187,025	143,791	40,810	34,472	42,395	34,300
Other countries	98,247	154,304	24,938	18,285	17,749	13,144
Before exceptional items	285,272	298,095	65,748	52,757	60,144	47,444
Exceptional items	-	-	-	-	-	-
After exceptional items	285,272	298,095	65,748	52,757	60,144	47,444

2Q2004 vs 1Q2004

By Business Segment

	Group Figures					
	Turnover		Profit before Tax		Attributable Profit	
	Second Quarter 2004 \$'000	First Quarter 2004 \$'000	Second Quarter 2004 \$'000	First Quarter 2004 \$'000	Second Quarter 2004 \$'000	First Quarter 2004 \$'000
Property investment	17,769	18,542	9,752	12,143	6,699	11,549
Property trading	145,162	82,790	33,455	22,422	27,049	19,396
Others	10,200	10,809	(7,040,)	(4,984)	(3,158)	(1,391)
Before exceptional items	173,131	112,141	36,167	29,581	30,590	29,554
Exceptional items	-	-	-	-	-	-
After exceptional items	173,131	112,141	36,167	29,581	30,590	29,554

By Geographical Location

	Group Figures					
	Turnover		Profit before Tax		Attributable Profit	
	Second Quarter 2004 \$'000	First Quarter 2004 \$'000	Second Quarter 2004 \$'000	First Quarter 2004 \$'000	Second Quarter 2004 \$'000	First Quarter 2004 \$'000
Singapore	115,445	71,580	21,308	19,502	21,646	20,749
Other countries	57,686	40,561	14,859	10,079	8,944	8,805
Before exceptional items	173,131	112,141	36,167	29,581	30,590	29,554
Exceptional items	-	-	-	-	-	-
After exceptional items	173,131	112,141	36,167	29,581	30,590	29,554

15. REVIEW OF SEGMENT PERFORMANCE

2Q2004 vs 2Q2003

- (a) Turnover for property trading in 2Q2004 was higher compared with 2Q2003. Contributions came largely from progressive revenue recognition for Butterworth 8, Amaranda Gardens, One Park Avenue and 8 Park Avenue. Turnover for property investment was lower due largely to a decline in rental rates and occupancies over the past year amidst a competitive market.
- (b) Attributable profit for property trading was higher in 2Q2004 compared with 2Q2003 due mainly to contributions from One park Avenue, 8 Park Avenue and Caribbean at Keppel Bay and write-backs of provisions for Butterworth 8 and Amaranda Gardens. Attributable profit for property investment was lower as compared to the corresponding quarter last year for the reason stated in (a) above.
- (c) Profits from overseas contributed 29% of Group attributable profit for 2Q2004, and was in line with the level for 2Q2003.

1H2004 vs 1H2003

- (a) Turnover for property trading was slightly lower in 1H2004 compared with 1H2003 due largely to the cessation of revenue recognition for Botanic Cove, given its completion in 2003. This was, however, partly offset by the sale of two Cluny Hill land plots, and progressive revenue recognition for the Group's trading projects in Singapore, mainly Butterworth 8 and Amaranda Gardens which received their TOPs in June 2004, and One Park Avenue and 8 Park Avenue in Shanghai. Turnover for property investment was lower due to a decline in rental rates and occupancies as the office market in Singapore continued to consolidate in the first half of this year amidst a very competitive market environment.
- (b) Attributable profit for property trading was higher due to contributions from One Park Avenue, 8 Park Avenue, Caribbean at Keppel Bay, and sale of two Cluny Hill land plots and write-backs of provisions for Butterworth 8 and Amaranda Gardens. Attributable profit for property investment was higher, notwithstanding a lower turnover, largely as a result of a write-back of deferred tax provisions amounting to about \$3 million on account of the reduction in the corporate tax rate to 20% from 22% previously.
- (c) Profits from overseas contributed about 30% of Group attributable profit compared with 27.7% in 1H2003.

2Q2004 vs 1Q2004

- (a) Turnover for property trading for 2Q2004 was higher compared with 1Q2004. This was due largely to higher progressive revenue recognition for the Group's trading projects in Singapore, mainly Butterworth 8 and Amaranda Gardens, and One Park Avenue and 8 Park Avenue in Shanghai. Turnover for property investment was lower due to a decline in rental rates and occupancies as the office market in Singapore continued to consolidate amidst a very competitive environment.
- (b) Attributable profit for property trading was higher in 2Q2004 compared with 1Q2004 due mainly to higher contributions from One park Avenue, 8 Park Avenue and Caribbean at Keppel Bay and write-backs of provisions for Butterworth 8 and Amaranda Gardens. Attributable profit for property investment was lower as compared with 1Q2004 due to the reason stated in (a) above.
- (c) Profits from overseas contributed 29% of Group attributable profit for 2Q2004. This was broadly in line with the level of 30% in 1Q2004.

16. 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 2004 \$'000	Second Quarter 2003 \$'000	Second Quarter 2004 \$'000	Second Quarter 2003 \$'000
Property transactions				
Keppel Corporation Limited Group :				
Rental	-	-	13	542
Project management fees	-	-	63	196
Property management fees	-	-	77	18
Marketing commission	-	-	41	122
			194	878
Other services and products				
Keppel Corporation Limited Group :				
Treasury – interest income	-	-	503	320
Treasury – interest expense	-	-	(4,691)	(4,739)
Management fees paid	-	-	(611)	(572)
Other services	-	-	(423)	(588)
Temasek Group	-	-	(1,288)	-

17. TOTAL ANNUAL DIVIDEND

Total annual dividend amounted to

	2003 (\$'000)	2002 (\$'000)
Ordinary	22,742	19,347
Preference	-	-
Total:	22,742	19,347

BY ORDER OF THE BOARDCHOO CHIN TECK / YEO KAH TIANG
Joint Company Secretaries
28 July 2004

KEPPEL LAND'S SEGMENTAL RESULTS – QUARTERLY BREAKDOWN

By Business Segment (\$m)

	1Q2003	2Q2003	1H2003	3Q2003	4Q2003	FY2003	1Q2004	2Q2004	1H2004
TURNOVER									
Property									
Investment	21.3	22.4	43.7	22.4	13.2	79.3	18.5	17.7	36.3
Trading	114.2	124.8	239.0	157.0	167.6	563.6	82.8	145.2	228.0
Others	7.4	8.0	15.4	10.1	10.4	35.9	10.8	10.2	21.0
Total	142.9	155.2	298.1	189.5	191.2	678.8	112.1	173.1	285.3
EBITDA									
Property									
Investment	13.9	13.1	27.0	13.1	10.8	50.9	11.8	9.9	21.7
Trading	15.4	11.4	26.8	30.7	51.9	109.4	17.5	28.2	45.7
Others	2.0	1.5	3.5	(7.3)	(14.9)	(18.7)	(3.4)	(1.7)	(5.1)
Total	31.3	26.0	57.3	36.5	47.8	141.6	25.9	36.4	62.3
OPERATING PROFIT									
Property									
Investment	13.5	12.8	26.3	12.7	10.1	49.1	11.8	9.9	21.7
Trading	15.4	11.4	26.8	30.7	51.9	109.4	17.5	28.2	45.7
Others	(1.2)	(1.4)	(2.6)	(10.8)	(17.1)	(30.5)	(6.4)	(4.8)	(11.2)
Total	27.7	22.8	50.5	32.6	44.9	128.0	22.9	33.3	56.2
PRE-TAX PROFIT (before Exceptional Items)									
Property									
Investment	11.6	14.5	26.1	10.7	3.7	40.5	12.1	9.8	21.9
Trading	17.6	16.6	34.2	34.7	55.3	124.2	22.4	33.4	55.8
Others	0.1	(7.6)	(7.5)	(9.0)	(12.9)	(29.4)	(4.9)	(7.0)	(12.0)
Total	29.3	23.5	52.8	36.4	46.1	135.3	29.6	36.2	65.7
ATTRIBUTABLE PROFIT									
Property									
Investment	8.0	10.0	18.0	6.7	7.4	32.1	11.5	6.7	18.2
Trading	14.3	11.9	26.2	27.5	49.6	103.3	19.4	27.0	46.4
Others	(0.8)	4.0	3.2	(3.1)	(9.1)	(9.0)	(1.3)	(3.2)	(4.5)
Exceptional Items	0.0	0.0	0.0	0.0	(25.8)	(25.8)	0.0	0.0	0.0
Total	21.5	25.9	47.4	31.1	22.1	100.6	29.6	30.5	60.1

By Geographical Location (\$m)

	1Q2003	2Q2003	1H2003	3Q2003	4Q2003	FY2003	1Q2004	2Q2004	1H2004
TURNOVER									
Singapore	76.3	67.5	143.8	108.2	87.2	339.2	71.6	115.4	187.0
Other Countries	66.6	87.7	154.3	81.3	104.0	339.6	40.5	57.7	98.3
Total	142.9	155.2	298.1	189.5	191.2	678.8	112.1	173.1	285.3
EBITDA									
Singapore	18.7	14.7	33.4	14.3	24.0	71.7	17.1	17.9	35.0
Other Countries	12.6	11.3	23.9	22.2	23.8	69.9	8.8	18.5	27.3
Total	31.3	26.0	57.3	36.5	47.8	141.6	25.9	36.4	62.3
OPERATING PROFIT									
Singapore	18.6	14.5	33.1	14.1	23.9	71.1	17.1	17.9	35.0
Other Countries	9.1	8.3	17.4	18.5	21.0	56.9	5.8	15.4	21.2
Total	27.7	22.8	50.5	32.6	44.9	128.0	22.9	33.3	56.2
PRE-TAX PROFIT (before Exceptional Items)									
Singapore	20.6	13.9	34.5	17.6	28.2	80.3	19.5	21.3	40.8
Other Countries	8.7	9.6	18.3	18.8	17.9	55.0	10.1	14.9	24.9
Total	29.3	23.5	52.8	36.4	46.1	135.3	29.6	36.2	65.7
ATTRIBUTABLE PROFIT									
Singapore	15.9	18.4	34.3	19.0	33.2	86.5	20.7	21.7	42.4
Other Countries	5.6	7.5	13.1	12.1	14.7	39.9	8.9	8.8	17.7
Exceptional Items	0.0	0.0	0.0	0.0	(25.8)	(25.8)	0.0	0.0	0.0
Total	21.5	25.9	47.4	31.1	22.1	100.6	29.6	30.5	60.1