

NEWS RELEASE

To: Business Editor

31st July 2008

For immediate release

**MCL Land Limited
First Half 2008 Financial Statements and Dividend Announcement**

The following announcement was issued today by the Company's 77%-owned subsidiary, MCL Land Limited.

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31st July 2008

MCL LAND LIMITED FIRST HALF 2008 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Highlights

- Profit recognised on completion of The Grange in the first quarter
- Acquisitions of sites at Nim Park and Yishun Avenue 1 completed in the first half, and Casa Nassau in July 2008

"The current uncertain economic conditions have led to a slowdown in the residential property market in Singapore. Medium to longer-term prospects however, remain positive. The completions of Mera Springs and The Esta in Singapore in the second half of the year should benefit MCL Land's overall performance in 2008."

Y K Pang, Chairman
31st July 2008

Group Results

	Six months ended 30 th June				
	2008	2007	Change	2008	Change
	US\$m	US\$m	%	S\$m	%
Revenue	0.7	133.9	- 99	1.0	- 100
Profit before tax	8.2	2.9	180	11.3	151
Underlying profit attributable to shareholders *	8.2	2.4	242	11.3	205
Profit attributable to shareholders	8.2	3.2	157	11.3	131
	US¢	US¢		S¢	
Underlying earnings per share *	2.22	0.65	242	3.04	207
Earnings per share	2.22	0.86	158	3.04	130
	At	At	Change	At	Change
	30.6.2008	31.12.2007	%	30.6.2008	%
	US\$m	US\$m		S\$m	
Shareholders' funds	536.0	524.2	2	730.1	- 4
	US\$	US\$		S\$	
Net asset value per share	1.45	1.42	2	1.97	- 4

The exchange rate of US\$1=S\$1.36 (31.12.2007: US\$1=S\$1.44) was used for translating assets and liabilities at the balance sheet date and average monthly transaction rates of US\$1=S\$1.38 (2007: US\$1=S\$1.53) was used for translating the results for the financial period.

The financial results for the six months ended 30th June 2008 and 30th June 2007 have been prepared based on the International Financial Reporting Standards ("IFRS"). These financial results have not been audited or reviewed by the Auditors.

* The basis for calculating underlying profit and earnings is set out in Note 4 of this report.

CHAIRMAN'S STATEMENT

Overview

Inflationary pressures and difficulties in the international finance sector are affecting sentiment in the residential property market in Singapore. Sales activity has fallen as property launches are deferred and buyers remain cautious. Some 1,525 new residential units were sold in the second quarter of 2008, double the number sold in the first quarter, but the total of 2,287 units sold in the first half of 2008 is well down from the 9,912 units sold in the same period last year. Prices of residential properties rose marginally by 0.2% in the second quarter, bringing to 3.9% the growth for the first six months of 2008 compared with an increase of 13.5% in the first half of 2007.

Group Performance

The Group recorded revenue of US\$0.7 million in the first half of 2008, being primarily rental income from investment properties. This compares with revenue of US\$133.9 million for the same period in 2007 mainly in relation to the completion of The Metz. The Group's underlying profit for first half of 2008 was US\$8.2 million, which is mainly attributable to the completion in March of The Grange, the Group's joint venture project in Singapore, a write-back of provision of US\$2.7 million and the sales of the remaining twelve shops at the Kuala Lumpur Suburban Centre ("KLSC"), the Group's joint venture project in Malaysia. The underlying profit for the first half of 2007 was US\$2.4 million, which included a gain of US\$3.7 million arising from the completion of KLSC and the write-back of provision of US\$0.8 million.

The Group's profit attributable to shareholders for the first half of 2008 was also US\$8.2 million, compared with US\$3.2 million in the first half of 2007, which included a US\$0.8 million fair value gain of an investment property.

Shareholders' funds were US\$536 million at the end of June 2008, 2% higher than the US\$524 million at 31st December 2007 following the payment of a one-tier first and final dividend. The Group's net debt at 30th June was US\$343 million, having increased from US\$244 million at the prior year end after the payment of US\$154.7 million for the purchase of Yishun Avenue 1 partially offset by the receipt of progress billings of US\$52.8 million from development projects. Net gearing was 64% at 30th June 2008, compared with 47% at the end of 2007.

Dividend

The Board is not recommending the payment of an interim dividend for the first half of 2008 (2007: nil).

Properties

Construction work on the Group's development projects is progressing well. The Grange obtained its Temporary Occupation Permit in March 2008. Mera Springs and The Esta are expected to complete in the third and fourth quarters of 2008 respectively.

No new development projects were launched in Singapore during the period under review. All projects previously launched are fully pre-sold, with the exception of two units at Hillcrest Villa.

The Group's joint ventures in Malaysia made good progress in the sales of their developments. The 300 shop units at Kuala Lumpur Suburban Centre are now fully sold. The launch of the 391-unit condominium development, Riana Green Phase 1, received a good response with over 74% of the units sold. Progress continued with the sales at the joint venture development in Seremban with 116 of the 270 terrace houses, bungalows, bungalow lots and shop offices sold by the end of June 2008.

Construction of Wangsa Walk, a retail mall development by the Group's joint venture company, MSL, is progressing well. The development has an estimated net lettable area of 275,000 sq. ft and will be held for investment by the joint venture upon its completion in the first half of 2009.

Acquisitions

The Group's acquisitions of Nim Park at Nim Road for US\$54.8 million and the 99-year leasehold land parcel in Yishun Avenue 1 for US\$154.7 million completed in January and June 2008 respectively. The Group's purchase of Casa Nassau at Upper East Coast Road for US\$29.7 million was approved by the Strata Titles Board in April 2008 and completed in July 2008.

Prospects

The current uncertain economic conditions have led to a slowdown in the residential property market in Singapore. Medium to longer-term prospects however, remain positive. The completions of Mera Springs and The Esta in Singapore in the second half of the year should benefit MCL Land's overall performance in 2008.

Y K Pang
Chairman
31st July 2008

Statement pursuant to Rule 705(4) of the Listing Manual

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the accompanying unaudited financial results for the six months ended 30th June 2008 to be false or misleading in any material respect.

On behalf of the Directors

Y K Pang
Chairman

Hassan Abas
Director

31st July 2008

MCL Land Limited
Consolidated Profit and Loss Account

	Note	Three months ended			Six months ended		
		30.6.2008 US\$'000	30.6.2007 US\$'000	Change %	30.6.2008 US\$'000	30.6.2007 US\$'000	Change %
Revenue		353	133,471	- 100	718	133,864	- 99
Cost of sales		-	(133,068)	- 100	-	(133,068)	- 100
Gross profit		<u>353</u>	<u>403</u>	- 12	<u>718</u>	<u>796</u>	- 10
Other operating income		3,108	515	n/m	3,618	2,820	28
Property related expenses		13	(205)	n/m	(164)	(437)	- 62
Administrative expenses		(1,116)	(987)	13	(1,631)	(1,407)	16
Marketing expenses		(365)	(445)	- 18	(365)	(1,457)	- 75
Share of joint ventures' results		1,131	2,987	- 62	6,072	2,632	131
Profit before tax	2	<u>3,124</u>	<u>2,268</u>	38	<u>8,248</u>	<u>2,947</u>	180
Tax	3	60	(65)	n/m	(50)	242	n/m
Profit after tax attributable to shareholders		<u><u>3,184</u></u>	<u><u>2,203</u></u>	45	<u><u>8,198</u></u>	<u><u>3,189</u></u>	157

		US¢	US¢	%	US¢	US¢	%
Earnings per share ("EPS")							
- basic and diluted*	4	0.86	0.60	43	2.22	0.86	158

n/m = not meaningful

* Diluted EPS is the same as basic EPS, as there were no outstanding share options.

MCL Land Limited
Consolidated Balance Sheet

	Note	At 30.6.2008 US\$'000	At 31.12.2007 US\$'000
Non-current assets ¹			
Plant and equipment		294	354
Investment properties		18,067	17,675
Investments in joint ventures		38,742	30,743
Deferred tax assets		406	319
		57,509	49,091
Current assets ²			
Development properties for sale		1,092,484	761,363
Amounts owing by joint ventures		67,391	100,763
Debtors and prepayments		32,595	169,953
Bank balances		65,118	78,419
		1,257,588	1,110,498
Total assets		1,315,097	1,159,589
Non-current liabilities ³			
Borrowings	5	364,559	227,863
Deferred tax liabilities		794	958
Retention money payable		8,835	6,337
		374,188	235,158
Current liabilities			
Borrowings	5	44,053	94,760
Amounts owing to joint ventures		485	139
Creditors		350,979	290,385
Current tax liabilities		9,362	14,974
		404,879	400,258
Total liabilities		779,067	635,416
Net assets		536,030	524,173
Equity:			
Share capital and reserves			
Share capital		276,657	276,657
Translation reserve		135,978	105,228
Retained earnings		123,395	142,288
Shareholders' funds		536,030	524,173
Net asset value per share		US\$1.45	US\$1.42

Explanatory notes on material variances:

- ¹ The increase in non-current assets at 30.6.2008 as compared to 31.12.2007 is mainly due to the strengthening of S\$ against US\$ and profit contribution from the Group's joint ventures.
- ² The increase in current assets is mainly due to the new acquisitions of land at Yishun Avenue 1 and Nim Park, partially offset by repayment of advances from the Group's joint ventures and progress billings collected from the completed project, The Calrose.
- ³ The higher non-current liabilities at 30.6.2008 as compared to 31.12.2007 arose mainly from long-term loans drawn down during the period to finance the land purchases.

MCL Land Limited

Consolidated Statement of Changes in Equity for the three months ended 30 June

	Attributable to shareholders			
	Share capital US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
2008				
Balance at 1 April	276,657	129,364	147,302	553,323
Net gain recognised directly in equity - translation difference	-	6,614	-	6,614
Profit for the financial period	-	-	3,184	3,184
Total recognised gain for the financial period	-	6,614	3,184	9,798
Dividend	-	-	(27,091)	(27,091)
Balance at 30 June	276,657	135,978	123,395	536,030
2007				
Balance at 1 April	276,657	83,094	96,140	455,891
Net loss recognised directly in equity - translation difference	-	(4,128)	-	(4,128)
Profit for the financial period	-	-	2,203	2,203
Total recognised gain/(loss) for the financial period	-	(4,128)	2,203	(1,925)
Dividend	-	-	(14,757)	(14,757)
Balance at 30 June	276,657	78,966	83,586	439,209

MCL Land Limited

Consolidated Statement of Changes in Equity for the six months ended 30 June

	Attributable to shareholders			
	Share capital	Translation reserve	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000
2008				
Balance at 1 January	276,657	105,228	142,288	524,173
Net gain recognised directly in equity - translation difference	-	30,750	-	30,750
Profit for the financial period	-	-	8,198	8,198
Total recognised gain for the financial period	-	30,750	8,198	38,948
Dividend	-	-	(27,091)	(27,091)
Balance at 30 June	276,657	135,978	123,395	536,030
2007				
Balance at 1 January	276,657	77,370	95,154	449,181
Net gain recognised directly in equity - translation difference	-	1,596	-	1,596
Profit for the financial period	-	-	3,189	3,189
Total recognised gain for the financial period	-	1,596	3,189	4,785
Dividend	-	-	(14,757)	(14,757)
Balance at 30 June	276,657	78,966	83,586	439,209

MCL Land Limited
Company Balance Sheet

	At 30.6.2008 US\$'000	At 31.12.2007 US\$'000
Non-current assets		
Plant and equipment	254	304
Interests in subsidiaries	110,598	103,650
Investments in joint ventures	29,343	27,684
	140,195	131,638
Current assets		
Amounts owing by subsidiaries	496,734	460,975
Amounts owing by joint ventures	67,391	99,558
Debtors and prepayments	206	201
Bank balances	2,580	3,029
	566,911	563,763
Total assets	707,106	695,401
Non-current liability		
Borrowings	47,724	45,025
Current liabilities		
Borrowings	44,054	94,760
Amounts owing to subsidiaries	150,485	93,128
Amounts owing to joint ventures	484	139
Creditors	3,994	5,101
Current tax liabilities	2,413	2,276
	201,430	195,404
Total liabilities	249,154	240,429
Net assets	457,952	454,972
Equity:		
Share capital and reserves		
Share capital	276,657	276,657
Translation reserve	120,545	93,361
Retained earnings	60,750	84,954
Shareholders' funds	457,952	454,972
Net asset value per share	US\$1.24	US\$1.23

MCL Land Limited
Company Statement of Changes in Equity for the three months ended 30 June

	Share capital US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
2008				
Balance at 1 April	276,657	114,402	84,610	475,669
Net gain recognised directly in equity - translation difference	-	6,143	-	6,143
Profit for the financial period	-	-	3,231	3,231
Total recognised gain for the financial period	-	6,143	3,231	9,374
Dividend	-	-	(27,091)	(27,091)
Balance at 30 June	<u>276,657</u>	<u>120,545</u>	<u>60,750</u>	<u>457,952</u>
2007				
Balance at 1 April	276,657	72,233	85,687	434,577
Net loss recognised directly in equity - translation difference	-	(4,218)	-	(4,218)
Loss for the financial period	-	-	(1,195)	(1,195)
Total recognised loss for the financial period	-	(4,218)	(1,195)	(5,413)
Dividend	-	-	(14,757)	(14,757)
Balance at 30 June	<u>276,657</u>	<u>68,015</u>	<u>69,735</u>	<u>414,407</u>

MCL Land Limited
Company Statement of Changes in Equity for the six months ended 30 June

	Share capital US\$'000	Translation reserve US\$'000	Retained earnings US\$'000	Total equity US\$'000
2008				
Balance at 1 January	276,657	93,361	84,954	454,972
Net gain recognised directly in equity - translation difference	-	27,184	-	27,184
Profit for the financial period	-	-	2,887	2,887
Total recognised gain for the financial period	-	27,184	2,887	30,071
Dividend	-	-	(27,091)	(27,091)
Balance at 30 June	<u>276,657</u>	<u>120,545</u>	<u>60,750</u>	<u>457,952</u>
2007				
Balance at 1 January	276,657	67,077	84,744	428,478
Net gain recognised directly in equity - translation difference	-	938	-	938
Loss for the financial period	-	-	(252)	(252)
Total recognised gain/(loss) for the financial period	-	938	(252)	686
Dividend	-	-	(14,757)	(14,757)
Balance at 30 June	<u>276,657</u>	<u>68,015</u>	<u>69,735</u>	<u>414,407</u>

MCL Land Limited
Consolidated Statement of Cash Flows

	Three months ended		Six months ended	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
	US\$'000	US\$'000	US\$'000	US\$'000
Profit before tax	3,124	2,268	8,248	2,947
Non-cash items				
Interest income	(387)	(386)	(810)	(748)
Share of joint ventures' results	(1,131)	(2,987)	(6,072)	(2,632)
Depreciation	43	78	86	155
Fair value gain for an investment property	-	-	-	(1,100)
Unrealised translation (gain)/ loss	(10)	1	(9)	2
Profit on disposal of plant and equipment	-	-	-	(2)
	(1,485)	(3,294)	(6,805)	(4,325)
Operating profit/(loss) before working capital changes	1,639	(1,026)	1,443	(1,378)
Changes in working capital				
Development properties for sale	(191,864)	96,201	(277,828)	39,667
Amounts owing by joint ventures	39,364	(109)	39,696	(223)
Debtors and prepayments	30,253	(25,349)	144,213	(36,501)
Creditors	26,732	8,077	44,880	66,265
	(95,515)	78,820	(49,039)	69,208
Cash flows generated from/(used in) operations	(93,876)	77,794	(47,596)	67,830
Interest paid	(2,327)	(2,798)	(4,433)	(6,533)
Interest received	374	685	846	954
Income tax paid	(6,759)	(1,243)	(6,799)	(2,000)
	(8,712)	(3,356)	(10,386)	(7,579)
Net cash flows generated from/(used in) operating activities ⁴	(102,588)	74,438	(57,982)	60,251
Cash flows from investing activities				
Purchase of plant and equipment	-	(3)	(10)	(27)
Net proceeds from sale of plant and equipment	-	-	-	2
Net cash flows used in investing activities	-	(3)	(10)	(25)
Cash flows from financing activities				
Drawdown of loans	148,605	22,040	206,868	55,165
Repayment of loans	(46,136)	(43,579)	(140,479)	(55,766)
Dividend paid	(27,091)	(14,757)	(27,091)	(14,757)
Net cash flows provided by/(used in) financing activities ⁵	75,378	(36,296)	39,298	(15,358)
Net change in cash and cash equivalents	(27,210)	38,139	(18,694)	44,868
Cash and cash equivalents at the beginning of the financial period	91,280	56,105	78,419	48,801
Effect of exchange rate changes	1,048	(655)	5,393	(80)
Cash and cash equivalents at the end of the financial period	65,118	93,589	65,118	93,589

Explanatory notes on material variances:

⁴ The net cash used in operating activities for the six months ended 30 June 2008 relates mainly to the new acquisitions of land at Yishun Avenue 1 and Nim Park, partially offset by progress billing collected and repayment of advances from joint ventures.

⁵ The net cash flows provided by financing activities for the six months ended 30 June 2008 relates to the higher long-term loans drawn down to finance the land purchase, partially offset by dividend paid on 27 May 2008.

MCL Land Limited
Notes

1 Accounting policies and basis of preparation

The financial statements contained in this announcement are consistent with those set out in the 2007 audited accounts which have been prepared in conformity with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and interpretations adopted by the International Accounting Standards Board.

There have been no changes to the accounting policies set out in the 2007 audited accounts except for the adoption of the following interpretations which are relevant to its operations:

IFRIC 11	Group Treasury Share Transactions
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above interpretations did not have a material impact on the results of the Group.

2 Profit

	Group					
	Three months ended			Six months ended		
	30.6.2008	30.6.2007	Change	30.6.2008	30.6.2007	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit before tax is determined after including:						
Fair value gain for an investment property	-	-	-	-	1,100	- 100
Net exchange gain/(loss)	(2)	2	<i>n/m</i>	12	3	300
Rental income	353	382	- 8	718	753	- 5
Interest income	387	386	-	810	748	8
Depreciation on plant and equipment	(43)	(78)	- 45	(86)	(155)	- 45
Profit on disposal of plant and equipment	-	-	-	-	2	- 100
	<u>-</u>	<u>-</u>		<u>-</u>	<u>2</u>	

n/m = not meaningful

3 Tax

The provision for income tax is based on the statutory tax rates prevailing in the respective countries in which Group companies operate after taking into account expenses which are not tax deductible, income not subject to tax and Group tax relief.

4 Earnings per share *

	Group			
	Three months ended		Six months ended	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Basic earnings per share*				
Profit attributable to shareholders (US\$'000)	3,184	2,203	8,198	3,189
Weighted average number of ordinary shares in issue ('000)	369,986	369,986	369,986	369,986
Basic earnings per share (US¢)	<u>0.86</u>	<u>0.60</u>	<u>2.22</u>	<u>0.86</u>
Underlying earnings per share				
Underlying profit attributable to shareholders (US\$'000)	3,184	2,203	8,198	2,397
Basic underlying earnings per share (US¢)	<u>0.86</u>	<u>0.60</u>	<u>2.22</u>	<u>0.65</u>

A reconciliation of the underlying profit and profit attributable to shareholders is as follows:

	Group			
	Three months ended		Six months ended	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
	US\$'000	US\$'000	US\$'000	US\$'000
Profit attributable to shareholders	3,184	2,203	8,198	3,189
Fair value gain of an investment property (net of tax)	-	-	-	(792)
Underlying profit attributable to shareholders	<u>3,184</u>	<u>2,203</u>	<u>8,198</u>	<u>2,397</u>

* Diluted EPS is the same as basic EPS, as there were no outstanding share options.

5 Group borrowings

	Group	
	At	At
	30.6.2008	31.12.2007
	US\$'000	US\$'000
Borrowings due within one year		
- unsecured	44,053	94,760
Borrowings due after one year		
- unsecured	47,724	45,025
- secured	316,835	182,838
	364,559	227,863
	<u>408,612</u>	<u>322,623</u>

Certain subsidiaries of the Company have mortgaged their development properties as security for bank loans. The net book value of properties mortgaged as at 30 June 2008 was US\$543.9 million (31 December 2007: US\$325.8 million).

6 Interested person transactions

<u>Name of interested person</u>	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	US\$'000	US\$'000
Three months ended 30 June 2008		
Hongkong Land Limited		
- Management consultancy fee	20	-
Six months ended 30 June 2008		
Hongkong Land Limited		
- Management consultancy fee	51	-

7 Issue of shares

There have been no changes in the issued share capital of the Company since 31 December 2007.

There are no outstanding convertibles issued or treasury shares held by the Company as at 30 June 2008.

The total number of issued share capital (excluding treasury shares) as at 30 June 2008 and 31 December 2007 was 369,985,977.

8 Others

The results do not include any pre-acquisition profits and have not been affected by any item, transaction or event of a material and unusual nature. No significant transaction or event has occurred between 30 June 2008 and the date of this report.

- end -

For further information, please contact:
MCL Land Limited
Steve Chu

Full text of the Financial Statements and Dividend Announcement for the six months ended 30 June 2008 can be accessed through the internet at www.mclland.com.sg.