

## PRESS RELEASE

### Keppel Land's Financial Highlights for the Nine Months Ended 30 September 2004

25 October 2004

#### Keppel Land's earnings boosted by strong performance from property trading

PATMI (\$m)	Nine Months Ended		% Chg	Third Quarter Ended		% Chg
	30 Sep 2004	30 Sep 2003		30 Sep 2004	30 Sep 2003	
<i>By Business Segment</i>						
Property Investment	24.7	24.7	-	6.5	6.7	(3.0)
Property Trading	68.4	53.7	27.4	22.0	27.6	(20.3)
Others	(0.4)	0.1	nm	4.1	(3.2)	nm
<b>Total</b>	<b>92.7</b>	<b>78.5</b>	<b>18.1</b>	<b>32.6</b>	<b>31.1</b>	<b>4.8</b>
<i>By Geographical Location</i>						
Singapore	52.3	53.3	(1.9)	10.0	19.0	(47.4)
Other Countries	40.4	25.2	60.3	22.6	12.1	86.8
<b>Total</b>	<b>92.7</b>	<b>78.5</b>	<b>18.1</b>	<b>32.6</b>	<b>31.1</b>	<b>4.8</b>

Key Ratios	Nine Months Ended		% Chg	Third Quarter Ended		% Chg
	30 Sep 2004	30 Sep 2003		30 Sep 2004	30 Sep 2003	
Earnings Per Share (cts)	13.1	11.1	18.0	4.6	4.4	4.5
NTA Per Share (\$)	2.15	2.18	(1.4)	2.15	2.18	(1.4)
Annualised ROE (%)	8.1	6.8	19.1	8.5	8.1	4.9

#### Highlights

- PATMI increased by 18% y-o-y to \$92.7 million for YTD September 2004, driven by higher contributions from property trading.
  - For 3Q2004, PATMI rose to \$32.6 million from \$31.1 million a year ago.
- Property trading registered a y-o-y growth of 27% in PATMI to \$68.4 million for the nine months ended 30 September 2004.
  - Profit from property trading accounted for two-thirds of PATMI in 3Q2004.
- Earnings contribution from overseas rose to 43.6% of PATMI in YTD September 2004, up from 32.1% a year ago.
  - Share of profit from overseas grew to 69% of PATMI in 3Q2004.

- Earnings per share (EPS) rose to 13.1 cents for the nine-month period from 11.1 cents in the previous corresponding period.
  - EPS went up to 4.6 cents in 3Q2004 from 4.4 cents a year ago.

### **Strong increase in overseas earnings in third quarter**

Keppel Land Limited continued to post a good set of financial results, with PATMI up 18% to \$92.7 million in the nine months ended 30 September 2004. Property trading was the main contributor, registering a 27% increase in PATMI to \$68.4 million. Profits from property trading were primarily driven by the sale of three Cluny Hill bungalow plots, higher contributions from Caribbean at Keppel Bay and the China projects, namely One Park Avenue and 8 Park Avenue in Shanghai, The Seasons in Beijing and The Waterfront in Chengdu. PATMI from property investment held steady at \$24.7 million for the nine-month period compared to the same period last year.

In line with the Group's expectation of growing overseas earnings to 50% by 2005, PATMI from overseas rose significantly to 43.6% for the nine-month period to 30 September 2004 compared to 29.5% in 1H2004 and 32.1% in the previous corresponding period. The increase in overseas earnings can be attributed to higher trading profits, especially from China, and lower losses from hotels and resorts.

### **Recovery in Singapore property market expected to continue into 2005**

With a better economic outlook and market sentiments, there has been renewed buying interest from locals at recent project launches. Interest from foreigners is also growing, especially for well-located properties in the upper-middle and luxury end of the market. This renewed interest in the residential sector is fanned by new exciting projects which developers are putting into the market.

Some 87% of the 135 Caribbean at Keppel Bay units released in August have been sold while Urbana, a 36-storey condominium along River Valley Road, has achieved a take-up of 78% out of a soft-launch of 65 units.

More prospective home occupiers and investors are expected to return to the market, drawn by attractive pricing, low interest rates and a greater choice of new developments.

To tap into the renewed interest, Keppel Land expects to roll out more residential launches, including Park Infinia at Wee Nam and The Tresor at Duchess Road.

On the office front, the market is looking more robust with greater leasing activity, especially in the prime office segment. Occupancy of Grade A office space has improved and rental rates have also moved upwards since the beginning of this year. This is driven by corporations, especially in the financial and business services sectors, expanding or relocating to newer and better quality buildings. This 'flight-to-quality' trend, coupled with limited new prime office supply over the next two years, is expected to support the segment. Keppel Land recently announced that ABN AMRO will take up 160,000 sf of space at its new joint venture development One Raffles Quay. More leasing activity is expected as the 1.3-million sf office development draws closer to completion in 2006.

Barring unforeseen circumstances, the momentum of recovery in both the residential and office markets is expected to sustain into 2005, in tandem with the economic growth in Singapore and the region.

#### **Overseas thrust continues to drive growth**

Beyond Singapore, rising affluence, rapid urbanisation and the expanding middle-income population are driving the demand for quality housing and well-planned residential estates in Asian cities with healthy economic and population growth.

Keppel Land's second residential project in Shanghai, 8 Park Avenue saw the launch of another two blocks of 145 units for sale in October. Like the first block of 85 units launched earlier this year, virtually all of the 59 units in the second block have been sold. A third block of 86 units, launched last weekend, saw 81 units or 94% taken up. The average achieved price has risen to about RMB 17,200 psm for the third block from about RMB 16,000 psm for the second block. Two other projects in China, The Seasons in Beijing and The Waterfront in Chengdu, have also chalked up good sales.

With the encouraging take-up, Keppel Land will progressively release for sale more units of the developments in China. Elsewhere in the region, there are also plans to launch the Group's landed housing project in Bangkok, Thailand and luxury villas in Ho Chi Minh City, Vietnam in the near future.