

PRESS RELEASE

Keppel Land's Financial Highlights for the Half Year Ended 30 June 2005

27 July 2005

Keppel Land's Overseas Earnings Cross the 50% Mark in 1H2005

PATMI (\$m)	Half Year Ended		% Chg	Quarter Ended		% Chg
	30 Jun 05	30 Jun 04 ^		30 Jun 05	30 Jun 04 ^	
<u>By Geographical Location</u>						
Singapore	28.6	42.2	(32.2)	9.4	21.6	(56.5)
Other Countries	38.4	17.7	116.9	21.4	8.9	140.4
PATMI before EI	67.0	59.9	11.9	30.8	30.5	1.0
Exceptional Items	-	-	-	-	-	-
PATMI after EI	67.0	59.9	11.9	30.8	30.5	1.0
<u>By Business Segment</u>						
Property Trading	55.8	46.4	20.3	25.8	27.0	(4.4)
Property Investment	14.9	18.2	(18.1)	8.8	6.7	31.3
Others	(3.7)	(4.7)	nm	(3.8)	(3.2)	nm
PATMI before EI	67.0	59.9	11.9	30.8	30.5	1.0
Exceptional Items	-	-	-	-	-	-
PATMI after EI	67.0	59.9	11.9	30.8	30.5	1.0

Key Ratios	Half Year Ended		% Chg	Quarter Ended		% Chg
	30 Jun 05	30 Jun 04 ^		30 Jun 05	30 Jun 04 ^	
Earnings Per Share (cts)	9.4	8.4	11.9	4.3	4.3	-
NTA Per Share (\$)	2.29	2.11	8.5	2.29	2.11	8.5
Annualised ROE * (%)	8.3	8.0	3.8	7.6	8.2	(7.3)

^ Adjusted for effect of adopting FRS 102 which takes into account share-based payment

* Before EI

Highlights

- Overseas earnings continued to grow and accounted for 57% of PATMI in 1H2005, compared with 43% for FY2004.
- PATMI from overseas grew to \$38.4 million in 1H2005 from \$17.7 million in 1H2004 due to strong contributions from China residential projects.
- Group PATMI rose 12% y-o-y to \$67.0 million in 1H2005, primarily attributed to higher profit from property trading.
- Net tangible asset per share increased to \$2.29 as at end-June 2005, up 18 cents from a year ago.
- ROE improved to an annualised 8.3% for 1H2005, compared with 8% a year ago.

Strong Earnings Flow from Overseas

Keppel Land achieved higher PATMI of \$67 million for the first half of 2005, which represented a 12% increase from \$59.9 million for the first half of 2004. The increased earnings came on the back of higher contributions from property trading, particularly the Group's residential projects in China, namely 8 Park Avenue in Shanghai, The Seasons in Beijing and The Waterfront in Chengdu.

Notwithstanding the Chinese government's latest anti-speculation measures, the Group's projects in Beijing and Chengdu continued to chalk up good sales. At The Seasons, 89% of 932 launched units had since been sold. In Chengdu, The Waterfront had achieved a 83% take-up out of 817 units launched while the first phase of The Botanica, which is the Group's first residential township project in China under joint development with HDB Corporation, sold 86% out of 970 units launched. Although buying sentiments in Shanghai have turned more cautious over the past few months, 8 Park Avenue has sold 81% out of the 456 units launched.

Strategic Moves in Strengthening Overseas Market Position

Keppel Land continues to make advances into Asia's growth cities, strengthening its network and brand name in the region. In June 2005, the Group acquired its first residential development site in Tianjin in northeastern China. The 13.34-ha site in Jinnan District will be developed into a premier residential enclave comprising 160 villas catering to the well-to-do locals and expatriates.

The Group has also recently made its second acquisition into Bangalore, India with the purchase of a 6.88-ha site for a 1,064 unit condominium along Kanakapura Road. It has just launched its first condominium project Elita Promenade at JP Nagar, also in Bangalore. Some 91 units have been sold to date.

The Group will continue to progressively release for sale its residential projects in China, Thailand, Vietnam, India and Indonesia, which continue to exhibit healthy demand for housing.

Winning Bid for the Business and Financial Centre Site

Keppel Land, together with its consortium partners for One Raffles Quay Cheung Kong (Holdings) and Hongkong Land Holdings, have been awarded the Business and Financial Centre site. The consortium is confident of the future prospects of the office market, and takes pride in playing a major role in shaping Singapore's future business and financial hub.

Strategically located at the New Downtown in the Marina Bay area, the 3.55-ha site is poised to be a key landmark. The upcoming Integrated Resort in the vicinity will further complement and enhance its attraction.

Meanwhile, One Raffles Quay, the large-scale joint venture office development (1.3 million sf) with the same consortium partners, has seen lease commitment rising steadily. Among the new tenants are UBS, which is taking up about 170,000 sf at the North Tower. The development, which is slated to be ready by the second half of 2006, has seen ABN AMRO and Deutsche Bank signed up as tenants.

Boost in Market Confidence with Policy Changes

On the local residential market, sales of Keppel Land's projects grew as market sentiments improved. The upcoming Integrated Resort at Sentosa Island has generated greater interest in Caribbean at Keppel Bay, which sold more than 120 units in the first half of this year. The recent release of The Belvedere at Meyer Road also met with good market response, with 72% of the 120 launched units taken up.

The Group remains positive about prospects of the Singapore property market. The URA residential price index rose for the fifth consecutive quarter by 0.5% in the second quarter of this year. For the second quarter of the year, the sales volume has risen to 2,780 units, more than doubled the 1,250 units sold in the first quarter. The total number of units sold in the first half of 2005 constitute 70% of the units sold for the whole of 2004. The recent government policy changes are expected to have a positive impact on the market.

The office market continues its uptrend with healthy leasing activity and continued rise in prime office rentals and occupancy in the second quarter of this year. The islandwide occupancy rate rose for the sixth consecutive quarter to reach a three-year high of 85.7% at the end of the second quarter. Given the tight supply over the next few years, the current uptrend in prime office rentals and occupancy is expected to continue.

In a series of moves to unlock value in Bugis Junction, Keppel Land has divested its stake in Parco Bugis Junction, the retail component of the mixed development, and consolidated its office portfolio with the acquisition of Bugis Junction Towers. The move has resulted in a profit of about \$30 million for the Group.

The Group intends to set up a REIT with some of the office buildings in the portfolio. Details of plans will be announced when finalised.