

# Urban Development

We provide sustainable and innovative urban space solutions, with a growing focus on sustainable urban renewal and senior living.

## Earnings Highlights (\$ million)

	2022	2021
Revenue	904	1,629
EBITDA	319	1,036
Operating Profit	288	993
Profit before Tax	418	1,072
Net Profit	282	763

Progress in 2022	Focus for 2023/2024
<ul style="list-style-type: none"> <li>Established OneRE team, comprising Keppel Land and Keppel Capital, focused on sustainable urban renewal (SUR) investments.</li> <li>Acquired Samhwan Building in partnership with private funds managed by Keppel Capital, expanding Keppel Land's SUR footprint into South Korea.</li> <li>Monetised two assets in China with total proceeds of about \$347 million.</li> <li>Entered China's senior living market with the announced acquisition of a senior living facility project in Nanjing.</li> <li>Announced acquisition of a stake in a residential site in Shanghai alongside co-investors through Keppel's China Urban Development Investment Programme.</li> <li>Re-entered Hanoi, alongside Keppel Vietnam Fund and its co-investor, with the announced acquisition of a 49% interest in three residential land plots.</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate asset monetisation and unlock capital that can be reinvested for growth and higher returns, leveraging the Group's asset-light model.</li> <li>Keep developing operating capabilities and seek opportunities in the new growth engines of SUR and senior living.</li> <li>Invest strategically and selectively in new projects across Asia Pacific, the US, the UK and Europe with a focus on providing Real Estate-as-a-Service.</li> <li>Continue to develop innovative solutions to redefine urban spaces in collaboration with other Keppel business units.</li> <li>Continue to develop the Sino-Singapore Tianjin Eco-City in China as a model for sustainable urbanisation.</li> </ul>



The joint investment of Samhwan Building (left) in Seoul by Keppel Land and Keppel Asia Macro Trends Fund IV and KB Bank Discretionary Fund managed by Keppel Capital is a prime example of the Group's ability to harness complementary strengths and tap third-party funds for growth.

**As part of its pivot to an asset-light model, Keppel Land has been reinvesting in new growth engines and shoring up capabilities in sustainable urban renewal and senior living, which will add further streams of recurring income.**

The Urban Development segment delivers innovative, multi-faceted urban space solutions as well as end-to-end master development of smart, sustainable urban projects. It comprises Keppel Land, Keppel Urban Solutions (which has been integrated under Keppel Land with effect from 1 January 2023), and the Group's associated company, Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (SSTEC), the master developer of the Sino-Singapore Tianjin Eco-City (Eco-City).

**Urban Space Solutions**

As the world transitions to living with COVID-19, pandemic-driven changes over the past three years continue to have a lasting impact on the future of work, fuelled by new technologies and digitalisation. The design and practice of work, which in turn shape the mix of physical and digital workspaces required to meet business outcomes, are also evolving as organisations respond to hybrid work trends and the growing need for more sustainable operations.

More companies are seeking offices that offer flexible spaces, digital platforms or shared amenities that also promote health and wellness of employees. In addition, companies are also increasingly looking for sustainable features that not only reduce the carbon footprint of the buildings but also uplift the quality of life of the occupants.

Meanwhile, increasing life expectancy, rising affluence, and cultural shifts continue to drive the expansion of ageing populations and deepen focus on well-being and healthy ageing, boosting demand for senior living facilities with community-based services.

Keppel Land has been positioning itself to seize opportunities from these macro trends, with its pivot to be an asset-light provider of innovative and sustainable urban space solutions. To advance its transformation, Keppel Land is strategically monetising its assets, while reinvesting in new growth engines and operating platforms in the areas of sustainable urban renewal (SUR) and senior living, which will add further streams of recurring income.

In 2022, Keppel Land embarked on its first dedicated senior living facility project in Nanjing, China. To be fitted out and operated by Keppel Land, the facility is expected to open in 2H 2023. Located in Nanjing's Qixia district and with a capacity of around 400 residents, it will be a premier assisted living community with care capabilities. Designed as a low-carbon and environmentally friendly project, the Nanjing assisted living community project will serve as a launchpad for Keppel's expansion into other senior living markets in China and beyond.

During the year, Keppel Land expanded into South Korea with the acquisition of Samhwan Building in Seoul jointly with private funds managed by Keppel Capital, where it will apply its SUR capabilities to retrofit, future-proof and extend the lifespan of the office building. Keppel Land will deploy its in-house design capability to map out customer or tenant journeys, before formulating suitable configurations or services that value-add to their experiences. It will also harness digital technologies and the IoT to develop

## Operating & Market Review

### Urban Development

smart platforms that can both enhance user experience as well as greatly reduce the asset's carbon footprint.

Keppel Land is committed to redefining urban spaces for a sustainable future. For the existing assets that it manages, such as Keppel Bay Tower, the first commercial building in Singapore to be certified as a Green Mark Platinum (Zero Energy) building, Keppel Land deploys continual improvement principles, regularly upgrading building performance and offering services that promote occupier wellness. In all its operating markets, Keppel Land pursues the top two tiers of green building ratings.

For its firm commitment to raise the sustainability performance of its assets, Keppel Land received several prestigious sustainability accolades in 2022. These include the Singapore Green Building Council – Building and Construction Authority (BCA) Leadership in Sustainability Award, the Overall Top Real Estate Developer Globally by Euromoney, and the second position in Asia in GRESB's Diversified – Non-listed category.

Accelerating its shift towards an asset-light model, Keppel Land works closely with

Keppel Capital to tap third-party funds to invest in quality projects, while generating fee-based income from asset development and operation. Examples include the abovementioned Samhwan Building in Seoul and a 49% interest in three residential land plots in Hanoi alongside private funds managed by Keppel Capital. During the year, Keppel Land also invested in a residential site in Shanghai together with co-investors through the China Urban Development Investment Programme (CUDIP), under which Keppel Land and Keppel Capital serve respectively as overall development manager and investment manager. The CUDIP aims to invest in residential developments in Tier 1 and Tier 2 gateway cities in China alongside co-investors.

Advancing the Group's ambition as one integrated business, Keppel Land and Keppel Capital established the One Real Estate (OneRE) team, which harnesses Keppel's complementary strengths across real estate solutions and asset management to source for deals and undertake SUR projects. Through such efforts, Keppel Land will focus on delivering on-the-ground development or operational capabilities, while Keppel Capital acts as a financial

twin, prospecting new investors and raising funds, thus allowing the Group to scale up quickly in its key markets in an asset-light manner.

In Singapore, cooling measures announced in September 2022 and rising interest rates have placed pressure on sentiments in the residential market. Keppel Land sold about 30 residential units in 2022, lower year-on-year partly due to a lack of new launches and reduced inventory. In the office space, while demand is expected to moderate given the ongoing consolidation in the technology sector, rents are expected to be boosted by the limited new office pipeline. Expected to be completed towards the end of 2024, the Keppel Towers redevelopment will incorporate features, technology and services that meet the highest standards in sustainability, connectivity, wellness and flexible working. In the retail space, following major asset enhancement works, Keppel Land officially opened i12 Katong, a living laboratory for novel retail concepts and a 'phygital' environment. The retail mall is on track to obtain the BCA Green Mark Platinum award and had an occupancy rate of above 95% at end-2022.

**Keppel Land deploys its in-house design capability to formulate suitable configurations or services and harnesses digital technologies to develop smart platforms that can enhance user experience as well as reduce an asset's carbon footprint.**



Keppel Land has built a strong and diverse track record in Vietnam, winning several industry-leading awards and drawing good buyer demand for its developments. (In picture: Celesta Avenue in Ho Chi Minh City, was named the Best Housing Development at PropertyGuru Vietnam Property Awards.)

In China, the real estate market faced considerable headwinds in 2022, as market sentiments were impacted by the economic slowdown and the COVID-19-related restrictions. Despite the challenging environment, Keppel Land monetised two projects in Shanghai, with total proceeds of about \$347 million. Keppel Land also sold about 1,080 homes in China.

As China's real estate sector moves away from a debt-driven growth model, Keppel is well placed to work with local developers by leveraging its capabilities in deal sourcing and fund-raising to invest in attractive sites. Following the relaxation of China's zero-COVID policy and the introduction of policies that support the real estate sector, the market has started to show signs of improvement since the end of 2022. Meanwhile, the demand for quality homes in well-located areas is expected to be resilient over the mid to long term, underpinned by urbanisation trends and growing affluence.

In Vietnam, the economy grew 8.0% in 2022, the highest increase in the last decade, backed by strong domestic retail sales and exports. In the real estate sector, while demand remained healthy, challenging approval processes limited the number of new launches in the country. In 2022, Keppel Land sold about 70 homes in Vietnam, noticeably lower compared to 2021. However, reflecting the strong market demand, the first batch of units launched at Keppel Land's Celesta Avenue in Ho Chi Minh City was fully sold within a month.

During the year, Keppel Land was awarded 12 prestigious awards from PropertyGuru Vietnam for developing some of the country's finest and most sustainable mixed-use and residential developments.

Together with Keppel Urban Solutions, Keppel Land continued to develop a smart and sustainable planning roadmap for Saigon Sports City, which is expected to be a model integrated smart and sustainable development. Keppel Urban Solutions is also targeting similar large-scale development projects in other markets.

Since 1 January 2023, Keppel Urban Solutions has been integrated under Keppel Land to streamline the Group's business and optimise synergies.

In India, the net absorption in office markets is on track to return to its 5-year average of the pre-pandemic era, as the country is expected to become an attractive spot for

global shared-services firms to expand operations. During the year, Keppel Land completed the acquisition of the remaining 49% stake in a Grade A commercial office project in Bangalore. It sold about 730 homes across two projects in Bangalore and Mumbai.

In Indonesia, strong demand for quality landed homes around Jakarta continued to boost sales despite the pandemic. Keppel Land sold about 280 units, primarily from a new launch of the Wisteria project in East Jakarta. Meanwhile, Chillax, a lifestyle and placemaking commercial hub situated on the former International Financial Centre Tower 1 site, was successfully launched in November 2022.

### Sino-Singapore Tianjin Eco-City

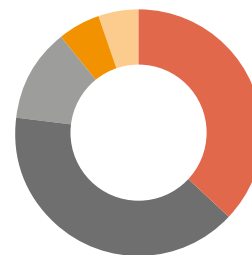
Keppel leads the Singapore consortium, which works with its Chinese partner to guide the 50-50 joint venture, SSTEC, in its role as master developer of the Eco-City.

In 2022, the Eco-City continued to grow as a vibrant, smart and green city, attracting residents to live, work and play in. Its current population of 130,000 people<sup>1</sup> and 20,000 registered companies<sup>1</sup> are well served by highly accessible quality amenities, as well as the two newly opened large-scale commercial complexes and an outdoor sports and activities hub. In 2022, more than 3,300 homes were sold in the Eco-City, including more than 300 homes from projects developed by SSTEC.

In 2022, Keppel's various business units enhanced their sustainability-related offerings in the Eco-City. Keppel Land secured the Tianjin Climate Exchange Carbon Neutrality certification for the retail mall of Seasons City, its first commercial development in the Eco-City. Keppel Land is also developing a carbon-neutral smart precinct in the Eco-City's Northern District that is aligned with China's 'dual carbon' goals.

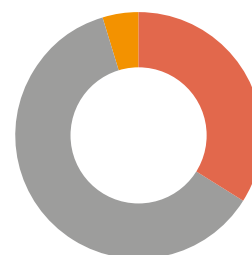
Keppel Infrastructure successfully developed its first rooftop solar photovoltaic system at the Landmark Building, supplying clean energy to the tenants. Its second rooftop solar photovoltaic system is currently under development at one of the ready-built factories in the Eco-Innovation Park. To cater to the population growth, the Sino-Singapore Tianjin Eco-City Water Reclamation Centre, a joint venture between Keppel Infrastructure and Tianjin Eco-City Investment and Development Co. Ltd, commenced phase 2 of its development, offering an additional water treatment capacity of 70,000 tonnes per day.

**Keppel Land's Total Asset Distribution By Country (%)**  
as at 31 December 2022



● Singapore	37.0
● China	40.0
● Vietnam	12.4
● Indonesia	5.5
● Others	5.1
<b>Total</b>	<b>\$12.3 billion 100.0</b>

**Keppel Land's Total Asset Distribution by Segment (%)**  
as at 31 December 2022



● Property Trading	33.9
● Property Investments	61.4
● Others	4.7
<b>Total</b>	<b>\$12.3 billion 100.0</b>

<sup>1</sup> Includes the Central Fishing Port and Tourism District.