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## **PRESS RELEASE**

### **Keppel Land Limited's Unaudited Results for the Half Year Ended 30 June 2009**

**22 July 2009**

The Directors of Keppel Land Limited advise the following results of the Company and of the Group for the half year ended 30 June 2009.

The press release and presentation materials are also available *on* [www.kepcorp.com](http://www.kepcorp.com) and [www.kepland.com.sg](http://www.kepland.com.sg)

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## PROFORMA FINANCIAL STATEMENT

### UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2009

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## 1. UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2009

The Directors of Keppel Land Limited announce the following unaudited results of the Group for the half year ended 30 June 2009:

### 1(a) GROUP PROFIT AND LOSS ACCOUNT for the Half Year Ended 30 June 2009

|   | Note | Second<br>Quarter<br>Ended<br>30.06.09<br>\$'000 | Second<br>Quarter<br>Ended<br>30.06.08<br>\$'000 | + / (-)<br>%  | Half<br>Year<br>Ended<br>30.06.09<br>\$'000 | Half<br>Year<br>Ended<br>30.06.08<br>\$'000 | + / (-)<br>%  |
|---|------|--|--|---------------|---|---|---------------|
| Sales   |      | 249,935  | 185,906  | 34.4          | 395,646                                     | 458,990                                     | (13.8)        |
| Costs of sales  |      | (175,660)  | (112,704)  | 55.9          | (263,301)                                   | (300,558)                                   | (12.4)        |
| <b>Gross profit</b>   |      | <b>74,275</b>                                    | <b>73,202</b>                                    | <b>1.5</b>    | <b>132,345</b>                              | <b>158,432</b>                              | <b>(16.5)</b> |
| Distribution costs  |      | (2,640)  | (1,257)  | 110.0         | (3,971)                                     | (2,817)                                     | 41.0          |
| Administrative and other expenses                                   | 1    | (26,558)   | (10,934)   | 142.9         | (51,361)                                    | (23,534)                                    | 118.2         |
| <b>Operating profit</b>   |      | <b>45,077</b>                                    | <b>61,011</b>                                    | <b>(26.1)</b> | <b>77,013</b>                               | <b>132,081</b>                              | <b>(41.7)</b> |
| Interest and investment income                                      |      | 7,488  | 10,754   | (30.4)        | 14,862                                      | 21,622                                      | (31.3)        |
| Interest expense  |      | (10,963)   | (14,064)   | (22.0)        | (23,922)                                    | (26,160)                                    | (8.6)         |
| Share of results of associated companies                            | 2    | 41,859   | 10,893   | 284.3         | 71,177                                      | 24,009                                      | 196.5         |
| Gain on acquisition of additional interest in an associated company | 3    | -  | 7,346  | (100.0)       | -   | 7,346                                       | (100.0)       |
| <b>Profit before taxation</b>                                       |      | <b>83,461</b>                                    | <b>75,940</b>                                    | <b>9.9</b>    | <b>139,130</b>                              | <b>158,898</b>                              | <b>(12.4)</b> |
| Taxation  |      | (16,139)   | (12,324)   | 31.0          | (26,068)                                    | (26,793)                                    | (2.7)         |
| <b>Profit after taxation</b>  |      | <b>67,322</b>                                    | <b>63,616</b>                                    | <b>5.8</b>    | <b>113,062</b>                              | <b>132,105</b>                              | <b>(14.4)</b> |
| Profit attributable to :  |      |  |  |               |   |   |               |
| <b>Shareholders of the Company</b>                                  |      | <b>58,174</b>                                    | <b>52,675</b>                                    | <b>10.4</b>   | <b>95,059</b>                               | <b>112,960</b>                              | <b>(15.8)</b> |
| Minority interests  |      | 9,148  | 10,941   | (16.4)        | 18,003                                      | 19,145                                      | (6.0)         |
|   |      | <b>67,322</b>                                    | <b>63,616</b>                                    | <b>5.8</b>    | <b>113,062</b>                              | <b>132,105</b>                              | <b>(14.4)</b> |
| Basic earnings per share (cents)                                    | 4    | 5.0  | 5.2  |               | 8.2   | 11.1  |               |
| Diluted earnings per share (cents)                                  | 4    | 5.0  | 5.2  |               | 8.2   | 11.1  |               |
| Operating profit margin   |      | 18.0%  | 32.8%  |               | 19.5%                                       | 28.8%                                       |               |
| Annualised return on equity   |      | nm   | nm   |               | 7.0%  | 9.8%  |               |

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

|   |         |        |         |          |
|---|---------|--------|---------|----------|
| Write-back of provisions for properties held for sale | (6,072) | (325)  | (7,601) | (23,469) |
| Depreciation of fixed assets                          | 2,431   | 1,771  | 4,780   | 3,546    |
| Cost of share-based payments                          | 541     | 776    | 1,090   | 1,382    |
| Foreign exchange losses/(gains)                       | 2,123   | 781    | 4,484   | (1,138)  |
| Allowance for doubtful debts                          | 33      | 118    | 91      | 95       |
| Employee emoluments (see Note 1)                      | 21,914  | 13,086 | 44,170  | 31,972   |

#### Notes

- (1) The increase in administrative and other expenses was due mainly to a write-back of provision for staff and related costs in 1H2008, and exchange loss compared with an exchange gain in 1H2008.
- (2) Marina Bay Residences, Reflections at Keppel Bay and K-REIT Asia in Singapore, and The Botanica in Chengdu, China contributed to the higher profit from associated companies in 1H2009.
- (3) In 1H2008, the gain arose from the excess of the Group's share of identifiable net tangible assets of K-REIT Asia over the subscription price of the excess rights units acquired.
- (4) Earnings per share for 1H2008 have been restated to include the effect of the rights issue.

nm - not meaningful

**1(b)(i) BALANCE SHEETS as at 30 June 2009**

|  | GROUP              |                    | COMPANY            |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 30.06.09<br>\$'000 | 31.12.08<br>\$'000 | 30.06.09<br>\$'000 | 31.12.08<br>\$'000 |
| <b>Share capital</b>                                 | <b>1,935,272</b>   | 1,188,479          | <b>1,935,272</b>   | 1,188,479          |
| <b>Reserves</b>                                      | <b>1,280,884</b>   | 1,254,081          | <b>675,866</b>     | 722,868            |
| <b>Share capital and reserves</b>                    | <b>3,216,156</b>   | 2,442,560          | <b>2,611,138</b>   | 1,911,347          |
| <b>Minority interests</b>                            | <b>484,871</b>     | 454,374            | -                  | -                  |
| <b>Total equity</b>                                  | <b>3,701,027</b>   | 2,896,934          | <b>2,611,138</b>   | 1,911,347          |
| <b>Long-term borrowings</b>                          | <b>1,356,755</b>   | 1,937,767          | <b>642,698</b>     | 789,579            |
|  | <b>5,057,782</b>   | 4,834,701          | <b>3,253,836</b>   | 2,700,926          |
| Represented by:                                      |                    |                    |                    |                    |
| <b>Fixed assets</b>                                  | <b>165,785</b>     | 173,881            | <b>49</b>          | 52                 |
| <b>Investment properties</b>                         | <b>1,457,377</b>   | 1,432,952          | -                  | -                  |
| <b>Properties held for development</b>               | <b>169,187</b>     | 174,781            | -                  | -                  |
| <b>Amounts owing by associated companies</b>         | <b>860,533</b>     | 813,824            | -                  | -                  |
| <b>Investments</b>                                   |                    |                    |                    |                    |
| Subsidiary companies                                 | -                  | -                  | <b>1,232,706</b>   | 1,233,220          |
| Associated companies                                 | <b>1,019,057</b>   | 959,431            | <b>125,320</b>     | 125,320            |
| Long-term investments                                | <b>63,575</b>      | 60,936             | <b>3,791</b>       | 4,387              |
|  | <b>1,082,632</b>   | 1,020,367          | <b>1,361,817</b>   | 1,362,927          |
| <b>Current assets</b>                                |                    |                    |                    |                    |
| Properties held for sale                             | <b>1,320,079</b>   | 1,474,594          | -                  | -                  |
| Stocks   | <b>3,738</b>       | 3,620              | -                  | -                  |
| Debtors  | <b>345,694</b>     | 253,815            | <b>1,468</b>       | 378                |
| Amounts owing by holding company and related parties | <b>152,259</b>     | 147,890            | <b>1,843,133</b>   | 1,641,121          |
| Cash and cash equivalents                            | <b>1,229,436</b>   | 626,361            | <b>700,934</b>     | 7,168              |
|  | <b>3,051,206</b>   | 2,506,280          | <b>2,545,535</b>   | 1,648,667          |
| Less:  |                    |                    |                    |                    |
| <b>Current liabilities</b>                           |                    |                    |                    |                    |
| Creditors  | <b>705,251</b>     | 798,587            | <b>22,987</b>      | 20,182             |
| Net tax provision                                    | <b>119,572</b>     | 106,200            | <b>5,811</b>       | 5,811              |
| Short-term borrowings                                | <b>708,740</b>     | 184,051            | <b>436,500</b>     | 108,500            |
| Amounts owing to holding company and related parties | <b>70,170</b>      | 72,087             | <b>178,719</b>     | 166,407            |
|  | <b>1,603,733</b>   | 1,160,925          | <b>644,017</b>     | 300,900            |
| <b>Net current assets</b>                            | <b>1,447,473</b>   | 1,345,355          | <b>1,901,518</b>   | 1,347,767          |
| <b>Deferred taxation</b>                             | <b>(125,205)</b>   | (126,459)          | <b>(9,548)</b>     | (9,820)            |
|  | <b>5,057,782</b>   | 4,834,701          | <b>3,253,836</b>   | 2,700,926          |
| Group net debt (\$'000)                              | <b>836,059</b>     | 1,495,457          |                    |                    |
| Group net debt/equity ratio (times)                  | <b>0.23</b>        | 0.52               |                    |                    |
| Net tangible assets per share (\$)                   | <b>2.29</b>        | 3.39               |                    |                    |

**Review of Financial Position**

Share capital and reserves for the Group increased by \$773.6 million due largely to the Company's enlarged share capital after the rights issue in June 2009. The increase was also due to profits retained for the period, partly offset by the payment of dividend and a decrease in exchange reserves due to the weakening of United States dollar and China renminbi, partly offset by the strengthening of Indonesia rupiah.

The Group's net debts decreased by \$659.4 million and debt/equity ratio was 0.23 at end-June 2009 compared with 0.52 at end-December 2008. The decrease in the Group's net debts was due largely to the proceeds from the rights issue received in June 2009.

The Group's properties held for sale decreased by \$154.5 million because progress billings received during the period were higher than development costs incurred.

The Group's net tangible asset per share was \$2.29 compared with \$3.39 as at 31 December 2008. The decrease was due to the Company's enlarged share capital after the rights issue.

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

| As at 30.06.09    |                     | As at 31.12.08    |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| 228,184           | 480,556             | 38,256            | 145,795             |

**Amount Repayable after One Year**

| As at 30.06.09    |                     | As at 31.12.08    |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| 126,427           | 1,230,328           | 309,997           | 1,627,770           |

In addition to funds from internal sources and related companies, the Group obtained its funds from the capital market through its US\$800 Million Medium Term Note Programme and banks either on a bilateral or on a syndicated basis. At end-June 2009, about 23% of the Group's borrowings were on fixed interest rate basis. For the six months ended 30 June 2009, the Group's net average cost of funds was 2.34%.

**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 \$1,410.3 million (31.12.08: \$1,564.2 million).

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS for the Half Year Ended 30 June 2009**

|  | Second<br>Quarter<br>Ended<br>30.06.09<br>\$'000 | Second<br>Quarter<br>Ended<br>30.06.08<br>\$'000 | Half<br>Year<br>Ended<br>30.06.09<br>\$'000 | Half<br>Year<br>Ended<br>30.06.08<br>\$'000 |
|--|--|--|---|---|
| <b>Operating Activities:</b>   |  |  |   |   |
| Operating profit   | 45,077   | 61,011   | 77,013                                      | 132,081                                     |
| Adjustments for:   |  |  |   |   |
| Depreciation of fixed assets   | 2,431  | 1,771  | 4,780                                       | 3,546                                       |
| Profit on sale of fixed assets   | -  | (18)   | -   | (18)  |
| Write-back of provision for foreseeable losses on properties held for sale                                     | (6,072)  | (325)  | (7,601)                                     | (23,469)                                    |
| Allowance for doubtful debts   | 33   | 118  | 91  | 95  |
| Cost of share-based payments   | 541  | 776  | 1,090                                       | 1,382                                       |
| <b>Operating cashflows before changes in working capital</b>   | <b>42,010</b>                                    | <b>63,333</b>                                    | <b>75,373</b>                               | <b>113,617</b>                              |
| (Increase)/decrease in debtors   | (45,605)   | 21,110   | (102,974)                                   | 17,415                                      |
| Increase in work-in-progress   | (34,236)   | (41,833)   | (56,957)                                    | (76,128)                                    |
| (Increase)/decrease in consumable stocks   | (1,280)  | 31   | (118)                                       | 42  |
| Development expenditures   | (85,471)   | (139,735)  | (169,133)                                   | (259,267)                                   |
| Progress billings received/receivable  | 255,426  | 300,233  | 382,492                                     | 412,043                                     |
| (Decrease)/increase in creditors   | (4,339)  | 6,253  | (56,258)                                    | (72,715)                                    |
| <b>Cash flows from operations</b>  | <b>126,505</b>                                   | <b>209,392</b>                                   | <b>72,425</b>                               | <b>135,007</b>                              |
| Interest received  | 7,488  | 10,754   | 14,862                                      | 21,622                                      |
| Interest paid  | (10,963)   | (14,064)   | (23,922)                                    | (26,160)                                    |
| Income taxes paid  | (113)  | (36,427)   | (477)                                       | (45,813)                                    |
| <b>Net cash flows from operating activities</b>  | <b>122,917</b>                                   | <b>169,655</b>                                   | <b>62,888</b>                               | <b>84,656</b>                               |
| <b>Investing Activities:</b>   |  |  |   |   |
| Acquisition of a subsidiary company  | -  | (1,400)  | -   | (1,400)                                     |
| Investment in associated companies   | (10,207)   | (247,511)  | (13,540)                                    | (254,902)                                   |
| Investment in an investee company  | -  | (1,848)  | (3,235)                                     | (1,848)                                     |
| Purchase of fixed assets   | (1,020)  | (2,178)  | (1,600)                                     | (4,484)                                     |
| Expenditure on investment properties   | (15,219)   | (16,640)   | (23,708)                                    | (18,378)                                    |
| Expenditure on development properties  | (296)  | (4,856)  | (307)                                       | (6,821)                                     |
| Proceeds from sale of fixed assets   | -  | 37   | -   | 37  |
| Redemption of preference shares by an associated company   | -  | -  | -   | 961   |
| Redemption of shares by an investee company  | 596  | -  | 596   | -   |
| Dividends received from associated companies   | -  | 8,327  | 14,993                                      | 15,347                                      |
| <b>Net cash flows used in investing activities</b>   | <b>(26,146)</b>                                  | <b>(266,069)</b>                                 | <b>(26,801)</b>                             | <b>(271,488)</b>                            |
| <b>Financing Activities:</b>   |  |  |   |   |
| Proceeds from issuance of shares, net of expenses in relation to rights issue and dividend reinvestment scheme | 700,432  | 1,834  | 700,432                                     | 3,007                                       |
| Drawdown of loans  | 125,222  | 511,312  | 234,420                                     | 513,439                                     |
| Repayment of loans   | (224,233)  | (97,552)   | (287,590)                                   | (620,474)                                   |
| (Drawdown)/repayment of loans by related companies   | (2,003)  | 1,340  | (1,779)                                     | 2,593                                       |
| Loans to associated companies  | (36,374)   | (42,107)   | (53,112)                                    | (42,856)                                    |
| Drawdown/(repayment) of loans from minority shareholders   | (22,973)   | 129  | (9,562)                                     | 16,275                                      |
| Dividends paid to shareholders   | (11,344)   | (144,224)  | (11,344)                                    | (144,224)                                   |
| Contribution from minority shareholders  | -  | 18,688   | 7,853                                       | 18,688                                      |
| Dividends paid to minority shareholders  | (2,483)  | -  | (2,483)                                     | (53)  |
| <b>Net cash flows from/(used in) financing activities</b>  | <b>526,244</b>                                   | <b>249,420</b>                                   | <b>576,835</b>                              | <b>(253,605)</b>                            |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  | <b>623,015</b>                                   | <b>153,006</b>                                   | <b>612,922</b>                              | <b>(440,437)</b>                            |
| <b>Cash and cash equivalents at beginning of the period</b>  | <b>627,314</b>                                   | <b>584,902</b>                                   | <b>626,361</b>                              | <b>1,187,305</b>                            |
| Exchange adjustments   | (20,893)   | 71   | (9,847)                                     | (8,889)                                     |
| <b>Cash and cash equivalents at end of period</b>  | <b>1,229,436</b>                                 | <b>737,979</b>                                   | <b>1,229,436</b>                            | <b>737,979</b>                              |

**Review of Cash Flows for 2Q2009**(i) Net cash flow from operating activities

The Group's net cash flow from operating activities was \$122.9 million compared with \$169.7 million for the corresponding quarter last year. Development expenditures of \$85.5 million incurred for 2Q2009 were \$54.2 million lower than for 2Q2008 due largely to the completion of several trading projects during the last financial year. Income taxes paid in 2Q2009 were about \$36.3 million lower than in 2Q2008. The decrease in outflows was partly offset by lower progress billings proceeds from the sale of development properties.

(ii) Net cash used in investing activities

Net cash of \$26.1 million was used in investing activities compared with \$266.1 million for the corresponding quarter last year. The major outflow in the 2Q2008 was the subscription of rights units issued by K-REIT Asia, which amounted to \$232.2 million. Excluding the subscription, the net cash used in investing activities for 2Q2008 was \$33.9 million.

(iii) Net cash generated from financing activities

The Group generated a net cash inflow of \$526.2 million from financing activities compared with \$249.4 million for the corresponding quarter last year. The Group's rights issue was completed in June 2009 and net proceeds of \$700.6 million were received. The Group recorded a net repayment of loans of \$99 million in the current quarter largely due to the proceeds from the sale of remaining units at The Tresor and Park Infinia at Wee Nam. In 2Q2008, there was a net loan drawdown of \$413.7 million mainly for the subscription of K-REIT Asia's rights units. In addition, contributions of \$18.7 million were received from minority shareholders of non-wholly owned subsidiaries in 2Q2008.

Overall, the net increase in cash and cash equivalents was \$623 million compared with \$153 million for 2Q2008.

**Review of Cash Flows for 1H2009**(i) Net cash flow from operating activities

The Group's net cash flow from operating activities was \$62.9 million compared with \$84.7 million for the corresponding period last year. Development expenditures of \$169.1 million incurred for 1H2009 were \$90.2 million lower than for 1H2008 due largely to the completion of several trading projects during the last financial year. Payment to creditors and income taxes in 1H2009 were also lower. The decrease in outflows was partly offset by lower progress billings proceeds from the sale of development properties.

(ii) Net cash used in investing activities

Net cash of \$26.8 million was used in investing activities compared with \$271.5 million for the corresponding period last year. The major outflow for the previous year was the subscription of rights units issued by K-REIT Asia, which amounted to \$232.2 million. Excluding the subscription, the net cash used in investing activities for 1H2008 was about \$39.3 million. Higher expenditures on development properties were incurred for 1H2008 mainly for the golf course developments undertaken by Evergro Properties. The costs incurred for the development of Ocean Financial Centre and improvements works for the Group's other investment properties amounted to \$23.7 million, which was about \$5.3 million higher than in the corresponding period last year.

(iv) Net cash generated from/(used in) financing activities

The Group generated a net cash inflow of \$576.8 million from financing activities compared with an outflow of \$253.6 million for the corresponding period last year. The Group's rights issue exercise was completed in June 2009 and net proceeds of \$700.6 million were received. The Group recorded a net repayment of loans of \$53.2 million in the current period due largely to the proceeds from the sale of remaining units at The Tresor and Park Infinia at Wee Nam. In 1H2008, there was a net loan repayment of \$107.1 million. The lower dividend payment in 1H2009 was mainly due to a special dividend of 12 cents per share in respect of financial year 2007 paid in 1H2008. The contributions from minority shareholders of non-wholly owned subsidiaries were about \$10.8 million lower compared with 1H2008.

Overall, the net increase in cash and cash equivalents was \$612.9 million compared with an outflow of \$440.4 million for 1H2008.

**1(d) STATEMENTS OF COMPREHENSIVE INCOME for the Half Year ended 30 June 2009**

|  | GROUP  |  | GROUP                                       |   |
|--|--|--|---|---|
|  | Second<br>Quarter<br>Ended<br>30.06.09<br>\$'000 | Second<br>Quarter<br>Ended<br>30.06.08<br>\$'000 | Half<br>Year<br>Ended<br>30.06.09<br>\$'000 | Half<br>Year<br>Ended<br>30.06.08<br>\$'000 |
| <b>Profit for the period</b>   | <b>67,322</b>                                    | 63,616   | <b>113,062</b>                              | 132,105                                     |
| <b>Other comprehensive income:</b>                                     |  |  |   |   |
| Available-for-sale financial assets                                    |  |  |   |   |
| - Net fair value gain  | -  | 874  | -   | 772   |
| Exchange difference on consolidation                                   | <b>(51,222)</b>                                  | 10,406   | <b>(15,698)</b>                             | (23,191)                                    |
| Exchange difference transferred to profit and loss account             | <b>(19)</b>                                      | 2,993  | <b>(36)</b>                                 | 2,993                                       |
| Share of other comprehensive income/(expense) of associated companies  | <b>(7,952)</b>                                   | 1,912  | <b>2,099</b>                                | 1,743                                       |
| <b>Other comprehensive income/(expense) for the period, net of tax</b> | <b>(59,193)</b>                                  | 16,185   | <b>(13,635)</b>                             | (17,683)                                    |
| <b>Total comprehensive income for the period</b>                       | <b>8,129</b>                                     | 79,801   | <b>99,427</b>                               | 114,422                                     |
| Total comprehensive income attributable to :                           |  |  |   |   |
| <b>Shareholders of the Company</b>                                     | <b>5,148</b>                                     | 70,844   | <b>83,147</b>                               | 108,671                                     |
| Minority interests   | <b>2,981</b>                                     | 8,957  | <b>16,280</b>                               | 5,751                                       |
|  | <b>8,129</b>                                     | 79,801   | <b>99,427</b>                               | 114,422                                     |

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY for the Half Year Ended 30 June 2009**

| GROUP  | Share     | Capital  | Foreign     | Revenue   | Total     | Minority  | Total     |
|--|-----------|----------|-------------|-----------|-----------|-----------|-----------|
|  | Capital   | Reserves | Currency    | Reserves  |           | Interests | Equity    |
|  | \$'000    | \$'000   | Translation | \$'000    | \$'000    | \$'000    | \$'000    |
|  |           |          | Account     |           |           |           |           |
|  |           |          | \$'000      |           |           |           |           |
| <b>Balance at 1 January 2009</b>                                       | 1,188,479 | 66,570   | 59,264      | 1,128,247 | 2,442,560 | 454,374   | 2,896,934 |
| Total comprehensive income/<br>(expense) for the period                | -         | (181)    | 41,295      | 36,885    | 77,999    | 13,299    | 91,298    |
| Cost of share-based payments   | -         | 549      | -           | -         | 549       | -         | 549       |
| Capital contribution   | -         | -        | -           | -         | -         | 16,700    | 16,700    |
| <b>Balance at 31 March 2009</b>  | 1,188,479 | 66,938   | 100,559     | 1,165,132 | 2,521,108 | 484,373   | 3,005,481 |
| Total comprehensive income/<br>(expense) for the period                | -         | 915      | (53,941)    | 58,174    | 5,148     | 2,981     | 8,129     |
| Rights issue, net of expenses  | 700,612   | -        | -           | -         | 700,612   | -         | 700,612   |
| Issue of shares under dividend<br>reinvestment scheme, net of expenses | 46,181    | -        | -           | -         | 46,181    | -         | 46,181    |
| Cost of share-based payments   | -         | 541      | -           | -         | 541       | -         | 541       |
| Dividend paid  |           |          |             |           |           |           |           |
| - Cash   | -         | -        | -           | (11,344)  | (11,344)  | (2,483)   | (13,827)  |
| - Shares   | -         | -        | -           | (46,361)  | (46,361)  | -         | (46,361)  |
| Deferred tax adjustment for equity<br>portion of convertible bonds     | -         | 271      | -           | -         | 271       | -         | 271       |
| <b>Balance at 30 June 2009</b>   | 1,935,272 | 68,665   | 46,618      | 1,165,601 | 3,216,156 | 484,871   | 3,701,027 |
| <b>Balance at 1 January 2008</b>                                       | 1,185,341 | 62,103   | (1,324)     | 1,045,111 | 2,291,231 | 352,460   | 2,643,691 |
| Total comprehensive income/<br>(expense) for the period                | -         | (1,219)  | (21,239)    | 60,285    | 37,827    | (3,206)   | 34,621    |
| Issue of shares under the<br>Keppel Land Share Option Scheme           | 1,173     | -        | -           | -         | 1,173     | -         | 1,173     |
| Cost of share-based payments   | -         | 606      | -           | -         | 606       | -         | 606       |
| Dividend paid  | -         | -        | -           | -         | -         | (53)      | (53)      |
| Transfer from capital reserves<br>to revenue reserves                  | -         | (13)     | -           | 13        | -         | -         | -         |
| <b>Balance at 31 March 2008</b>  | 1,186,514 | 61,477   | (22,563)    | 1,105,409 | 2,330,837 | 349,201   | 2,680,038 |
| Total comprehensive income for the period                              | -         | 937      | 17,232      | 52,675    | 70,844    | 8,957     | 79,801    |
| Issue of shares under the<br>Keppel Land Share Option Scheme           | 1,834     | -        | -           | -         | 1,834     | -         | 1,834     |
| Cost of share-based payments   | -         | 776      | -           | -         | 776       | -         | 776       |
| Dividend paid  | -         | -        | -           | (144,224) | (144,224) | -         | (144,224) |
| Minority interest of non-wholly<br>owned subsidiary acquired           | -         | -        | -           | -         | -         | 350       | 350       |
| Capital contribution   | -         | -        | -           | -         | -         | 18,688    | 18,688    |
| <b>Balance at 30 June 2008</b>   | 1,188,348 | 63,190   | (5,331)     | 1,013,860 | 2,260,067 | 377,196   | 2,637,263 |

**1(e)(i) STATEMENTS OF CHANGES IN EQUITY for the Half Year Ended 30 June 2009**

| <b>COMPANY</b>  | <b>Share<br/>Capital<br/>\$'000</b> | <b>Capital<br/>Reserves<br/>\$'000</b> | <b>Revenue<br/>Reserves<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|-------------------------------------|--|--|-------------------------|
| <b>Balance at 1 January 2009</b>                                    | 1,188,479                           | 42,737                                 | 680,131                                | 1,911,347               |
| Total comprehensive expense for the period                          | -                                   | -                                      | (2,112)                                | (2,112)                 |
| Cost of share-based payments  | -                                   | 549                                    | -                                      | 549                     |
| <b>Balance at 31 March 2009</b>                                     | <b>1,188,479</b>                    | <b>43,286</b>                          | <b>678,019</b>                         | <b>1,909,784</b>        |
| Total comprehensive income for the period                           | -                                   | -                                      | 11,454                                 | 11,454                  |
| Rights issue, net of expenses                                       | 700,612                             | -                                      | -                                      | 700,612                 |
| Issue of shares under dividend reinvestment scheme, net of expenses | 46,181                              | -                                      | -                                      | 46,181                  |
| Cost of share-based payments  | -                                   | 541                                    | -                                      | 541                     |
| Dividend paid   |                                     |  |  |                         |
| - Cash  | -                                   | -                                      | (11,344)                               | (11,344)                |
| - Shares  | -                                   | -                                      | (46,361)                               | (46,361)                |
| Deferred tax adjustment for equity portion of convertible bond      | -                                   | 271                                    | -                                      | 271                     |
| <b>Balance at 30 June 2009</b>                                      | <b>1,935,272</b>                    | <b>44,098</b>                          | <b>631,768</b>                         | <b>2,611,138</b>        |
| <b>Balance at 1 January 2008</b>                                    | 1,185,341                           | 40,273                                 | 383,440                                | 1,609,054               |
| Total comprehensive income for the period                           | -                                   | -                                      | 6,095                                  | 6,095                   |
| Issue of shares under the Keppel Land Share Option Scheme           | 1,173                               | -                                      | -                                      | 1,173                   |
| Cost of share-based payments  | -                                   | 606                                    | -                                      | 606                     |
| <b>Balance at 31 March 2008</b>                                     | <b>1,186,514</b>                    | <b>40,879</b>                          | <b>389,535</b>                         | <b>1,616,928</b>        |
| Total comprehensive income for the period                           | -                                   | -                                      | 3,224                                  | 3,224                   |
| Issue of shares under the Keppel Land Share Option Scheme           | 1,834                               | -                                      | -                                      | 1,834                   |
| Cost of share-based payments  | -                                   | 776                                    | -                                      | 776                     |
| Dividend paid   | -                                   | -                                      | (144,224)                              | (144,224)               |
| <b>Balance at 30 June 2008</b>                                      | <b>1,188,348</b>                    | <b>41,655</b>                          | <b>248,535</b>                         | <b>1,478,538</b>        |

**1(e)(ii) SHARE CAPITAL**

On 24 April 2009, the Company announced a renounceable rights issue at the issue price of \$1.09 per rights share at the ratio of nine rights shares for every ten existing ordinary shares. On 11 June 2009, the Company allotted and issued 649,185,372 rights shares for valid acceptances received.

On 15 June 2009, the Company allotted and issued 34,341,643 ordinary shares at an issue price of \$1.35 per share to eligible shareholders who have validly elected to participate in the Dividend Reinvestment Scheme in respect of the final dividend of 8 cents per share for the financial year ended 31 December 2008.

During the half year ended 30 June 2009, no ordinary shares were issued by the Company under the Keppel Land Share Option Scheme as no options were exercised by executive employees. The share capital of the Company as at 30 June 2009 comprised 1,404,844,096 ordinary shares (31.12.08: 721,317,081 shares).

As at 30 June 2009, the Company did not hold any treasury shares (31.12.08: Nil).

As at 30 June 2009, there were unexercised options for 4,497,250 (30.06.08: 3,652,000) of unissued ordinary shares under the Keppel Land Share Option Scheme and \$300 million convertible bonds which are convertible into 53,763,440 shares (30.06.08: 45,801,526 shares) at the adjusted conversion price of \$5.58 per share (30.06.08: \$6.55 per share).

**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 Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 December 2008.

**5. CHANGES IN THE ACCOUNTING POLICIES**

In the current year, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

|                 |                                      |
|-----------------|--------------------------------------|
| FRS 1 (Revised) | Presentation of Financial Statements |
| FRS 108         | Operating Segments                   |

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements.

**6. EARNINGS PER ORDINARY SHARE**

|   | <b>GROUP</b>                    |                                     |        |
|---|---------------------------------|-------------------------------------|--------|
|   | <b>Half Year Ended 30.06.09</b> | Half Year Ended 30.06.08 (Restated) | +/(-)% |
| Earnings per ordinary share of the Company for the period based on Group net profit attributable to shareholders: |                                 |                                     |        |
| (i) On the weighted average number of shares (cents)  | <b>8.2</b>                      | 11.1                                | (26.1) |
| - Weighted average number of shares ('000)  | <b>1,155,842</b>                | 1,015,774                           | 13.8   |
| (ii) On a fully diluted basis (cents)   | <b>8.2</b>                      | 11.1                                | (26.1) |
| - Adjusted weighted average number of shares ('000)   | <b>1,155,851</b>                | 1,019,960                           | 13.3   |

Note:

Earnings per share for 1H2008 have been restated to include the effect of the rights issue.

**7. NET ASSET VALUE**

|  | <b>GROUP</b>    |          |
|--|-----------------|----------|
|  | <b>30.06.09</b> | 31.12.08 |
| Net tangible asset per share based on issued share capital at the end of the period (\$) | <b>2.29</b>     | 3.39     |

## 8. REVIEW OF GROUP PERFORMANCE

### 2Q2009 vs. 2Q2008

The Group's revenue for 2Q2009 was \$249.9 million, compared with \$185.9 million for the corresponding quarter last year. The increase was due mainly to progressive revenue recognition from a fully sold project in Singapore and additional units sold for two completed projects in Singapore, as well as higher revenue recognition for several projects in China, and a new revenue stream from an Indonesian project which was launched in December 2008. Also contributing to the improvement in revenue were higher sales achieved by the Group's investment properties in Singapore and Vietnam, fund management operations, and the Group's hotels and resorts. This increase was partly offset by lower sales from several projects in China and India.

At pre-tax level, Group profit was \$83.5 million, compared with \$75.9 million for 2Q2008. The increase was due primarily to strong performance of the Group's associated companies in Singapore and China. This was, however, partly offset by the lower contributions from several trading projects in Singapore, China and India. Rental yields from the Group's investment properties in Singapore and Vietnam had improved for the quarter as compared with 2Q2008. However, this was offset by the lower contribution from an investment property in Indonesia. The Group's hotels and resorts in Indonesia and Myanmar reported higher profits in the current quarter than in 2Q2008 due to higher occupancy rates achieved. Included in 2Q2008 was the write-back of costs amounting to \$7.4 million, and a gain of \$7.3 million on the acquisition of additional interest in K-REIT Asia.

After accounting for minority interests' share of profits, Group attributable profit was \$58.2 million, an increase of 10.4% from \$52.7 million achieved in 2Q2008.

Earnings from overseas represented about 30% of the Group's attributable profit (excluding the gain on the acquisition of additional interest in K-REIT Asia) compared with 18% for 2Q2008.

### 1H2009 vs. 1H2008

Group revenue for 1H2009 was \$395.6 million compared with \$459 million for 1H2008. The lower revenue for 1H2009 was due largely to the completion of several overseas trading projects during the last financial year, and lower revenue recognition for current projects in Singapore and overseas. However, a new revenue stream from an Indonesian project, progressive revenue recognition from a fully sold project in Singapore, and higher sales recorded by the China projects mitigated the decrease in revenue. In addition, the Group's investment properties in Singapore and Vietnam continued to register better performance in 1H2009 due to higher rental yields. The Group's hotels and resorts reported higher sales due to higher occupancy rates, and sales from the fund management operations were also higher.

Pre-tax profit of \$139.1 million for the half year was \$19.8 million lower than that for 1H2008. This was due largely to the completion of several trading projects during the last financial year, higher net finance cost and administrative expenses. The increase in net finance costs in 1H2009 was due mainly to lower interest income received from associated companies and lower interest income recorded by the overseas entities. This was, however, partly cushioned by the strong performances achieved by the Group's associated companies, investment properties, and hotels and resorts. Included in 1H2008 was a write-back of costs amounting to \$10.4 million and a gain of \$7.3 million on acquisition of additional interest in K-REIT Asia.

After accounting for minority interests' share of profits, Group attributable profit was \$95.1 million, a decrease of 15.8% from \$113 million for 1H2008.

Earnings from overseas represented about 28% of the Group's attributable profit (excluding the gain from the acquisition of additional interest in K-REIT Asia) compared with 24% for 1H2008.

## 9. VARIANCE FROM PROSPECTS STATEMENT

No prospects statement for the half year ended 30 June 2009 was previously provided.

## 10. PROSPECTS

### Singapore

Market sentiments have turned positive with improved economic performance, a buoyant stock market and increased liquidity. Advance estimates from the Ministry of Trade and Industry (“MTI”) show that the Singapore economy has emerged from its technical recession. The economy grew 20.4% quarter-on-quarter in the second quarter of 2009, reversing from a 12.7% contraction in the first quarter. MTI has since revised upward the growth forecast for 2009, expecting the economy to contract by 4% to 6% instead of 6% to 9%.

The residential market has seen a strong surge in buying activity in the first half of 2009, with the momentum recently moving into the mid to higher end properties. New home sales are estimated at 7,310 units, about 70% higher than the 4,264 units achieved for the whole of 2008. Two of the Group’s residential projects, Park Infinia at Wee Nam and The Tresor, are almost fully sold. The Group plans to launch Madison Residences and The Promont in the second half as well as seek actively to acquire sites.

Leasing market is more active with improved sentiments and the economy stabilizing, with the rate of rent decline easing. Average Grade A rents fell 17.5% quarter-on-quarter to \$10.15 psf as at end-June 2009, compared with the 18% decline to \$12.30 psf in the first quarter (source : CB Richard Ellis), while average prime office rents dipped 18.2% to \$8.60 psf in the second quarter, compared with the 18.6% decline to \$10.50 psf in the first quarter. The Group’s office portfolio continued to enjoy relatively stable occupancy and rental rates.

K-REIT Asia’s distributable income rose 29.6% to \$33.2 million for the first half of 2009. Its portfolio of five office assets, with a weighted average lease term to expiry of 5.4 years, will provide stability of its rental income. K-REIT Asia and Alpha Investment Partners, the Group’s private property fund management vehicle with five funds, will capitalise on investment opportunities arising from the current economic slowdown to selectively acquire quality assets.

### Overseas

Concerted efforts by governments in the region to stimulate economic growth and domestic consumption are yielding positive results. There are signs of economic stabilisation and increasing optimism in the residential markets such as in China and Vietnam.

The Group’s projects in China have achieved strong take-up, totalling more than 1,440 units in the first half of 2009. Sales were especially strong for The Botanica in Chengdu and Central Park City in Wuxi where both township projects achieved monthly average sales of 100 units for the last few months. In Vietnam, the Group has resumed sales of its condominium project The Estella in Ho Chi Minh City, and has sold about 30 units since May 2009.

The Company and Evergro Properties (“Evergro”) have recently announced the proposed voluntary delisting of Evergro with an exit offer of either 1,000 new Keppel Land shares for every 7,000 Evergro shares held or \$290 cash for every 1,000 Evergro shares. The proposed delisting, which is subject to the approval of Evergro shareholders in an EGM to be convened, will put the Group in a stronger position to capture opportunities and growth in China by combining the operational expertise, industry knowledge and the extensive networks of both Keppel Land and Evergro.

**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 in the property markets of China, Vietnam, Indonesia, India and Middle East where there is a shortage of good quality housing to satisfy the needs of their growing middle class 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.

For both its Singapore and overseas markets, the Group is facing economic uncertainties due to the effects of the present global recession.

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**

None.

**(b) Corresponding period of the immediately preceding financial year**

None.

**(c) Date Payable**

Not applicable.

**(d) Books Closure Date**

Not applicable.

**(e) If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared for the half year ended 30 June 2009.

A final dividend of 8 cents per share amounting to \$57.7 million in respect of the financial year ended 31 December 2008 was paid on 15 June 2009 by way of cash (\$11.3 million) and shares (\$46.4 million) under the Dividend Reinvestment Scheme.

**13. SEGMENTAL ANALYSIS**

|  | Second Quarter   |                     |                 |  |                           |          | Year-to-Date     |                     |                 |  |                           |              |
|--|------------------|---------------------|-----------------|--|---------------------------|----------|------------------|---------------------|-----------------|--|---------------------------|--------------|
|  | Property trading | Property investment | Fund management | Hotel and resorts, property services, and others | Inter-segment elimination | Total    | Property trading | Property investment | Fund management | Hotel and resorts, property services, and others | Inter-segment elimination | Total        |
|  | \$'000           | \$'000              | \$'000          | \$'000   | \$'000                    | \$'000   | \$'000           | \$'000              | \$'000          | \$'000   | \$'000                    | \$'000       |
| <b>30 June, 2009</b>                     |                  |                     |                 |  |                           |          |                  |                     |                 |  |                           |              |
| <b>External sales</b>                    | 204,943          | 18,734              | 10,078          | 16,180   | -                         | 249,935  | 306,962          | 37,662              | 19,319          | 31,703   | -                         | 395,646      |
| <b>Results</b>                           |                  |                     |                 |  |                           |          |                  |                     |                 |  |                           |              |
| Operating profit/(loss)                  | 34,611           | 11,061              | 4,712           | (5,307)  | -                         | 45,077   | 54,912           | 22,890              | 9,668           | (10,457)   | -                         | 77,013       |
| Net interest income/(expenses)           | 2,342            | (1,233)             | 21              | (4,605)  | -                         | (3,475)  | 2,402            | (2,496)             | 54              | (9,020)  | -                         | (9,060)      |
| Share of results of associated companies | 34,479           | 4,626               | 378             | 2,376  | -                         | 41,859   | 59,365           | 8,473               | 922             | 2,417  | -                         | 71,177       |
| Profit/(loss) before taxation            | 71,432           | 14,454              | 5,111           | (7,536)  | -                         | 83,461   | 116,679          | 28,867              | 10,644          | (17,060)   | -                         | 139,130      |
| Taxation                                 | (13,487)         | (1,558)             | (990)           | (104)  | -                         | (16,139) | (20,792)         | (3,309)             | (1,891)         | (76)   | -                         | (26,068)     |
| Profit/(loss) after taxation             | 57,945           | 12,896              | 4,121           | (7,640)  | -                         | 67,322   | 95,887           | 25,558              | 8,753           | (17,136)   | -                         | 113,062      |
| Minority interests                       | (7,104)          | (2,861)             | -               | 817  | -                         | (9,148)  | (13,390)         | (5,905)             | -               | 1,292  | -                         | (18,003)     |
| Attributable profit/(loss)               | 50,841           | 10,035              | 4,121           | (6,823)  | -                         | 58,174   | 82,497           | 19,653              | 8,753           | (15,844)   | -                         | 95,059       |
| <b>Other information</b>                 |                  |                     |                 |  |                           |          |                  |                     |                 |  |                           |              |
| Segment assets                           |                  |                     |                 |  |                           |          | 3,419,427        | 2,196,019           | 116,480         | 2,865,323  | (1,810,529)               | 6,786,720    |
| Segment liabilities                      |                  |                     |                 |  |                           |          | (1,704,307)      | (613,495)           | (17,382)        | (2,561,038)                                      | 1,810,529                 | (3,085,693)  |
| Net assets                               |                  |                     |                 |  |                           |          | 1,715,120        | 1,582,524           | 99,098          | 304,285  | -                         | 3,701,027    |
| Investment in associated companies       |                  |                     |                 |  |                           |          | 277,500          | 652,596             | 32,515          | 56,446   | -                         | 1,019,057    |
| Additions to non-current assets          |                  |                     |                 |  |                           |          | 7,774            | 30,483              | 1               | 897  | -                         | 39,155       |
| Depreciation of fixed assets             |                  |                     |                 |  |                           |          | 2,031            | 129                 | 46              | 2,574  | -                         | 4,780        |
| <b>Geographical information</b>          |                  |                     |                 |  |                           |          |                  |                     |                 |  |                           |              |
|  |                  |                     |                 |  |                           |          |                  |                     |                 | <b>Singapore</b>                                 | <b>Other countries</b>    | <b>Total</b> |
| External sales                           |                  |                     |                 |  |                           |          |                  |                     |                 | 234,725  | 160,921                   | 395,646      |
| Non-current assets                       |                  |                     |                 |  |                           |          |                  |                     |                 | 2,946,186  | 789,328                   | 3,735,514    |

**13. SEGMENTAL ANALYSIS – Continued**

|   | Second Quarter   |                     |                 |  |                           |          | Year-to-Date     |                     |                 |  |                           |              |
|---|------------------|---------------------|-----------------|--|---------------------------|----------|------------------|---------------------|-----------------|--|---------------------------|--------------|
|   | Property trading | Property investment | Fund management | Hotel and resorts, property services, and others | Inter-segment elimination | Total    | Property trading | Property investment | Fund management | Hotel and resorts, property services, and others | Inter-segment elimination | Total        |
|   | \$'000           | \$'000              | \$'000          | \$'000   | \$'000                    | \$'000   | \$'000           | \$'000              | \$'000          | \$'000   | \$'000                    | \$'000       |
| <b>30 June, 2008</b>  |                  |                     |                 |  |                           |          |                  |                     |                 |  |                           |              |
| <b>External sales</b>   | 146,370          | 16,986              | 10,074          | 12,476   | -                         | 185,906  | 380,009          | 33,572              | 17,650          | 27,759   | -                         | 458,990      |
| <b>Results</b>  |                  |                     |                 |  |                           |          |                  |                     |                 |  |                           |              |
| Operating profit  | 40,571           | 9,345               | 5,710           | 5,385  | -                         | 61,011   | 97,694           | 20,061              | 10,045          | 4,281  | -                         | 132,081      |
| Net interest income/(expenses)                                      | 3,134            | (1,153)             | 75              | (5,366)  | -                         | (3,310)  | 2,229            | (2,975)             | 159             | (3,951)  | -                         | (4,538)      |
| Share of results of associated companies                            | 6,488            | 3,008               | 531             | 866  | -                         | 10,893   | 16,537           | 5,063               | 1,158           | 1,251  | -                         | 24,009       |
| Gain on acquisition of additional interest in an associated company | -                | -                   | -               | 7,346  | -                         | 7,346    | -                | -                   | -               | 7,346  | -                         | 7,346        |
| Profit before taxation  | 50,193           | 11,200              | 6,316           | 8,231  | -                         | 75,940   | 116,460          | 22,149              | 11,362          | 8,927  | -                         | 158,898      |
| Taxation  | (9,537)          | (1,778)             | (1,116)         | 107  | -                         | (12,324) | (19,720)         | (3,303)             | (1,927)         | (1,843)  | -                         | (26,793)     |
| Profit after taxation   | 40,656           | 9,422               | 5,200           | 8,338  | -                         | 63,616   | 96,740           | 18,846              | 9,435           | 7,084  | -                         | 132,105      |
| Minority interests  | (10,452)         | (1,886)             | -               | 1,397  | -                         | (10,941) | (17,546)         | (3,655)             | -               | 2,056  | -                         | (19,145)     |
| Attributable profit   | 30,204           | 7,536               | 5,200           | 9,735  | -                         | 52,675   | 79,194           | 15,191              | 9,435           | 9,140  | -                         | 112,960      |
| <b>Other information</b>  |                  |                     |                 |  |                           |          |                  |                     |                 |  |                           |              |
| Segment assets  |                  |                     |                 |  |                           |          | 3,379,481        | 2,080,996           | 97,689          | 2,678,447  | (2,331,387)               | 5,905,226    |
| Segment liabilities   |                  |                     |                 |  |                           |          | (2,291,735)      | (593,665)           | (13,330)        | (2,700,620)                                      | 2,331,387                 | (3,267,963)  |
| Net assets  |                  |                     |                 |  |                           |          | 1,087,746        | 1,487,331           | 84,359          | (22,173)   | -                         | 2,637,263    |
| Investment in associated companies                                  |                  |                     |                 |  |                           |          | 193,199          | 650,384             | 30,763          | 55,055   | -                         | 929,401      |
| Additions to non-current assets                                     |                  |                     |                 |  |                           |          | 13,386           | 268,966             | 23              | 2,210  | -                         | 284,585      |
| Depreciation of fixed assets  |                  |                     |                 |  |                           |          | 1,085            | 135                 | 60              | 2,266  | -                         | 3,546        |
| <b>Geographical information</b>                                     |                  |                     |                 |  |                           |          |                  |                     |                 |  |                           |              |
|   |                  |                     |                 |  |                           |          |                  |                     |                 | <u>Singapore</u>                                 | <u>Other countries</u>    | <u>Total</u> |
| External sales  |                  |                     |                 |  |                           |          |                  |                     |                 | 287,575  | 171,415                   | 458,990      |
| Non-current assets  |                  |                     |                 |  |                           |          |                  |                     |                 | 1,927,261  | 744,549                   | 2,671,810    |

## 14. REVIEW OF SEGMENTAL PERFORMANCE

### 2Q2009 vs. 2Q2008

#### By Operating Segments

##### Property trading

Revenue for the current quarter was \$204.9 million, compared with \$146.4 million for the corresponding quarter last year. The increase was due largely to progressive revenue recognition from a fully sold project in Singapore, The Sixth Avenue Residences, and additional units sold at The Tresor and Park Infinia at Wee Nam. Contributing to the higher revenue were also Serenity Cove and Villa Arcadia at Tianjin, and Stamford City in Jiangyin, China, as well as The Estella in Vietnam. In addition, a new revenue stream from Jakarta Garden City in Indonesia which was launched in December 2008 continued to flow in the current quarter. However, lower revenue was reported by Eight Park Avenue and Villa Rivera in Shanghai, China and Elita Promenade in Bangalore, India.

Attributable profit for the current quarter of \$50.8 million was \$20.6 million higher than the \$30.2 million achieved for 2Q2008. The increase was due primarily to the strong performance of the Group's associated companies, as well as higher sales achieved by the China and Singapore projects, partly offset by the lower sales from the India project as mentioned above. The higher profit from associated companies in the current quarter was contributed mainly by Marina Bay Residences and Reflections at Keppel Bay in Singapore, and The Botanica in Chengdu, China.

##### Property investment

Rental income of \$18.7 million for the current quarter was \$1.7 million higher compared with that for the corresponding quarter last year. This was due to the higher rental yield achieved by Singapore investment properties, mainly Ocean Towers and Equity Plaza, as a result of higher renewal rates. The Group's overseas investment properties also reported higher rental income, particularly Saigon Centre in Vietnam. This increase was partly offset by the lower rental income for Barclays House (formerly known as Wisma BCA) in Indonesia as a result of a lower occupancy rate.

Coupled with higher profit contribution from K-REIT Asia, this segment reported a higher attributable profit of \$10 million, up from \$7.5 million reported in the corresponding quarter last year.

##### Fund management

Revenue from fund management of \$10.1 million in the current quarter was comparable with the corresponding quarter last year. The higher management fees reported by K-REIT Asia Management were offset by lower fees reported by Alpha Investment Partners.

Attributable profit for the current quarter of \$4.1 million was lower than the \$5.2 million reported in 2Q2008, due mainly to the higher administrative expenses and unrealised exchange loss reported by Alpha Investment Partners.

##### Hotel and resorts, property services, and others

Revenue for the current quarter was \$16.2 million, compared with \$12.5 million for 2Q2008. The higher revenue from hotel and resorts operation was mainly from Club Med Bintan in Indonesia and hotels in Myanmar as a result of higher occupancy rates and a better usage of hotel facilities. Higher revenue was also reported by the Group's marketing services arm which earned higher commission from the leasing activities. The increase in revenue was, however, partly offset by the lower project management fees earned.

Despite the increase in revenue, current quarter's attributable loss was \$6.8 million, compared with the profit of \$9.7 million reported in the corresponding quarter last year. Included in 2Q2008 was a write-back of provision for staff and related costs, an exchange gain arising from the settlement of a US\$ loan, and a gain of \$7.3 million on acquisition of additional interest in K-REIT Asia.

#### By Geographical Segments

Excluding the gain on acquisition of additional interest in K-REIT Asia recorded in 2Q2008, profits from overseas contributed about 30% of the Group's attributable profit compared with 18% for 2Q2008.

**1H2009 vs. 1H2008****By Operating Segments****Property trading**

Revenue for 1H2009 was \$307 million, compared with \$380 million for the corresponding period last year. The decrease was due largely to the completion of The Seasons in Beijing, China, Villa Rivera in Ho Chi Minh City, Vietnam and Park Infinia at Wee Nam in Singapore during the last financial year. Lower revenue was also reported by Elita Promenade in Bangalore, India, and Eight Park Avenue and Villa Rivera in Shanghai, China. Included in 1H2008 was recognition of the sale of the last plot of land at Cluny Hill. The decrease was, however, partly cushioned by progressive revenue recognition from The Sixth Avenue Residences and higher sales from The Tresor in Singapore, Serenity Cove and The Arcadia in Tianjin, Stamford City in Jiangyin, China as well as The Estella in Vietnam. New revenue stream from Jakarta Garden City in Indonesia which was launched in December 2008 also mitigated the decrease in revenue.

Attributable profit for the current period of \$82.5 million was \$3.3 million higher than the \$79.2 million reported in 1H2008. The increase was due primarily to the strong performance of the Group's associated companies, as well as higher sales achieved by the China and Singapore projects, partly offset by the absence of profits from completed projects and lower sales from the India project as mentioned above. The higher profit from associated companies in 1H2009 was contributed mainly by Marina Bay Residences and Reflections at Keppel Bay in Singapore, and The Botanica in Chengdu, China.

**Property investment**

Rental income of \$37.7 million for 1H2009 was \$4.1 million higher compared with that for the corresponding period last year. This was due to the higher rental yield achieved by Singapore investment properties, mainly Ocean Towers and Equity Plaza, as a result of higher renewal rates. The Group's overseas investment properties also reported higher rental incomes, particularly Saigon Centre and Royal Park in Vietnam. This increase was partly offset by the lower rental income for Barclays House (formerly known as Wisma BCA) in Indonesia as a result of a lower occupancy rate.

Coupled with higher profit contribution from K-REIT Asia, this segment reported a higher attributable profit of \$19.7 million, up from \$15.2 million reported in the corresponding period last year.

**Fund management**

Revenue from fund management was \$19.3 million compared with \$17.7 million for the corresponding period last year, due to higher fees reported by Alpha Investment Partners.

Attributable profit for the current period of \$8.8 million was lower than the \$9.4 million for the corresponding quarter last year, due mainly to the higher administrative expenses and unrealised exchange loss recorded by Alpha Investment Partners.

**Hotel and resorts, property services, and others**

Revenue for the current period was \$31.7 million, compared with \$27.8 million reported in 1H2008. The higher revenue from hotel and resorts operation was mainly from Club Med Bintan in Indonesia and hotels in Myanmar as a result of higher occupancy rates and a better usage of hotel facilities. Higher revenue was also reported by the Group's marketing services arm which earned higher commission from the leasing activities. The increase in revenue was, however, partly offset by the lower project management fees earned.

Current period's attributable loss was \$15.8 million compared with a profit of \$9.1 million for the corresponding period last year. This was due mainly to higher administrative costs and net finance cost. Included in 1H2008 was a write-back of provision for staff and related costs, an exchange gain arising from the settlement of a US\$ loan, and a gain of \$7.3 million on acquisition of additional interest in K-REIT Asia.

**By Geographical Segments**

Excluding the gain on acquisition of additional interest in K-REIT Asia recorded in 1H2008, profits from overseas contributed about 28% of the Group's attributable profit compared with 24% for 1H2008.

**15. BREAKDOWN OF SALES**

|  | <b>GROUP</b>           |                |           |
|--|------------------------|----------------|-----------|
|  | <b>2009<br/>\$'000</b> | 2008<br>\$'000 | + / (-) % |
| Sales reported for first quarter   | <b>145,711</b>         | 273,084        | (46.6)    |
| Operating profit after tax before deducting minority interests reported for first quarter  | <b>45,740</b>          | 68,489         | (33.2)    |
| Sales reported for second quarter  | <b>249,935</b>         | 185,906        | 34.4      |
| Operating profit after tax before deducting minority interests reported for second quarter | <b>67,322</b>          | 63,616         | 5.8       |

**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 Listing Manual). |                                      | Aggregate Value of all Interested Person Transactions Conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST Listing Manual. |                                      |
|---|---|--------------------------------------|--|--------------------------------------|
|   | Second Quarter Ended 30.06.09 \$'000  | Second Quarter Ended 30.06.08 \$'000 | Second Quarter Ended 30.06.09 \$'000   | Second Quarter Ended 30.06.08 \$'000 |
| (a) Property transactions -             |   |                                      |  |                                      |
| Keppel Corporation Limited Group:       |   |                                      |  |                                      |
| Project development and management fees | -   | -                                    | 509  | 420                                  |
| Property management fees                | -   | -                                    | 500  | 444                                  |
| Marketing commission                    | -   | -                                    | 116  | 304                                  |
| Management and support services         | -   | -                                    | 801  | 804                                  |
| Asset management fees                   | -   | -                                    | 3,322  | 3,200                                |
| Rent expenses                           | -   | -                                    | (710)  | (597)                                |
|   |   |                                      | <b>4,538</b>   | <b>4,575</b>                         |
| (b) Other services and products -       |   |                                      |  |                                      |
| Keppel Corporation Limited Group:       |   |                                      |  |                                      |
| Treasury – interest income              | -   | -                                    | 75   | 48                                   |
| Treasury – interest expense             | -   | -                                    | (3,093)  | (4,369)                              |
| Management fees paid                    | -   | -                                    | (1,056)  | (996)                                |
| Other services                          | -   | -                                    | (102)  | (241)                                |
| Temasek Group:                          |   |                                      |  |                                      |
| Management fees paid                    | -   | -                                    | (50)   | (130)                                |
| Rental received                         | -   | -                                    | 123  | -                                    |

**BY ORDER OF THE BOARD**

CHOO CHIN TECK  
Company Secretary  
22 July 2009

**CONFIRMATION BY THE BOARD**

We, CHOO CHIAU BENG and KEVIN WONG KINGCHEUNG, being two Directors of Keppel Land Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 2Q2009 financial statements to be false or misleading in any material respect.

On behalf of the Board of Directors



CHOO CHIAU BENG  
Chairman



KEVIN WONG KINGCHEUNG  
Group Chief Executive Officer

Singapore, 22 July 2009

**SEGMENTAL RESULTS – QUARTERLY BREAKDOWN**

**By Business Segments (\$'m)**

|   | FY07    | 1Q08  | 2Q08  | 1H08  | 3Q08   | 4Q08  | FY08   | 1Q09  | 2Q09  | 1H09   |
|---|---------|-------|-------|-------|--------|-------|--------|-------|-------|--------|
| <b>TURNOVER</b>   |         |       |       |       |        |       |        |       |       |        |
| Property  |         |       |       |       |        |       |        |       |       |        |
| Trading   | 1,238.9 | 233.6 | 146.4 | 380.0 | 141.2  | 153.9 | 675.1  | 102.0 | 204.9 | 306.9  |
| Investment  | 62.5    | 16.6  | 17.0  | 33.6  | 17.4   | 19.3  | 70.3   | 18.9  | 18.7  | 37.6   |
| Fund Management   | 30.1    | 7.6   | 10.1  | 17.7  | 9.5    | 9.3   | 36.5   | 9.3   | 10.1  | 19.4   |
| Hotels and resorts, property services, and others   | 76.4    | 15.3  | 12.5  | 27.8  | 17.7   | 14.8  | 60.3   | 15.5  | 16.2  | 31.7   |
| Total   | 1,407.9 | 273.1 | 186.0 | 459.1 | 185.8  | 197.3 | 842.2  | 145.7 | 249.9 | 395.6  |
| <b>EBITDA</b>   |         |       |       |       |        |       |        |       |       |        |
| Property  |         |       |       |       |        |       |        |       |       |        |
| Trading   | 303.1   | 57.6  | 41.0  | 98.6  | 36.8   | 39.9  | 175.3  | 21.3  | 35.6  | 56.9   |
| Investment  | 31.1    | 10.8  | 9.4   | 20.2  | 9.1    | 19.0  | 48.3   | 11.9  | 11.2  | 23.1   |
| Fund Management   | 17.1    | 4.3   | 5.7   | 10.0  | 5.0    | 6.8   | 21.8   | 5.0   | 4.7   | 9.7    |
| Hotels and resorts, property services, and others   | (29.5)  | 0.1   | 6.5   | 6.6   | (6.1)  | (6.5) | (6.0)  | (3.9) | (4.0) | (7.9)  |
| Total   | 321.8   | 72.8  | 62.6  | 135.4 | 44.8   | 59.2  | 239.4  | 34.3  | 47.5  | 81.8   |
| <b>OPERATING PROFIT</b>   |         |       |       |       |        |       |        |       |       |        |
| Property  |         |       |       |       |        |       |        |       |       |        |
| Trading   | 301.0   | 57.1  | 40.5  | 97.6  | 36.2   | 39.0  | 172.8  | 20.3  | 34.6  | 54.9   |
| Investment  | 30.8    | 10.7  | 9.3   | 20.0  | 9.0    | 18.9  | 47.9   | 11.8  | 11.1  | 22.9   |
| Fund Management   | 17.1    | 4.3   | 5.7   | 10.0  | 5.0    | 6.4   | 21.4   | 5.0   | 4.7   | 9.7    |
| Hotels and resorts, property services, and others   | (36.7)  | (1.1) | 5.4   | 4.3   | (7.2)  | (7.5) | (10.4) | (5.2) | (5.3) | (10.5) |
| Total   | 312.2   | 71.0  | 60.9  | 131.9 | 43.0   | 56.8  | 231.7  | 31.9  | 45.1  | 77.0   |
| <b>PROFIT BEFORE TAXATION *</b>   |         |       |       |       |        |       |        |       |       |        |
| Property  |         |       |       |       |        |       |        |       |       |        |
| Trading   | 380.8   | 66.3  | 50.2  | 116.5 | 52.3   | 60.3  | 229.1  | 45.2  | 71.4  | 116.6  |
| Investment  | 33.6    | 10.9  | 11.2  | 22.1  | 12.0   | 23.7  | 57.8   | 14.4  | 14.5  | 28.9   |
| Fund Management   | 17.4    | 5.1   | 6.3   | 11.4  | 5.9    | 8.3   | 25.6   | 5.5   | 5.1   | 10.6   |
| Hotels and resorts, property services, and others   | (46.1)  | 0.7   | 0.9   | 1.6   | (10.2) | (5.1) | (13.7) | (9.4) | (7.6) | (17.0) |
| Total   | 385.7   | 83.0  | 68.6  | 151.6 | 60.0   | 87.2  | 298.8  | 55.7  | 83.4  | 139.1  |
| <b>ATTRIBUTABLE PROFIT</b>  |         |       |       |       |        |       |        |       |       |        |
| Property  |         |       |       |       |        |       |        |       |       |        |
| Trading   | 274.9   | 49.0  | 30.1  | 79.1  | 43.1   | 37.8  | 160.0  | 31.7  | 50.8  | 82.5   |
| Investment  | 30.9    | 7.6   | 7.6   | 15.2  | 8.9    | 22.5  | 46.6   | 9.6   | 10.1  | 19.7   |
| Fund Management   | 14.0    | 4.2   | 5.2   | 9.4   | 4.7    | 7.0   | 21.1   | 4.6   | 4.2   | 8.8    |
| Hotels and resorts, property services, and others   | (40.4)  | (0.5) | 2.4   | 1.9   | (10.5) | (5.8) | (14.4) | (9.0) | (6.9) | (15.9) |
| Corporate restructuring surplus/ enbloc property sales/ fair value gain on investment properties/ impairment provisions | 500.2   | -     | -     | -     | -      | 3.7   | 3.7    | -     | -     | -      |
| Gain on acquisition of additional interest in an associated company   | -       | -     | 7.3   | 7.3   | -      | 3.4   | 10.7   | -     | -     | -      |
| Total   | 779.6   | 60.3  | 52.6  | 112.9 | 46.2   | 68.6  | 227.7  | 36.9  | 58.2  | 95.1   |

\* before corporate restructuring surplus, enbloc property sales, fair value gain on investment properties, impairment provision and gain on acquisition of additional interest in an associated company.

**Appendix (Cont'd)**

**By Geographical Segments (\$'m)**

|  | FY07    | 1Q08  | 2Q08  | 1H08  | 3Q08  | 4Q08  | FY08  | 1Q09  | 2Q09  | 1H09  |
|--|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>TURNOVER</b>  |         |       |       |       |       |       |       |       |       |       |
| Singapore  | 742.3   | 192.1 | 95.6  | 287.7 | 98.5  | 118.9 | 505.1 | 88.2  | 146.5 | 234.7 |
| Other countries  | 665.6   | 81.0  | 90.4  | 171.4 | 87.3  | 78.4  | 337.1 | 57.5  | 103.4 | 160.9 |
| Total  | 1,407.9 | 273.1 | 186.0 | 459.1 | 185.8 | 197.3 | 842.2 | 145.7 | 249.9 | 395.6 |
| <b>EBITDA</b>  |         |       |       |       |       |       |       |       |       |       |
| Singapore  | 160.7   | 50.2  | 49.3  | 99.5  | 26.8  | 43.5  | 169.8 | 21.8  | 29.7  | 51.5  |
| Other countries  | 161.1   | 22.6  | 13.3  | 35.9  | 18.0  | 15.7  | 69.6  | 12.5  | 17.8  | 30.3  |
| Total  | 321.8   | 72.8  | 62.6  | 135.4 | 44.8  | 59.2  | 239.4 | 34.3  | 47.5  | 81.8  |
| <b>OPERATING PROFIT</b>  |         |       |       |       |       |       |       |       |       |       |
| Singapore  | 159.4   | 49.9  | 49.0  | 98.9  | 26.5  | 43.1  | 168.5 | 21.5  | 29.4  | 50.9  |
| Other countries  | 152.8   | 21.1  | 11.9  | 33.0  | 16.5  | 13.7  | 63.2  | 10.4  | 15.7  | 26.1  |
| Total  | 312.2   | 71.0  | 60.9  | 131.9 | 43.0  | 56.8  | 231.7 | 31.9  | 45.1  | 77.0  |
| <b>PROFIT BEFORE TAXATION*</b>   |         |       |       |       |       |       |       |       |       |       |
| Singapore  | 219.8   | 57.3  | 54.2  | 111.5 | 40.8  | 67.3  | 219.6 | 42.3  | 56.1  | 98.4  |
| Other countries  | 165.9   | 25.7  | 14.4  | 40.1  | 19.2  | 19.9  | 79.2  | 13.4  | 27.3  | 40.7  |
| Total  | 385.7   | 83.0  | 68.6  | 151.6 | 60.0  | 87.2  | 298.8 | 55.7  | 83.4  | 139.1 |
| <b>ATTRIBUTABLE PROFIT</b>   |         |       |       |       |       |       |       |       |       |       |
| Singapore  | 168.6   | 43.0  | 37.0  | 80.0  | 23.1  | 47.2  | 150.3 | 27.5  | 40.5  | 68.0  |
| Other countries  | 110.8   | 17.3  | 8.3   | 25.6  | 23.1  | 14.3  | 63.0  | 9.4   | 17.7  | 27.1  |
| Corporate restructuring surplus/<br>enbloc property sales/<br>fair value gain on<br>investment properties/<br>impairment provision | 500.2   | -     | -     | -     | -     | 3.7   | 3.7   | -     | -     | -     |
| Gain on acquisition of additional<br>interest in an associated<br>company  | -       | -     | 7.3   | 7.3   | -     | 3.4   | 10.7  | -     | -     | -     |
| Total  | 779.6   | 60.3  | 52.6  | 112.9 | 46.2  | 68.6  | 227.7 | 36.9  | 58.2  | 95.1  |

\* before corporate restructuring surplus, enbloc property sales, fair value gain on investment properties, impairment provision and gain on acquisition of additional interest in an associated company.