

OPERATING & MARKET REVIEW

URBAN DEVELOPMENT

» WE PROVIDE INNOVATIVE AND MULTI-FACETED URBAN SPACE SOLUTIONS, INCLUDING QUALITY HOMES, OFFICES, MALLS AS WELL AS LARGE-SCALE INTEGRATED DEVELOPMENTS THAT ENRICH PEOPLE AND COMMUNITIES.

EARNINGS HIGHLIGHTS (\$ million)

	2021	2020	2019
Revenue	1,629	1,275	1,336
EBITDA	1,036	645	545
Operating Profit	993	605	507
Profit before Tax	1,072	720	676
Net Profit	763	438	483

PROGRESS IN 2021

- Made strong progress in asset monetisation, completing the divestment of eight projects with total proceeds of about \$1.9 billion.
- Sold 4,870 homes in Asia, mainly in Singapore, China and Vietnam, up 46% from 2020.
- Grew recurring income with opening/reopening of retail malls in China and Singapore and launched the Seasons Smart Vibrant Precinct in Tianjin, China.
- Expanded into China's urban renewal market in partnership with Topchain.
- SSTECH sold a mixed-use land plot located in the Eco-City's mature Southern District.

FOCUS FOR 2022/2023

- Accelerate asset monetisation and unlocking of capital that can be reinvested for growth and higher returns across the Group.
- Continue to drive business transformation and build new businesses in sustainable urban renewal and senior living.
- Invest strategically and selectively in new projects across Asia Pacific.
- Continue to seek new opportunities in master development and integrated large-scale developments in Asia.
- Continue to develop the Sino-Singapore Tianjin Eco-City in China as a model for sustainable urbanisation.
- Pursue and develop innovative solutions in collaboration with other Keppel business segments and drive value chain integration.

»» As part of its transformation and focus on growing recurring income, Keppel Land is expanding its presence in sustainable urban renewal and senior living solutions, and will increasingly provide Real Estate as a Service.

The Urban Development segment provides a spectrum of urban space as well as end-to-end master development solutions. It includes Keppel Land and Keppel Urban Solutions, as well as the Group's investment in associated company, the 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 DRIVING BUSINESS TRANSFORMATION

Across the world, COVID-19 has altered the way people live, work, play and learn. Social distancing has changed the way people inhabit and interact with physical space and with one another, spurring greater demand for digital connectivity and giving rise to new technologies and business models. Heightened focus on climate change and well-being are also driving demand for sustainable urban spaces. Meanwhile, ageing populations coupled with rising affluence in both developed and emerging markets present opportunities for differentiated senior living products and services.

As a Group, Keppel is transforming its business as well as growing new competencies to address these trends, which were identified as part of its Vision 2030 roadmap. Increasingly, we are integrating capabilities across our focus segments to create smarter and more sustainable solutions to address the emerging opportunities.

Keppel Land continued to make good progress in its transition to an asset-light provider of innovative and sustainable urban space solutions. In 2021, it completed the monetisation of eight projects across Singapore, China, Vietnam, Indonesia and the UK, with total proceeds of about \$1.9 billion and net gains of over \$450 million¹. Keppel Land also collaborated with Keppel Vietnam Fund (KVF) and the latter's co-investor to acquire an interest in three residential land plots in Hanoi, Vietnam. KVF and the co-investment vehicle are both managed by Keppel Capital, reflecting the increasing collaboration between Keppel's business units.

As part of its transformation and focus on growing recurring income, Keppel Land is expanding its presence in sustainable urban renewal and senior living solutions, and will increasingly provide Real Estate as a Service, such as providing customised office fit-outs and incorporating sustainable

features to create zero energy buildings. In 2021, Keppel Land formed a joint venture with the Topchain Group, to jointly manage investment properties, mainly offices and business parks, with potential for asset enhancement initiatives in China.

To boost its operational capabilities, as well as provide more innovative and bespoke solutions, Keppel Land is leveraging digital technologies to capture and analyse customer data insights from the properties it manages. In May 2021, Keppel Land launched its Seasons Smart Vibrant Precinct in the Eco-City at the 5th World Intelligence Congress. The precinct leverages technologies such as 5G, Artificial Internet of Things, big data and augmented reality to enhance public amenities as well as urban living experiences. Over in Singapore, Keppel Land collaborated with M1 to extend 5G-enabled features and offerings at Marina at Keppel Bay and the newly re-opened i12 Katong retail mall.

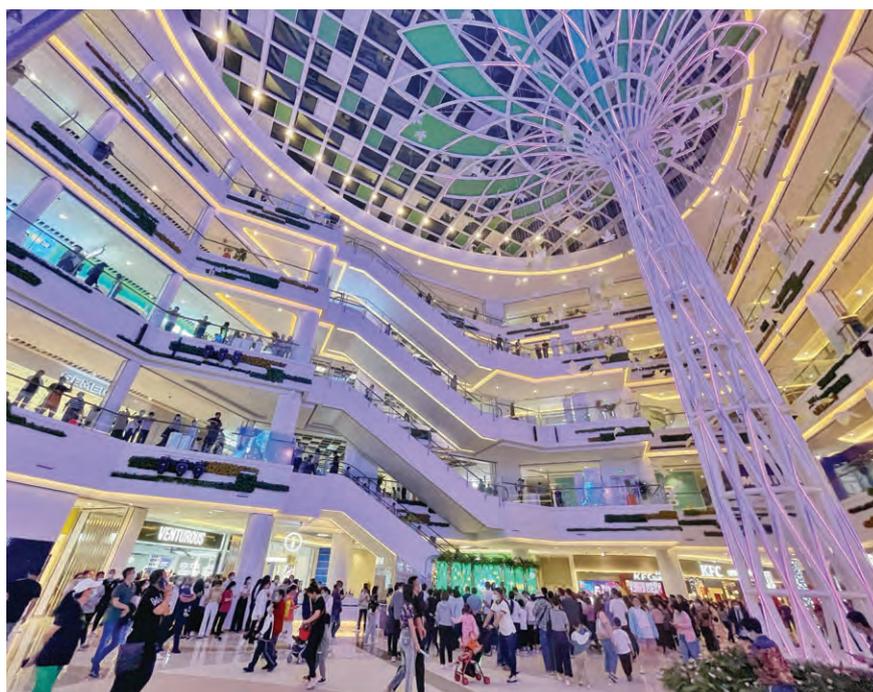
Keppel Land will continue building on its capabilities and credentials to seize business opportunities, especially in smart and sustainable developments.

Keppel Land is presently also collaborating with other Keppel business units to explore the development of innovative nearshore urban developments or "floating cities", that can help to address land scarcity and the threat of rising sea levels in coastal areas.

Keppel Land has committed to reducing its absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 100% by 2030 from the base level in 2020. It has also committed to reducing Scope 3 GHG emissions from purchased goods and services by 20% per square metre by 2030 from a 2020 base year.

During the year, Keppel Land received several industry and sustainability-related accolades, such as top rankings in GRESB 2021 and the Euromoney Real Estate Survey 2021, and was also conferred the prestigious BCA Quality Excellence Award – Quality Champion (Platinum) for the third consecutive year, among others. These accolades attest to Keppel Land's commitment to create vibrant, multi-faceted urban space solutions that create long-term stakeholder value.

¹ About \$380 million of the net gains were recognised in FY 2021, while the rest was recognised in FY 2020.



Located within the mature Start-Up Area of the Eco-City, the retail mall of Seasons City is a well-curated lifestyle haven, and home to popular dining establishments, high fashion brands, total wellness and experiential entertainment.

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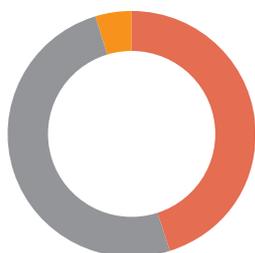
URBAN DEVELOPMENT

KEPPEL LAND'S TOTAL ASSET DISTRIBUTION BY COUNTRY (%)
as at 31 December 2021



● Singapore	33.8
● China	46.0
● Vietnam	11.1
● Indonesia	5.4
● Others	3.7
Total	\$14.1 billion 100.0

KEPPEL LAND'S TOTAL ASSET DISTRIBUTION BY SEGMENT (%)
as at 31 December 2021



● Property Trading	45.2
● Property Investments	50.1
● Others	4.7
Total	\$14.1 billion 100.0

» Despite COVID-19, all key markets saw improved sales in 2021, reflecting continued demand for well-located, good quality projects in high-growth cities.

In 2021, Keppel Land's home sales improved significantly, increasing 46% year-on-year (yoy) to 4,870 homes sold. The total sales value was up 60% to \$4.0 billion in 2021, from \$2.5 billion in 2020. Despite COVID-19, all key markets saw improved sales in 2021, reflecting continued demand for well-located, good quality projects in high-growth cities.

Although overall sentiments have turned more cautious after the debt crisis affecting developers in China, the Keppel Group remains optimistic about opportunities in China over the mid to long term. Sales momentum remained resilient in cities where Keppel Land is present given the healthy supply-demand dynamics. During the year, Keppel Land sold about 2,780 homes in China, higher than the 2,110 homes sold in 2020, underpinned by strong sales at Upview, Shanghai and Seasons Residences, Wuxi. Keppel Land also launched the highly-anticipated Seasons City retail mall in the Eco-City, which will contribute to recurring income.

To prevent the market from overheating, the Singapore government introduced a slew of cooling measures in December 2021. While some impact is expected in the short term as buyers adopt a wait-and-see approach, the continuing recovery of the economy from COVID-19 coupled with a stable property market in Singapore will give buyers more confidence to invest for the longer term. During the year, Keppel Land sold about 470 homes in Singapore, up from 370 homes sold in 2020. This was mainly due to strong sales from The Reef at King's Dock. As at end-2021, Reflections and Corals at Keppel Bay were 99% and 93% sold respectively, while plans for Keppel Bay Plot 6, a residential site located on Keppel Island, are currently being reviewed.

Meanwhile, demand for office space in Singapore has moderated in response to the pandemic as more organisations adopt hybrid work models. However, there continues to be bright spots as a result of increasing demand from the technology, media and financial services industries. Keppel Land is in the process of redeveloping Keppel Towers into a full commercial development, whose construction commenced in 2021.

Despite the growth in online retailing and e-commerce, good quality retail spaces in select locations in Singapore remain in demand. The progressive easing of border restrictions and high vaccination

rates will also benefit Singapore's retail sector as market sentiments improve. Following major asset enhancement works, Keppel Land re-opened i12 Katong retail mall in December 2021 with new sustainable features and improved retail offerings.

In Vietnam, Keppel Land's home sales doubled yoy to about 1,090 units in 2021 despite the challenges posed by COVID-19. This was mainly due to strong demand for Celesta Rise and Celesta Heights in Ho Chi Minh City (HCMC), which were 96% and 92% sold respectively as at end-2021. In particular, Celesta Heights, which was launched in December 2021, saw a strong take-up rate with all released units sold-out within two weeks of launch. Keppel Land continued to expand its footprint in Vietnam, acquiring a residential land plot in HCMC and three residential land plots in Hanoi. The Group continues to be positive about Vietnam's property market, which is underpinned by healthy economic growth, increased foreign investments, a high urbanisation rate and a growing middle class.

In India, Keppel Land launched La Familia in Urbania Township in Thane, Mumbai, in December 2021. During the year, Keppel Land sold about 200 residential units at Urbania Township. Keppel Land is also growing its commercial footprint in India, with the announced acquisition of the remaining 49% stake in a Grade A office project in Yeshwanthpur, Bangalore, from Puravankara. The construction of the Grade A office will be completed in 2026.

In Indonesia, Keppel Land sold about 240 units in 2021, primarily from the Wisteria landed housing project in East Jakarta. In addition, Wisteria has handed over its first phase to buyers in November 2021. Meanwhile, The Riviera at Puri was 98% sold and has commenced its final phase of handover in October 2021.

MASTER DEVELOPMENT & URBAN SOLUTIONS

Keppel Urban Solutions is an end-to-end master developer of smart, sustainable urban townships that leverage the Group's wide-ranging capabilities and strong track record in the planning and development of large-scale projects in Asia Pacific. Over the course of 2021, Keppel Urban Solutions continued to partner both internal and external stakeholders to pursue opportunities in the development of sustainable urban projects.



 The Reef at King's Dock, which was well received by homebuyers, incorporates myriad smart and sustainable features throughout the development's units and public spaces.

In Vietnam, Keppel Urban Solutions, together with Keppel Land, continued to make progress in the development of Saigon Sports City (SSC), successfully completing the SSC Experiential Gallery and Keppel Sustainable Cities Studio. In China, Keppel Urban Solutions continues to work with Keppel Land to transform the 166-ha precinct in the Northern District of the Sino-Singapore Tianjin Eco-City into a model for smart and environmentally-responsible urban living.

Keppel Urban Solutions will continue to pursue growth opportunities in the planning and development of large-scale, sustainable integrated townships in Asia Pacific.

SINO-SINGAPORE TIANJIN ECO-CITY

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

Through the years, the Eco-City has flourished into a highly liveable city with 120,000 people¹ living and working there and 14,000 registered companies¹. The Eco-City is well-served by bustling business and industrial parks, neighbourhood centres, top schools and a robust healthcare system. The recent

opening of two large commercial complexes in late-2021, including Seasons City retail mall by Keppel Land, has further augmented the existing suite of leisure and recreational amenities, adding to the Eco-City's vibrancy.

In 2021, home sales at the Eco-City remained healthy with a total of 4,460 homes sold, of which about 200 homes were from projects developed by SSTECC. SSTECC also sold a mixed-use land plot located in the Eco-City's mature Southern District.

During the year, the Keppel Group continued to contribute towards the Eco-City's development. Apart from the sale of homes, Keppel Land also expanded into the retail sector in the Eco-City with the opening of the retail mall at Seasons City. Reflecting Keppel Land's commitment to sustainability, Phase 1 of Seasons City, comprising the retail mall and a 10-storey office tower, was conferred the Building and Construction Authority of Singapore's (BCA) Green Mark Platinum Award (Provisional), the highest accolade under the BCA Green Mark scheme.

At the 5th World Intelligence Congress held in May 2021, Mr Desmond Lee,

Singapore's Minister for National Development, announced the launch of the Seasons Smart Vibrant Precinct, which Keppel Land China had developed in collaboration with the Eco-City Administrative Committee. The precinct comprises Keppel Land's Seasons series of residential and commercial projects in the Eco-City and features smart facilities such as an integrated operations and management control centre.

Having successfully piloted its smart city management platform in the Eco-City, Keppel Land is looking to scale up the application of such technologies at a smart and low-carbon precinct in the Eco-City's Northern District. Keppel Land and Keppel Infrastructure are also exploring new renewable energy projects in the Eco-City.

Looking ahead, SSTECC will focus on developing the Eco-City's city centre into a lifestyle, cultural and commercial hub with a distinctive blend of Singaporean and Chinese elements. SSTECC will also continue to work closely with its public and private sector partners from both countries to jointly explore growth opportunities in the sustainability sector and build the Eco-City into a leading example of a green, low-carbon and smart city.

¹ Includes the Central Fishing Port and Tourism District.