

**PROFORMA FINANCIAL STATEMENT****UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007****TABLE OF CONTENTS**

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## 1 UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

The Directors of Keppel Land Limited announce the following unaudited results of the Group for the year ended 31 December 2007:

### 1 (a) GROUP PROFIT AND LOSS ACCOUNT for the Year Ended 31 December 2007

	Note	Fourth Quarter Ended 31.12.07 \$'000	Fourth Quarter Ended 31.12.06 \$'000	+ /(-) % 31.12.07	Year Ended 31.12.06 \$'000	Year Ended 31.12.06 \$'000	+ /(-) %
<b>SALES</b>		<b>371,353</b>	<b>341,901</b>	8.6	<b>1,407,886</b>	<b>948,018</b>	48.5
Cost of sales		(225,582)	(273,484)	(17.5)	(984,442)	(711,401)	38.4
<b>GROSS PROFIT</b>		<b>145,771</b>	<b>68,417</b>	113.1	<b>423,444</b>	<b>236,617</b>	79.0
Distribution costs		(841)	(646)	30.2	(4,325)	(4,113)	5.2
Administrative and other expenses	1	(49,583)	(21,222)	133.6	(106,850)	(67,177)	59.1
Other income	2	-	-	-	-	38,755	nm
<b>OPERATING PROFIT</b>		<b>95,347</b>	<b>46,549</b>	104.8	<b>312,269</b>	<b>204,082</b>	53.0
Interest and investment income		13,950	14,467	(3.6)	58,818	56,713	3.7
Finance costs	3	(18,023)	(18,585)	(3.0)	(79,216)	(70,418)	12.5
Share of results of associated companies		17,883	14,729	21.4	93,856	27,606	240.0
Corporate restructuring surplus/enbloc property sales/impairment provision	4	145,957	45,425	221.3	145,957	45,425	221.3
<b>PRE-TAX PROFIT</b>		<b>255,114</b>	<b>102,585</b>	148.7	<b>531,684</b>	<b>263,408</b>	101.8
Taxation		(33,050)	(20,318)	62.7	(82,996)	(46,152)	79.8
<b>AFTER-TAX PROFIT BEFORE REVALUATION</b>		<b>222,064</b>	<b>82,267</b>	170.0	<b>448,688</b>	<b>217,256</b>	106.5
Net appreciation on revaluation of investment properties	5	<b>388,196</b>	-	nm	<b>388,196</b>	-	nm
<b>NET PROFIT AFTER REVALUATION</b>		<b>610,260</b>	<b>82,267</b>	641.8	<b>836,884</b>	217,256	285.2
Attributable to:							
<b>Shareholders of the Company</b>		<b>572,337</b>	<b>81,222</b>	604.7	<b>779,650</b>	<b>200,310</b>	289.2
Minority interests		37,923	1,045	3,529.0	57,234	16,946	237.7
<b>NET PROFIT AFTER REVALUATION</b>		<b>610,260</b>	<b>82,267</b>	641.8	<b>836,884</b>	<b>217,256</b>	285.2
Basic earnings per share (cents):							
Profit before property revaluation		31.8	11.3		60.6	27.9	
Profit after property revaluation		79.5	11.3		108.3	27.9	
Diluted earnings per share (cents):							
Profit before property revaluation		30.3	11.3		58.6	27.9	
Profit after property revaluation		75.1	11.3		103.5	27.9	
Operating profit margin (%)		25.7	13.6		22.2	21.5	
Return on equity (%)							
Before revaluation		13.6	3.9		25.8	12.8	
After revaluation		33.9	3.9		46.2	12.8	

	Fourth Quarter Ended 31.12.07	Fourth Quarter Ended 31.12.06	Year Ended 31.12.07	Year Ended 31.12.06
	\$'000	\$'000	\$'000	\$'000

**Profit before taxation is arrived at after charging / (crediting) the following:**

Write-back of provision for properties held for sale	(40,210)	(16,915)	(109,414)	(47,475)
Depreciation	2,314	3,163	9,653	11,226
Cost of share-based payments	889	752	2,771	1,542
Foreign exchange loss/(gain)	4,899	(245)	6,672	612
Provision for doubtful debts	247	4,550	3,067	7,281
Fair value loss from revaluation of interest rate hedging instruments	-	2,296	5,262	2,403
Employee emoluments	36,758	17,497	84,311	58,914

**Notes**

- The administrative and other expenses are higher due to higher staff and related costs.
- "Other income" for 2006 refers to the profit from the sale of the Company's stake in Singapore Suzhou Industrial Holdings Pte Ltd (\$9.5 million), and the profit from the sale of a subsidiary of Evergro Properties Limited (owner of 133-ha of land in Tianjin) of \$29.2 million in which the Group's share of the profit after tax and minority interests is about \$12.4 million.
- Finance costs are higher than the previous year's mainly on account of a higher revaluation loss for the Group's interest rate hedging instruments.
- Corporate restructuring surplus/enbloc property sales/impairment provision consists of:

	<u>Fourth Quarter and Total Year</u>	
	2007	2006
	\$'000	\$'000
Surplus from the ownership restructuring of an associated company	235,230	-
Diminution in value of Group's hotels in Myanmar	(46,000)	(32,199)
Diminution in value of Indonesian Rupiah pertaining to the prior years' investments previously taken to foreign currency translation account	(43,273)	-
Share of associated company's net gain on sale of investment property and subsidiary company with interest in Bugis Junction	-	57,689
Profit from the sale of Company's interest in an associated company holding a 30% stake in Ocean Towers, Shanghai	-	27,076
Diminution in value of investment in associated company with hotel interest in Indonesia	-	(5,041)
Diminution in value of a subsidiary company's investment property	-	(2,100)
	<u>145,957</u>	<u>45,425</u>
Add:		
Minority shareholders' share of diminution in value of:		
- Indonesian Rupiah	10,742	-
- a subsidiary company's investment property	-	601
Group's net share	<u>156,699</u>	<u>46,026</u>

- In accordance with FRS40, the net appreciation on the revaluation of investment properties after making provision for deferred tax is \$388.2 million. Excluding minority interests, the Group's share is \$343.6 million.

nm – not meaningful

**1(b) (i) BALANCE SHEETS as at 31 December 2007**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.07</b>	31.12.06	<b>31.12.07</b>	31.12.06
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Share capital</b>	<b>1,185,341</b>	1,183,413	<b>1,185,341</b>	1,183,413
<b>Reserves</b>	<b>1,105,890</b>	407,521	<b>423,713</b>	402,184
<b>Share capital and reserves</b>	<b>2,291,231</b>	1,590,934	<b>1,609,054</b>	1,585,597
<b>Minority interests</b>	<b>352,460</b>	310,018	-	-
<b>Total equity</b>	<b>2,643,691</b>	1,900,952	<b>1,609,054</b>	1,585,597
<b>Long-term borrowings</b>	<b>1,955,914</b>	2,111,107	<b>833,488</b>	1,482,108
	<b>4,599,605</b>	4,012,059	<b>2,442,542</b>	3,067,705
Represented by:				
<b>Fixed assets</b>	<b>148,417</b>	205,137	<b>57</b>	62
<b>Investment properties</b>	<b>1,378,315</b>	1,199,722	-	-
<b>Properties held for development</b>	<b>172,657</b>	183,327	-	-
<b>Investments</b>				
Subsidiary companies	-	-	<b>1,108,282</b>	1,186,013
Associated companies	<b>665,412</b>	624,134	<b>125,320</b>	135,320
Other investments	<b>56,949</b>	35,241	<b>4,677</b>	3,313
	<b>722,361</b>	659,375	<b>1,238,279</b>	1,324,646
<b>Current assets</b>				
Properties held for sale	<b>1,421,669</b>	1,352,915	-	-
Consumable stocks	<b>3,550</b>	3,437	-	-
Debtors	<b>196,317</b>	159,358	<b>1,007</b>	1,568
Amounts owing by holding and related parties	<b>884,679</b>	917,282	<b>1,871,370</b>	2,100,713
Fixed deposits, bank balances and cash	<b>1,187,305</b>	580,951	<b>10,980</b>	2,114
	<b>3,693,520</b>	3,013,943	<b>1,883,357</b>	2,104,395
Less:				
<b>Current liabilities</b>				
Creditors	<b>862,698</b>	623,403	<b>12,417</b>	14,422
Net tax provision	<b>121,606</b>	86,378	<b>3,556</b>	1,458
Short-term borrowings	<b>318,862</b>	439,619	<b>192,250</b>	267,290
Amounts owing to holding and related parties	<b>81,811</b>	65,607	<b>460,181</b>	66,557
	<b>1,384,977</b>	1,215,007	<b>668,404</b>	349,727
<b>Net current assets</b>	<b>2,308,543</b>	1,798,936	<b>1,214,953</b>	1,754,668
<b>Deferred taxation</b>	<b>(130,688)</b>	(34,438)	<b>(10,747)</b>	(11,671)
	<b>4,599,605</b>	4,012,059	<b>2,442,542</b>	3,067,705
Group net debt (\$'000)	<b>1,087,471</b>	1,969,775		
Group net debt/equity ratio (%)	<b>41</b>	104		
Net tangible assets per share (\$)	<b>3.18</b>	2.21		

**Review of Financial Position**

The Group's net tangible asset per share has increased to \$3.18 from \$2.21 as at 31 December 2006 on account of higher profit. The proceeds from the restructuring of the Group's interest in One Raffles Quay Pte Ltd have been used to partially repay borrowings. As a result, the Group's net debt/equity ratio decreased to 41% from 104% as at end-December 2006.

**1(b) (ii) GROUP'S BORROWINGS AND DEBT SECURITIES****Amount Repayable in One Year or Less, or on Demand**

As at 31.12.07		As at 31.12.06	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
5,880	312,982	9,175	430,444

**Amount Repayable after One Year**

As at 31.12.07		As at 31.12.06	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
290,830	1,665,084	267,517	1,843,590

In addition to funds from internal sources and related companies, the Group obtains its funds from the capital market through its US\$800 Million Medium Term Note Programme and the convertible bond issue of \$300 million, and banks either on a bilateral or on a syndicated basis. About 17% of the Group's borrowings is on fixed interest rate basis. For the year ended 31 December 2007, the Group's cost of funds is about 3.8%.

**Details of Any Collateral**

Certain subsidiaries of the Company have pledged their assets in order to obtain loans from financial institutions. The value of properties and other assets mortgaged to financial institutions is about \$682 million (31.12.06: \$475 million).

**1(c) CONSOLIDATED CASH FLOW STATEMENT  
for the Year Ended 31 December 2007**

	Fourth Quarter Ended 31.12.07	Fourth Quarter Ended 31.12.06	Year Ended 31.12.07	Year Ended 31.12.06
	\$'000	\$'000	\$'000	\$'000
<b>Cash flow from operating activities</b>				
Operating profit before interest and taxation	95,347	46,549	312,269	204,082
Adjustments for:				
Depreciation of fixed assets	2,314	3,163	9,653	11,226
Write-back of provision for properties held for sale	(40,210)	(16,915)	(109,414)	(47,475)
Provision for doubtful debts	247	4,550	3,067	7,281
Share-based payment expenses	889	752	2,771	1,542
<b>Operating income before reinvestment in working capital</b>	<b>58,587</b>	<b>38,099</b>	<b>218,346</b>	<b>176,656</b>
Decrease/(increase) in debtors	15,902	(24,637)	(33,015)	(37,610)
Increase in work-in-progress	(74,943)	(36,283)	(172,476)	(94,059)
Increase in consumable stocks	(367)	(422)	(113)	(105)
Development expenditures	(226,233)	(178,377)	(752,571)	(495,125)
Proceeds from progress billings	341,900	171,911	1,037,487	567,099
Increase in creditors	142,081	67,300	188,464	51,104
<b>Cash from operations</b>	<b>256,927</b>	<b>37,591</b>	<b>486,122</b>	<b>167,960</b>
Investment income	608	-	818	2,020
Interest received	13,342	14,467	58,000	54,693
Interest paid	(18,023)	(18,585)	(79,216)	(70,418)
Income tax refund received/ (income tax paid)	132	(4,275)	(27,734)	(16,154)
<b>Net cash from operating activities</b>	<b>252,986</b>	<b>29,198</b>	<b>437,990</b>	<b>138,101</b>
<b>Cash flow from investing activities</b>				
Purchase of fixed assets	(1,900)	(2,622)	(7,746)	(7,073)
Expenditure on investment properties	(7,287)	(947)	(25,688)	(22,692)
Expenditure on development properties	(1,996)	-	(3,605)	-
Divestment of investment properties	-	-	-	191,871
Investment in investee company	(5,155)	(3,029)	(14,175)	(7,769)
Repayment of loan by investee company	-	9,810	-	9,810
Investment in subsidiary companies	(97,059)	(13,683)	(97,059)	(28,602)
Investment in associated companies	(7,206)	(18,710)	(18,277)	(20,852)
Proceeds from restructuring of associated company	582,808	59,334	582,808	88,144
Proceeds from sale of fixed assets	226	31	897	138
<b>Net cash from investing activities</b>	<b>462,431</b>	<b>30,184</b>	<b>417,155</b>	<b>202,975</b>

**1(c) CONSOLIDATED CASH FLOW STATEMENT  
for the Year Ended 31 December 2007**

	Fourth Quarter Ended 31.12.07	Fourth Quarter Ended 31.12.06	Year Ended 31.12.07	Year Ended 31.12.06
	\$'000	\$'000	\$'000	\$'000
<b>Cash flow from financing activities</b>				
Proceeds from issuance of share capital by Company	585	526	1,928	7,043
Proceeds from convertible bonds	-	-	-	294,953
Net loan repayment	(554,203)	(210,673)	(239,924)	(640,822)
Loans from related companies	57,192	2,435	22,331	5,391
Repayment of loans by/(loans to) associated companies	345,098	21,038	26,476	(30,900)
Dividends received from associated companies	6,256	36,892	34,879	50,856
Dividends paid to shareholders	-	-	(43,178)	(35,962)
Advances (to)/from minority interests of certain subsidiaries	(11,593)	(9,648)	(56,204)	5,983
Contribution from minority shareholders	9,350	10,250	13,705	11,052
Dividend paid to minority shareholders	(1,000)	(4,157)	(3,915)	(6,550)
<b>Net cash used in financing activities</b>	<b>(148,315)</b>	<b>(153,337)</b>	<b>(243,902)</b>	<b>(338,956)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>567,102</b>	<b>(93,955)</b>	<b>611,243</b>	<b>2,120</b>
Cash and cash equivalents at beginning of period	631,871	678,323	580,951	597,677
Exchange adjustments	(11,668)	(3,417)	(4,889)	(18,846)
Cash and cash equivalents at end of period	<b>1,187,305</b>	<b>580,951</b>	<b>1,187,305</b>	<b>580,951</b>
<b>Represented by:</b>				
<b>Cash and cash equivalents</b>				
Fixed deposits, bank balances and cash	640,999	548,186	640,999	548,186
Deposits with related companies	546,306	32,765	546,306	32,765
	<b>1,187,305</b>	<b>580,951</b>	<b>1,187,305</b>	<b>580,951</b>

The acquisitions of shares in subsidiary companies have been shown as a separate item, and their effect on the individual assets and liabilities of the Group is not reflected in the above statement. During the year, the fair values of net assets of a subsidiary company acquired were as follows:

	2007 \$'000	2006 \$'000
Net assets acquired:		
Fixed assets and investment properties	-	220,000
Properties held for sale	97,059	-
Net creditors	-	(34,703)
Net bank balances	-	4,906
Short and long-term loans	-	(214,369)
Minority interests	-	8,548
Amount previously accounted for as an associated company	-	8,546
Settlement of shareholder's advance	-	24,938
	97,059	17,866
Less: New bank balances acquired	-	(4,906)
Net cash outflow on acquisition of subsidiaries	97,059	12,960

**Review of Cash Flows for 4Q2007****(i) Net Cash from Operating Activities**

The Group's net cash from operating activities was \$253 million, compared with \$29.2 million recorded in the corresponding quarter last year. This was mainly due to higher operating profits and a decrease in working capital.

**(ii) Net Cash from Investing Activities**

The Group's net cash from investing activities was \$462.4 million compared with \$30.2 million for the corresponding quarter last year. Contributing largely to the larger inflow were the proceeds from the restructuring of Group's interest in One Raffles Quay Pte Ltd to K-REIT Asia. Partly offsetting this inflow was an amount of \$97.1 million which the Group used to acquire through two subsidiaries in China, a 100% stake in Shanghai Hongda Property Development Co Ltd.

**(iii) Net Cash from Financing Activities**

In connection with the restructuring of interest in One Raffles Quay Pte Ltd to K-REIT Asia, the Group received a loan repayment of \$357.3 million and proceeds of \$582.8 million from the restructuring, of which, \$554.2 million was used to repay loans. As a result, the net cash used in financing activities was \$148.3 million for the quarter, as compared with \$153.3 million recorded in the corresponding quarter last year.

(iv) Overall, the net increase in cash and cash equivalents was \$567.1 million, compared with a net decrease of \$94 million in the corresponding quarter last year.

**Review of Cash Flows for Year Ended 31 December 2007****(i) Net Cash from Operating Activities**

The Group's net cash from operating activities was \$438 million compared with \$138.1 million recorded for last year. This was due mainly to higher operating profits and higher progress billings received from development projects, partly offset by the higher development expenditures.

**(ii) Net Cash from Investing Activities**

The Group's net cash generated from investing activities was \$417.2 million compared with \$203 million for last year. This was due largely to the proceeds received from the restructuring of the Group's interest in One Raffles Quay Pte Ltd to K-REIT Asia. Partly offsetting this inflow was \$97.1 million for the acquisition of a 100% stake in Shanghai Hongda Property Development Co. Ltd in 4Q2007. In 2006, the Group received net proceeds of \$191.9 million from the sale of four office buildings to K-REIT Asia.

**(iii) Net Cash used in Financing Activities**

The Group's net cash used in financing activities was \$243.9 million compared with \$339 million for last year. In 4Q 2007, in connection with the restructuring of interest in One Raffles Quay Pte Ltd to K-REIT Asia, the Group received a loan repayment of \$357.3 million and proceeds of \$582.8 million from the restructuring, of which, \$554.2 million was used to repay loans. However, the net loans repaid during the year were \$239.9 million due to drawdown of loans in first half 2007 to finance Phase 2 of Marina Bay Financial Centre project.

(iv) The net increase in cash and cash equivalents for the year was \$611.2 million compared to \$2.1 million in 2006.

## 1(d) (i) STATEMENTS OF CHANGES IN EQUITY

### GROUP STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 December 2007

	Share Capital \$'000	Property Revaluation and Other Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Revenue Reserves \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
<b>Balance at 1 January 2007</b>	1,183,413	310,164	(38,636)	135,993	1,590,934	310,018	1,900,952
Property revaluation reserve transferred to revenue reserves (see note below)	-	(263,043)	-	263,043	-	-	-
Deferred tax adjustment for investment properties (see note below)	-	-	-	(88,061)	(88,061)	(18,069)	(106,130)
As restated	1,183,413	47,121	(38,636)	310,975	1,502,873	291,949	1,794,822
Net fair value change on available-for-sale financial assets	-	9,129	-	-	9,129	28	9,157
Exchange arising on consolidation	-	-	4,781	-	4,781	(6,865)	(2,084)
Transfer from revenue reserves to capital reserves	-	2,336	-	(2,336)	-	-	-
Net gains/(losses) not recognised in profit and loss account	-	11,465	4,781	(2,336)	13,910	(6,837)	7,073
Net profit for the year	-	-	-	779,650	779,650	57,234	836,884
Total recognised gains for the year	-	11,465	4,781	777,314	793,560	50,397	843,957
Issue of shares under the Keppel Land Share Option Scheme	1,928	-	-	-	1,928	-	1,928
Cost of share-based payments	-	2,771	-	-	2,771	-	2,771
Dividend paid	-	-	-	(43,178)	(43,178)	(3,915)	(47,093)
Capital contribution	-	-	-	-	-	4,131	4,131
Transfer to profit and loss account	-	-	32,531	-	32,531	10,742	43,273
Minority interest of a non-wholly owned subsidiary disposed	-	-	-	-	-	(844)	(844)
Deferred tax adjustment for equity portion of convertible Bond	-	746	-	-	746	-	746
<b>Balance at 31 December 2007</b>	<b>1,185,341</b>	<b>62,103</b>	<b>(1,324)</b>	<b>1,045,111</b>	<b>2,291,231</b>	<b>352,460</b>	<b>2,643,691</b>

#### Note

In the current financial year, the Group has adopted Financial Reporting Standard ("FRS") 40 (Investment property). The amount accumulated in the property revaluation reserve at 1 January 2007 of \$263 million has been adjusted against revenue reserves in accordance with the transitional provision of the FRS, and deferred tax has been provided for on this surplus.

## 1(d) (i) STATEMENTS OF CHANGES IN EQUITY

### GROUP STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 December 2006

	Share Capital \$'000	Share Premium \$'000	Property Revaluation and Other Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Revenue Reserves \$'000	Minority Total Interests \$'000	Total Equity \$'000	
<b>Balance at 1 January 2006</b>	357,576	818,794	311,284	(17,697)	208,975	1,678,932	280,577	1,959,509
Net surplus/(deficit) on revaluation of investment properties	-	-	2,559	-	-	2,559	(27,186)	(24,627)
Net fair value change on available-for-sale financial assets	-	-	1,466	-	-	1,466	-	1,466
Exchange difference adjustment arising on consolidation	-	-	-	(19,653)	-	(19,653)	(13,936)	(33,589)
Net gain/(losses) not recognised in profit and loss account	-	-	4,025	(19,653)	-	(15,628)	(41,122)	(56,750)
Net profit for the year	-	-	-	-	200,310	200,310	16,946	217,256
<b>Total recognised gains/(losses) for the year</b>	-	-	4,025	(19,653)	200,310	184,682	(24,176)	160,506
Issue of shares under the Keppel Land Share Option Scheme	6,076	967	-	-	-	7,043	-	7,043
Transfer of share premium reserve to share capital account (see Note 1)	819,761	(819,761)	-	-	-	-	-	-
Realised net revaluation surplus transferred to profit and loss account	-	-	(13,040)	-	-	(13,040)	-	(13,040)
Net exchange gain realised and transferred to profit and loss account	-	-	-	(1,286)	-	(1,286)	-	(1,286)
Cost of share-based payments	-	-	1,542	-	-	1,542	-	1,542
Dividend paid	-	-	-	-	(35,962)	(35,962)	(6,550)	(42,512)
Distribution <i>in specie</i>	-	-	-	-	(262,894)	(262,894)	-	(262,894)
Revaluation surplus of investment properties sold to K-REIT Asia transferred to revenue reserves (see Note 2)	-	-	(25,564)	-	25,564	-	-	-
Capital contribution	-	-	-	-	-	-	11,052	11,052
Issue of convertible bond-equity component	-	-	31,917	-	-	31,917	-	31,917
Set-off against advances from a minority shareholder	-	-	-	-	-	-	65,498	65,498
Acquisition of interest from minority shareholders	-	-	-	-	-	-	(14,755)	(14,755)
Minority interest of a non-wholly owned subsidiary disposed	-	-	-	-	-	-	(1,628)	(1,628)
<b>Balance at 31 December 2006</b>	1,183,413	-	310,164	(38,636)	135,993	1,590,934	310,018	1,900,952

continued on next page

Note 1

With effect from 30 January 2006, the concepts of “par value” and “authorised capital” were abolished under the Companies (Amendment) Act 2005. The amount standing to the credit of the Company’s share premium account as at 30 January 2006 has become part of the Company’s share capital as at that date.

Note 2

This reclassification is in respect of the transfer of four office buildings to K-REIT Asia.

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the Year Ended 31 December 2007

	Share Capital \$'000	Property Revaluation and Other Capital Reserves \$'000	Revenue Reserves \$'000	Total \$'000
<b>Balance at 1 January 2007</b>				
As previously reported	1,183,413	35,367	366,817	1,585,597
Net fair value change for available-for-sale financial assets	-	1,389	-	1,389
Net gain not recognised in profit and loss account	-	1,389	-	1,389
Net profit for the year	-	-	59,801	59,801
Total recognised gains for the year	-	1,389	59,801	61,190
Issue of shares under the Keppel Land Share Option Scheme	1,928	-	-	1,928
Cost of share-based payments	-	2,771	-	2,771
Dividend paid	-	-	(43,178)	(43,178)
Deferred tax adjustment for equity portion of convertible bond	-	746	-	746
<b>Balance at 31 December 2007</b>	<b>1,185,341</b>	<b>40,273</b>	<b>383,440</b>	<b>1,609,054</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the Year Ended 31 December 2006

	Share Capital \$'000	Share Premium \$'000	Property Revaluation and Other Capital Reserves \$'000	Revenue Reserves \$'000	Total \$'000
<b>Balance at 1 January 2006</b>					
As previously reported	357,576	818,794	1,414	501,148	1,678,932
Adjustment to reinstate investments in subsidiaries and associated companies to cost (see Note 1)	-	-	-	(181,145)	(181,145)
As restated	357,576	818,794	1,414	320,003	1,497,787
Net fair value change for available-for-sale financial assets	-	-	494	-	494
Net gain not recognised in profit and loss account	-	-	494	-	494
Net profit for the year	-	-	-	345,670	345,670
Total recognised gains for the year	-	-	494	345,670	346,164
Issue of shares under the Keppel Land Share Option Scheme	6,076	967	-	-	7,043
Transfer of share premium reserve to share capital account (see Note 2)	819,761	(819,761)	-	-	-
Cost of share-based payments	-	-	1,542	-	1,542
Dividend paid	-	-	-	(35,962)	(35,962)
Distribution <i>in specie</i>	-	-	-	(262,894)	(262,894)
Issue of convertible bond – equity component	-	-	31,917	-	31,917
<b>Balance at 31 December 2006</b>	<b>1,183,413</b>	<b>-</b>	<b>35,367</b>	<b>366,817</b>	<b>1,585,597</b>

Notes

- As of 1 January 2006, investments in subsidiaries and associated companies in the books of the Company were stated at cost less impairment loss, as fair values under the previous basis cannot be reliably determined in the light of volatile property prices. In past years, they were stated at the Company's attributable share of the fair values of their combined net assets. The change in accounting policy resulted in a decrease of \$181,145,000 in the revenue reserves of the Company as at 1 January 2006. However, this change had no impact on the results and revenue reserves of the Group.
- With effect from 30 January 2006, the concepts of "par value" and "authorised capital" were abolished under the Companies (Amendment) Act 2005. The amount standing to the credit of the Company's share premium account as at 30 January 2006 has become part of the Company's share capital as at that date.

**1(d) (ii) SHARE CAPITAL**

During the year ended 31 December 2007, the Company issued 941,500 ordinary shares upon the exercise of options granted under the Keppel Land Share Option Scheme to executive employees. The share capital of the Company as at 31 December 2007 comprised 720,175,081 ordinary shares.

As at 31 December 2007, there were unexercised options for 4,002,000 (31.12.06: 3,839,500) of unissued ordinary shares 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**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those for the audited financial statements as at 31 December 2006.

**5. CHANGES IN THE ACCOUNTING POLICIES**

For the current financial year, the Group has adopted FRS 40 (on investment property). In addition, in accordance with FRS 12, the Group has also provided deferred tax on the revaluation surplus. With the adoption of FRS 40, changes in fair values of investment properties less provision for deferred tax have been included in the profit and loss account.

Prior to the adoption of FRS 40, investment properties are accounted for as long-term investments and stated at valuations made each year. Surpluses arising on revaluation were credited directly to capital reserves. Revaluation deficits were taken to the profit and loss account in the absence of or to the extent that they exceeded any surpluses held in reserves relating to previous revaluations.

This change in accounting policy has been accounted for prospectively in accordance with the transitional provisions and has resulted in a decrease in capital reserves of \$263,043,000 and a corresponding increase in revenue reserves as at 1 January 2007. The Group's share of deferred tax adjustment on the revaluation surplus for the investment properties amounted to \$88,061,000. This has also been adjusted against the revenue reserves as at 1 January 2007.

## 6. EARNINGS PER ORDINARY SHARE

	Group		
	Year Ended 31.12.07	Year Ended 31.12.06	+/(-)%
Earnings per ordinary share of the Company for the year based on Group net profit attributable to shareholders:			
(i) On the weighted average number of shares (cents)	108.3	27.9	288.2
- Weighted average number of shares ('000)	719,653	717,624	0.3
(ii) On a fully diluted basis (cents)	103.5	27.9	271.0
- Adjusted weighted average number of shares ('000)	766,322	722,660	6.0

## 7. NET ASSET VALUE

	Group	
	31.12.07	31.12.06
Net asset value per share based on issued share capital at the end of the year (\$)	3.18	2.21

## 8. REVIEW OF GROUP PERFORMANCE

### 4Q2007 vs. 4Q2006

Group turnover was \$371.4 million compared with \$341.9 million for the corresponding quarter last year. The increase was due mainly to revenue from the newly launched project, The Arcadia in Tianjin and the strong performance of the Group's overseas trading projects, namely 8 Park Avenue and Villa Riviera in China and Elita Promenade in India. The continued recognition of revenue according to the percentage of physical completion for The Suites at Central also contributed to the increase in revenue in 4Q2007. The increase was, however, partly offset by lower revenue recognition from The Waterfront and The Seasons in China and Villa Riviera in Vietnam. Urbana in Singapore was completed in 2Q2007, and no sales were recognized in 4Q2007.

Rental income from the Group's office buildings was higher compared with that for 4Q2006, this is largely due to higher revenue from Equity Plaza. Revenues from fund management and property services were also higher compared with that for 4Q2006, whereas the Group's hotels and resorts reported lower revenue in the current quarter compared with that for 4Q2006.

Group pre-tax profit of \$109.2 million before corporate restructuring surplus, enbloc property sales and impairment provision was \$52 million higher than that for 4Q2006 due largely to contributions from Reflections at Keppel Bay, and higher profits from the other current trading projects. In addition, cost provisions no longer required for The Tresor and Freesia Woods had been released in 4Q2007. There was no revaluation loss in respect of the Group's interest rate hedging instruments for 4Q2007 compared with a loss of \$2.3 million in 4Q2006. The increase in profit was partly offset by lower contributions from The Waterfront in China and Villa Riviera in Vietnam.

The restructuring of Group's interest in One Raffles Quay Pte Ltd was completed in December 2007. The profit from the restructuring which amounted to \$235.2 million had been accounted for in the Group's profit and loss account.

Owing to continued political uncertainty in Myanmar, the Group made a provision of \$46 million to fully write down the value of its hotels there. In addition, a write-down amounting to \$43.3 million (of which the Group's share was \$32.5 million) pertaining to the Group's investments in Indonesia made prior to the Asian financial crises in the 1990s, was taken to the profit and loss account in 4Q 2007. This write-down was previously taken directly to the foreign currency translation account.

The Group has adopted FRS 40 with effect from this current financial year. The appreciation in value of investment properties after provision for deferred tax amounted to \$388.2 million, and the Group's share was about \$343.6 million. The net revaluation surplus had been taken into the current year's profit and loss account.

After taking into account taxes and minority interests' share of profits, Group attributable profit was \$572.3 million. Group's tax expense for 4Q2007 was higher on account of higher profits.

Earnings (before corporate restructuring surplus, enbloc property sales, impairment provision and revaluation of investment properties) from overseas represented about 53% of the Group's profit compared with 75% for 4Q2006 due to the stronger operating performance in Singapore.

### **Year Ended 31 December 2007 vs Year Ended 31 December 2006**

Group turnover was \$1,407.9 million compared with \$948 million for the year ended 31 December 2006. The higher turnover was due to the Group's new trading projects recognized in 2007, namely Sixth Avenue Residences in Singapore and Villa Riviera and The Arcadia in China. Higher revenue recognition also came from the Group's existing projects in Singapore (Park Infinia at Wee Nam, Urbana, The Suites at Central and Belvedere), China (The Seasons, Villa Riviera and 8 Park Avenue) and India (Elita Promenade). The increase was, however, partly offset by lower revenue recognition for The Waterfront in China, BG Junction in Indonesia and Villa Riviera in Vietnam.

Rental income from the Group's investment properties was lower compared with that of 2006 due to the divestment of four buildings (Bugis Junction Towers, Prudential Tower, Keppel Towers and GE Tower) to K-REIT Asia in April 2006. Revenues from hotels and resorts, fund management and property services were higher than those for the previous year.

At the pre-tax level, Group profit before corporate restructuring surplus, enbloc property sales and impairment provision of \$385.7 million was about \$167.7 million higher than that for the year ended 31 December 2006. This was due to maiden contributions from new projects launched in Singapore (Sixth Avenue Residences, Marina Bay Residences and Reflections at Keppel Bay) and China (The Arcadia). Higher profits also came from the Group's current trading projects. In addition, cost provisions no longer required for Singapore trading projects were released in 2007. The increase was partly offset by lower contributions from The Waterfront in China, Villa Riviera in Vietnam and BG Junction in Indonesia. Furthermore, included in the previous year's profit were gains from the sale of a subsidiary of Evergro Properties Limited (owner of 133-ha of land in the Yingcheng Township in Hangu District, Tianjin) and the divestment of Company's stake in Singapore Suzhou Industrial Holdings Pte Ltd. A revaluation loss of \$5.3 million of the Group's interest rate hedging instruments was recognized for the current year compared with a lower loss of \$2.4 million for previous the year.

After accounting for taxes and minority interests' share of profits, corporate restructuring surplus, enbloc property sales, impairment provision and net appreciation in value of investment properties, Group attributable profit was \$779.6 million.

Earnings (before corporate restructuring surplus, enbloc property sales, impairment provision and revaluation of investment properties) from overseas represented about 40% of the Group's profit compared with 64% for the year ended 31 December 2006 due to a stronger operating performance in Singapore.

The proceeds from the restructuring of Group's interest in One Raffles Quay Pte Ltd had been received in December 2007 and utilized to partially repay the Group's debts. As a result, the Group's net debt reduced to \$1.1 billion as at end-December 2007 from \$2 billion as at end-December 2006. Net debt/equity ratio decreased to 41% from 104% as at end-December 2006.

## **9. VARIANCE FROM PROSPECTS STATEMENT**

The Group's profit attributable to shareholders for 2007 was \$779.6 million, including corporate restructuring surplus, enbloc property sales, impairment provision and net appreciation in value of investment properties. Excluding these items, the Group's profit in 2007 was \$279.4 million. This would be about \$125.1 million higher than that of 2006. The result for year ended 31 December 2007 was, therefore, in line with the prospects for 2007 made by the Company in its announcement of results for the year ended 31 December 2006 which stated that the Company was expecting profit growth in 2007.

## **10. PROSPECTS**

### **Singapore**

Advance estimates put GDP growth at 4.5 – 6.5% for 2008 after an estimated growth rate of 7.5% for 2007.

Growth in private home prices and prime office rentals is expected to moderate in 2008 after their robust growth in 2007. The recent global financial market turmoil on fears of a US economic recession may affect sentiments. Nevertheless, the Group remains cautiously optimistic about the Singapore property market.

The Group will be releasing more units of Reflections at Keppel Bay for sale in the second quarter. The first phase of 620 units was fully sold. The 221-unit Marina Bay Suites, the second and last luxury residences within Marina Bay Financial Centre (MBFC) and other prime residential projects will be progressively released in tandem with market conditions.

The Group will continue its leasing activity at MBFC, which is more than 50% pre-committed. Construction of the new Ocean Financial Centre (OFC) in the Raffles Place business district will commence soon. Through its interest in MBFC, OFC and K-REIT Asia, the Group will remain a dominant landlord in the prime office market in Singapore.

Following the restructuring of ownership in One Raffles Quay (ORQ), the Group will continue to seek opportunities to unlock value from its investment property assets and recycle capital into higher-yielding businesses of property development and fund management activities in Singapore and overseas.

On 23 January 2008, K-REIT Asia proposed a renounceable rights issue to raise up to \$700 million. Proceeds will be used to repay part of the \$942 million bridging loan taken up to finance the acquisition of a one-third interest in ORQ. Both Keppel Corporation Limited and the Company will take up their full provisional allotments of the rights units. The Keppel Group will also undertake to subscribe for any excess rights units not subscribed for by minority unitholders.

### **Overseas**

Compared with the last major financial crisis in 1997, Asian countries are now in a stronger position to weather a slowdown as their economies have developed, creating strong domestic consumer demand. This should ameliorate the slowdown of export demand should the US slip into recession. Demand for

quality housing across Asia will continue to be driven by economic growth, urbanization, a growing middle class and rising aspirations for homeownership. With its excellent product quality, the Group's residential developments in the major growth markets of China, Vietnam, India and Indonesia will continue to be sought after by homebuyers. The Group will also seek to grow its pipeline by exploring and securing more attractive development opportunities in existing and new markets.

In China, the Group's projects are experiencing good sales and marketing efforts will be stepped up to drive sales further. In Shanghai, a block of 96 units launched at 8 Park Avenue is 92% sold while 90% of 82 units launched at Villa Riviera has been taken up. In Tianjin, newly-released The Arcadia has sold 31 out of 65 villas launched. Phase III of The Botanica in Chengdu has achieved 91% sales out of 788 units launched, while Phase I of Central Park City in Wuxi has seen a take-up of 80% for the 728 units released. The 1,859-unit The Seasons in Beijing is fully sold.

Over in Vietnam, housing demand from affluent locals, expatriate communities and overseas Vietnamese is growing. The Group, which has built up a potential pipeline of over 25,000 homes in Ho Chi Minh City (HCMC), Hanoi and Dong Nai, will capitalise on the rising property market by releasing about 1,800 units for sale in 2008. The anticipated launch of The Estella, a 1,500-unit prime condominium development, will ride on the success of the waterfront villas at Villa Riviera in HCMC, which was sold out in 2007.

The recent soft-launch of Elita Garden Vista in Kolkata, India has been met with encouraging response, with 62% of the initial 351 launched units sold. In Bangalore, Elita Promenade has sold 82% of the 1,437 launched units. The Group will continue to launch more units to tap on market demand.

For 2008, the Group plans to launch about 8,200 residential units overseas, including 3,200 township homes in China and Indonesia, and about 2,000 waterfront condominium units in Vietnam and Jeddah where the Group will be embarking on its maiden project in the Middle East.

## **11. BUSINESS DYNAMICS AND RISK FACTORS**

The Group's strategy for enhancing shareholder value focuses on developing properties for sale and managing property funds. Besides the Singapore property market, the Group is expanding into the growing property markets of China, Vietnam, Indonesia, India and Middle East where there is still insufficient good quality housing to satisfy the needs of their growing populations.

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

- Availability of residential sites at competitive prices for housing and also good sites at competitive prices in populous cities for township development so that economies of scale can be achieved to provide good quality and affordable urban housing;
- Effective partnerships with contractors, suppliers and joint venture partners so that projects can be delivered on time and with quality;
- 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 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 affecting the Group and take the necessary actions to mitigate or eliminate them.

**12. DIVIDENDS****(a) Current Financial Period Reported on**

Directors are pleased to recommend the following dividends in respect of the financial year ended 31 December 2007 for approval by shareholders at the next Annual General Meeting to be convened:

Name of Dividend	Final	Special	Total
Dividend type	Cash	-	Cash
Dividend per share (cents)	8	12	20

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend	Final	Special	Total
Dividend type	Cash	-	Cash
Dividend per share (cents)	6	-	6
Dividend <i>in specie</i> (cents)	-	(a) 36.875 (less 20% tax)	} 43.975
		(b) 7.1 (tax exempt)	

**(c) DATE PAYABLE**

The proposed final dividend, if approved at the Annual General Meeting to be convened, will be paid on 21 May 2008.

**(d) BOOKS CLOSURE DATES**

Notice is hereby given that the Transfer Books and the Register of Members of the Company will be closed from 7 to 8 May 2008 (both dates inclusive), for the preparation of dividend warrants. Duly completed transfers received by the Company's registrar, KCK CorpServ Pte Ltd, 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to the close of business at 5.00 pm on 6 May 2008 will be registered to determine shareholders' entitlement to the proposed final dividend.

13. **SEGMENTAL ANALYSIS**

**4Q2007 vs. 4Q2006**

**By Business Segment**

	Group					
	Turnover		Profit before Tax		Attributable Profit	
	Fourth Quarter 2007 \$'000	Fourth Quarter 2006 \$'000	Fourth Quarter 2007 \$'000	Fourth Quarter 2006 \$'000	Fourth Quarter 2007 \$'000	Fourth Quarter 2006 \$'000
Property trading	319,799	305,135	116,213	55,501	81,621	51,331
Property investment	16,702	15,229	7,643	5,411	5,161	(1,390)
Hotels and resorts, fund management and property services	34,852	21,537	(14,699)	(3,752)	(14,715)	(14,745)
Sub-total	371,353	341,901	109,157	57,160	72,067	35,196
Corporate restructuring surplus/enbloc property sales/impairment provision	-	-	145,957	45,425	156,699	46,026
Net appreciation on revaluation of investment properties	-	-	-	-	343,571	-
Total	371,353	341,901	255,114	102,585	572,337	81,222

**By Geographical Location**

	Group					
	Turnover		Profit before Tax		Attributable Profit	
	Fourth Quarter 2007 \$'000	Fourth Quarter 2006 \$'000	Fourth Quarter 2007 \$'000	Fourth Quarter 2006 \$'000	Fourth Quarter 2007 \$'000	Fourth Quarter 2006 \$'000
Singapore	171,224	185,527	47,862	12,573	34,160	8,894
Other countries	200,129	156,374	61,295	44,587	37,907	26,302
Sub-total	371,353	341,901	109,157	57,160	72,067	35,196
Corporate restructuring surplus/enbloc property sales/impairment provision	-	-	145,957	45,425	156,699	46,026
Net appreciation on revaluation of investment properties	-	-	-	-	343,571	-
Total	371,353	341,901	255,114	102,585	572,337	81,222

**Total Year Ended 31 December 2007 vs Total Year Ended 31 December 2006**

**By Business Segment**

	Group					
	Turnover		Profit before Tax		Attributable Profit	
	Total Year 2007 \$'000	Total Year 2006 \$'000	Total Year 2007 \$'000	Total Year 2006 \$'000	Total Year 2007 \$'000	Total Year 2006 \$'000
Property trading	1,236,862	809,751	380,506	207,693	274,875	150,723
Property investment	62,547	67,274	33,759	37,434	30,912	27,552
Hotels and resorts, fund management and property services	108,477	70,993	(28,538)	(27,144)	(26,407)	(23,991)
Sub-total	1,407,886	948,018	385,727	217,983	279,380	154,284
Corporate restructuring surplus/enbloc property sales/impairment provision	-	-	145,957	45,425	156,699	46,026
Net appreciation on revaluation of investment properties	-	-	-	-	343,571	-
Total	1,407,886	948,018	531,684	263,408	779,650	200,310

**By Geographical Location**

	Group					
	Turnover		Profit before Tax		Attributable Profit	
	Total Year 2007 \$'000	Total Year 2006 \$'000	Total Year 2007 \$'000	Total Year 2006 \$'000	Total Year 2007 \$'000	Total Year 2006 \$'000
Singapore	744,385	455,612	220,208	57,096	168,781	56,182
Other countries	663,501	492,406	165,519	160,887	110,599	98,102
Sub-total	1,407,886	948,018	385,727	217,983	279,380	154,284
Corporate restructuring surplus/enbloc property sales/impairment provision	-	-	145,957	45,425	156,699	46,026
Net appreciation on revaluation of investment properties	-	-	-	-	343,571	-
Total	1,407,886	948,018	531,684	263,408	779,650	200,310

**4Q2007 vs. 3Q2007**

**By Business Segment**

	Group					
	Turnover		Profit before Tax		Attributable Profit	
	Fourth Quarter 2007 \$'000	Third Quarter 2007 \$'000	Fourth Quarter 2007 \$'000	Third Quarter 2007 \$'000	Fourth Quarter 2007 \$'000	Third Quarter 2007 \$'000
Property trading	319,799	335,360	116,213	108,013	81,621	81,640
Property investment	16,702	15,323	7,643	6,541	5,161	4,642
Hotels and resorts, fund management and property services	34,852	31,284	(14,699)	(4,618)	(14,715)	(4,444)
Sub-total	371,353	381,967	109,157	109,936	72,067	81,838
Corporate restructuring surplus/enbloc property sales/impairment provision	-	-	145,957	-	156,699	-
Net appreciation on revaluation of investment properties	-	-	-	-	343,571	-
Total	371,353	381,967	255,114	109,936	572,337	81,838

**By Geographical Location**

	Group					
	Turnover		Profit before Tax		Attributable Profit	
	Fourth Quarter 2007 \$'000	Third Quarter 2007 \$'000	Fourth Quarter 2007 \$'000	Third Quarter 2007 \$'000	Fourth Quarter 2007 \$'000	Third Quarter 2007 \$'000
Singapore	171,224	215,286	47,862	70,060	34,160	56,398
Other countries	200,129	166,681	61,295	39,876	37,907	25,440
Sub-total	371,353	381,967	109,157	109,936	72,067	81,838
Corporate restructuring surplus/enbloc property sales/impairment provision	-	-	145,957	-	156,699	-
Net appreciation on revaluation of investment properties	-	-	-	-	343,571	-
Total	371,353	381,967	255,114	109,936	572,337	81,838

## 14. REVIEW OF SEGMENTAL PERFORMANCE

### 4Q2007 vs. 4Q2006

#### By Business Segment

##### Property Trading

Turnover was higher compared with that for 4Q2006 due to revenue from the newly launched project, The Arcadia in China and higher revenue recognition from other residential projects including The Suites at Central and Belvedere in Singapore, 8 Park Avenue and Villa Riviera in China, and Elita Promenade in India, partly offset by lower revenue recognition from The Seasons and The Waterfront in China, Urbana, The Linc and Freesia Woods in Singapore and Villa Riviera in Vietnam. Urbana in Singapore was completed in 2Q2007 and no sales were recognised in 4Q2007.

Attributable profit was \$30.3 million higher compared with that for 4Q2006 due mainly to maiden contribution from The Arcadia in China and contributions from Reflections at Keppel Bay and a higher contribution from current trading projects in Singapore (Park Infinia at Wee Nam and The Suites at Central) and China (Villa Riviera, 8 Park Avenue and The Seasons) as well as the release of cost provisions no longer required for Singapore trading projects. The increase was, however, partly offset by a lower contribution from The Waterfront in China and Villa Riviera in Vietnam.

##### Property Investment

Turnover was marginally higher than that of 4Q2006. This was due largely to the inclusion of Equity Plaza as a subsidiary with effect from November 2006, offset by lower revenues from Ocean Building which is currently undergoing redevelopment. This segment registered a loss of \$1.4 million in 4Q2006 due largely to a tax provision and a lower contribution from associated companies.

##### Hotels and Resorts, Fund Management and Property Services

This segment reported the same amount of loss for the current quarter and the corresponding quarter of last year. Included in 4Q2006 were tax provisions and a fair value loss of \$2.3 million from revaluation of interest rate hedging instruments. There was no fair value adjustment on interest rate hedging instruments as the facility expired in July 2007. However, there were higher accruals of expenses in the current quarter. The Group's hotels reported a higher loss in 4Q2007 compared with that for the corresponding quarter of 2006.

#### By Geographical Location

Earnings (before corporate restructuring surplus, enbloc property sales, impairment provision and revaluation of investment properties) from overseas contributed about 53% of the Group's profit compared with 75% for 4Q2006 due to the stronger performance in Singapore.

### Year Ended 31 December 2007 vs. Year Ended 31 December 2006

#### By Business Segment

##### Property Trading

Turnover was higher compared with that for the previous year's largely due to new revenue streams from the Group's new projects in Singapore (Sixth Avenue Residences) and China (The Arcadia), as well as higher revenue recognition from current trading projects in Singapore (mainly Park Infinia at Wee Nam, Urbana, The Suites at Central and Belvedere) and overseas (mainly 8 Park Avenue, Villa Riviera and The Seasons in China and Elita Promenade in India). The increase was, however, partly offset by lower revenue recognition from The Linc, Freesia Woods and Callista in Singapore, The Waterfront in China, Villa Riviera in Vietnam and BG Junction in Indonesia.

Attributable profit was \$124.2 million higher compared with that for the year ended 31 December 2006 due mainly to maiden profits from new projects launched in Singapore (Reflections at Keppel Bay, Sixth Avenue Residences and Marina Bay Residences) and China (The Arcadia) and a higher contribution from

The Seasons and Villa Riviera in China, Elita Promenade in India as well as the release of cost provisions no longer required for Singapore trading projects. However, the increase was partly offset by a lower profit from The Waterfront in China, BG Junction in Indonesia and Villa Riviera in Vietnam. Included in previous year's profit were the gains from the sale of a subsidiary of Evergro Properties Limited (owner of 133-ha of land at Tianjin) and the divestment of Company's stake in Singapore Suzhou Industrial Holdings Pte Ltd.

#### Property Investment

Turnover was \$4.7 million lower than that for the year ended 31 December 2006 as a result of the sale of four office buildings to K-REIT Asia in April 2006 and a reduction in rental collection from Ocean Building due to its redevelopment, partly offset by revenue of Equity Plaza, which became a subsidiary in November 2006.

Attributable profit for the year was higher compared with previous year's, despite lower revenue. This was largely due to write-back of tax provisions.

#### Hotels and Resorts, Fund Management and Property Services

This segment registered a higher loss in the current year. This was due largely to the revaluation loss of \$5.3 million for the Group's interest rate hedging instruments compared with \$2.4 million recorded for the previous year. Losses for the Group's hotels and resorts were lower for the current year.

#### **By Geographical Location**

Profits (before corporate restructuring surplus, enbloc property sales, impairment provision and revaluation of investment properties) from overseas contributed about 40% to Group's profit compared with 64% for the year ended 31 December 2006 due to a stronger operating performance in Singapore.

### **4Q2007 vs. 3Q2007**

#### **By Business Segment**

##### Property Trading

Turnover was lower by \$15.6 million compared with the previous quarter's due to lower revenue recognition from Park Infinia at Wee Nam, The Suites at Central and Freesia Woods in Singapore, Villa Riviera and The Waterfront in China and Villa Riviera in Vietnam, partly offset by maiden contribution from The Arcadia and higher revenue recognition from projects in Singapore (Belvedere) and in China (8 Park Avenue and The Seasons).

Attributable profit was maintained at \$81.6 million in 4Q2007.

##### Property Investment

Turnover was slightly higher compared with that of 3Q2007. This was due largely to higher revenue contribution from Equity Plaza. Attributable profit was also higher than the previous quarter's, and contributing to the increase was a higher share of associated companies' profit.

##### Hotels and Resorts, Fund Management and Property Services

This segment recorded a higher loss in 4Q2007 due to accrual of expenses.

#### **By Geographical Location**

Profits (before corporate restructuring surplus, enbloc property sales, impairment provision and revaluation of investment properties) from overseas represented 53% of Group profit as compared with 31% in 3Q2007.

**15. BREAKDOWN OF SALES AND OPERATING PROFIT AFTER TAX, BEFORE MINORITY INTERESTS**

	<b>Group</b>		
	2007 \$'000	2006 \$'000	+ / (-)%
Sales reported for first half year	654,566	350,512	86.7
Operating profit after tax before deducting minority interests reported for first half year*	138,001	93,382	47.8
Sales reported for second half year	753,320	597,506	26.1
Operating profit after tax before deducting minority interests reported for second half year*	164,730	78,449	110.0

\* excludes profit from corporate restructuring surplus, enbloc property sales, impairment provision and revaluation of investment properties.

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.	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(a) Property transactions -				
Keppel Corporation Limited Group :				
Project and development management fees	-	-	6,834	1,266
Property management fees	-	-	1,289	939
Marketing commission	-	-	19,931	2,082
Management and support services	-	-	2,554	1,244
Asset management fees	-	-	10,770	2,667
Rent expense	-	-	(2,114)	(1,293)
	-	-	39,264	6,905
(b) Other services and products -				
Keppel Corporation Limited Group :				
Treasury – interest income	-	-	2,189	6,767
Treasury – interest expense	-	-	(58,521)	(49,924)
Management fees paid	-	-	(5,276)	(3,174)
Other services	-	-	(634)	(559)
Temasek Group:				
Compensation received from Capitaland Retail Management Pte Ltd on termination of Parco Bugis Junction retail mall advisory services agreement	-	2,161	-	-
Management fee paid	(486)	(228)	-	-
(c) Transactions entered into by the Group with Directors of the Company-				
Consideration for sales of units in Singapore and overseas residential developments to Directors of the Company and their immediate family members	4,709	27,923	-	-

**17. TOTAL ANNUAL DIVIDEND**

Total annual dividend amounted to

Type of dividend	2007 (\$'000)	2006 (\$'000)
Ordinary (in cash)	57,614	43,178
Special (in cash)	86,421	-
Special dividend <i>in specie</i>	-	262,894
Total	144,035	306,072

**BY ORDER OF THE BOARD**CHOO CHIN TECK / YEO KAH TIANG  
Joint Company Secretaries  
29 January 2008

**KEPPEL LAND'S SEGMENTAL RESULTS – QUARTERLY BREAKDOWN**

**By Business Segment (\$m)**

	1Q 06	2Q 06	1H 06	3Q 06	4Q 06	FY 06	1Q 07	2Q 07	1H 07	3Q 07	4Q 07	FY 07
<b>TURNOVER</b>												
Property												
Investment	21.4	16.0	37.4	14.6	15.2	67.2	15.7	14.8	30.5	15.3	16.7	62.5
Trading	84.3	198.9	283.2	221.5	305.1	809.8	258.9	322.8	581.7	335.4	319.8	1,236.9
Hotels and resorts, fund management and property services	13.3	16.6	29.9	19.5	21.6	71.0	20.8	21.5	42.3	31.3	34.9	108.5
Total	119.0	231.5	350.5	255.6	341.9	948.0	295.4	359.1	654.5	382.0	371.4	1,407.9
<b>EBITDA</b>												
Property												
Investment	12.6	8.1	20.7	7.3	9.5	37.5	9.1	8.0	17.1	7.4	6.6	31.1
Trading	29.6	77.9	107.5	37.7	44.9	190.1	47.1	56.4	103.5	97.7	101.7	302.9
Hotels and resorts, fund management and property services	(1.1)	(8.2)	(9.3)	1.7	(4.7)	(12.3)	1.2	(2.1)	(0.9)	(0.6)	(10.7)	(12.2)
Total	41.1	77.8	118.9	46.7	49.7	215.3	57.4	62.3	119.7	104.5	97.6	321.8
<b>OPERATING PROFIT</b>												
Property												
Investment	12.5	8.0	20.5	7.1	9.3	36.9	8.9	7.8	16.7	7.4	6.7	30.8
Trading	29.4	77.7	107.1	37.4	44.5	189.0	46.7	55.7	102.4	97.3	101.1	300.8
Hotels and resorts, fund management and property services	(3.5)	(10.5)	(14.0)	(0.5)	(7.3)	(21.8)	(0.6)	(3.9)	(4.5)	(2.4)	(12.5)	(19.4)
Total	38.4	75.2	113.6	44.0	46.5	204.1	55.0	59.6	114.6	102.3	95.3	312.2
<b>PRE-TAX PROFIT *</b>												
Property												
Investment	12.9	8.3	21.2	10.8	5.4	37.4	8.7	10.9	19.6	6.5	7.6	33.7
Trading	31.2	81.3	112.5	39.7	55.5	207.7	81.6	74.7	156.3	108.0	116.2	380.5
Hotels and resorts, fund management and property services	2.1	(14.3)	(12.2)	(11.2)	(3.7)	(27.1)	(6.5)	(2.7)	(9.2)	(4.6)	(14.7)	(28.5)
Total	46.2	75.3	121.5	39.3	57.2	218.0	83.8	82.9	166.7	109.9	109.1	385.7
<b>ATTRIBUTABLE PROFIT</b>												
Property												
Investment	9.6	4.6	14.2	14.8	(1.4)	27.6	11.5	9.6	21.1	4.6	5.2	30.9
Trading	19.5	45.3	64.8	34.6	51.3	150.7	56.5	55.1	111.6	81.6	81.6	274.8
Hotels and resorts, fund management and property services	7.2	(5.6)	1.6	(10.9)	(14.7)	(24.0)	(5.5)	(1.7)	(7.2)	(4.4)	(14.8)	(26.4)
Corporate restructuring surplus/enbloc property sales/impairment provision	-	-	-	-	46.0	46.0	-	-	-	-	500.3	500.3
Total	36.3	44.3	80.6	38.5	81.2	200.3	62.5	63.0	125.5	81.8	572.3	779.6

\* before corporate restructuring surplus, enbloc property sales and impairment provision

**By Geographical Location (\$m)**

	1Q 06	2Q 06	1H 06	3Q 06	4Q 06	FY 06	1Q 07	2Q 07	1H 07	3Q 07	4Q 07	FY 07
<b>TURNOVER</b>												
Singapore	34.8	92.8	127.6	142.5	185.5	455.6	188.5	169.4	357.9	215.3	171.2	744.4
Other countries	84.2	138.7	222.9	113.1	156.4	492.4	106.9	189.7	296.6	166.7	200.2	663.5
Total	119.0	231.5	350.5	255.6	341.9	948.0	295.4	359.1	654.5	382.0	371.4	1,407.9
<b>EBITDA</b>												
Singapore	16.4	13.0	29.4	20.5	15.2	65.1	31.0	20.5	51.5	65.4	44.2	161.1
Other countries	24.7	64.8	89.5	26.2	34.5	150.2	26.4	41.8	68.2	39.1	53.4	160.7
Total	41.1	77.8	118.9	46.7	49.7	215.3	57.4	62.3	119.7	104.5	97.6	321.8
<b>OPERATING PROFIT</b>												
Singapore	16.1	12.7	28.8	20.1	14.9	63.8	30.7	20.1	50.8	65.1	43.9	159.8
Other countries	22.3	62.5	84.8	23.9	31.6	140.3	24.3	39.5	63.8	37.2	51.4	152.4
Total	38.4	75.2	113.6	44.0	46.5	204.1	55.0	59.6	114.6	102.3	95.3	312.2
<b>PRE-TAX PROFIT *</b>												
Singapore	19.7	11.7	31.4	13.1	12.6	57.1	63.5	38.9	102.4	70.0	47.8	220.2
Other countries	26.5	63.6	90.1	26.2	44.6	160.9	20.3	44.0	64.3	39.9	61.3	165.5
Total	46.2	75.3	121.5	39.3	57.2	218.0	83.8	82.9	166.7	109.9	109.1	385.7
<b>ATTRIBUTABLE PROFIT</b>												
Singapore	17.2	10.9	28.1	19.2	8.9	56.2	45.2	33.0	78.2	56.4	34.1	168.7
Other countries	19.1	33.4	52.5	19.3	26.3	98.1	17.3	30.0	47.3	25.4	37.9	110.6
Corporate restructuring surplus/enbloc property sales/impairment provision	-	-	-	-	46.0	46.0	-	-	-	-	500.3	500.3
Total	36.3	44.3	80.6	38.5	81.2	200.3	62.5	63.0	125.5	81.8	572.3	779.6

\* before corporate restructuring surplus, enbloc property sales and impairment provision