



WE PROVIDE
COMPELLING
URBAN SOLUTIONS
INCLUDING VIBRANT
HOMES, OFFICES, AS
WELL AS COMMERCIAL
AND INTEGRATED
DEVELOPMENTS.

EARNINGS HIGHLIGHTS (\$ million)

	2020	2019	2018
Revenue	1,275	1,336	1,340
EBITDA	645	545	1,083
Operating Profit	605	507	1,050
Profit before Tax	720	676	1,201
Net Profit	438	483	950
Average Headcount (Number)	2,576	2,792	3,059
Manpower Cost	166	176	204

MAJOR DEVELOPMENTS IN 2020

Keppel Land sold about 3,340 homes in Asia, mainly in Singapore, China and Vietnam.

Keppel Land announced asset divestments totalling about \$1.3 billion for the whole of 2020, spanning Singapore, China, Vietnam and the UK.

Keppel Land announced the acquisition of a stake in a co-living solutions provider, as well as new residential projects in China and India.

SSTEC sold two residential land plots and two industrial land plots in the Sino-Singapore Tianjin Eco-City.

FOCUS FOR 2021/2022

Accelerate asset monetisation at Keppel Land, unlocking capital that can be reinvested for growth and higher returns across the Group.

Invest in and develop expertise in property technology and new real estate solutions.

Invest strategically and selectively in new projects across Asia.

Continue to seek new opportunities in master development, and develop Saigon Sports City in Vietnam.

Continue to develop the Sino-Singapore Tianjin Eco-City in China as a model for sustainable urbanisation.

Deepen collaboration across business units to develop better and smarter solutions, as well as with Keppel Capital to tap third-party funds for growth.

OPERATING & FINANCIAL REVIEW
URBAN DEVELOPMENT

KEPPEL LAND'S TOTAL ASSET DISTRIBUTION BY COUNTRY (%)
as at 31 December 2020



■ Singapore		33.8
■ China		46.0
■ Vietnam		9.2
■ Indonesia		5.4
■ Others		5.6
Total	\$14.8 billion	100.0

KEPPEL LAND'S TOTAL ASSET DISTRIBUTION BY SEGMENT (%)
as at 31 December 2020



■ Property Trading		48.0
■ Property Investments		44.5
■ Others		7.5
Total	\$14.8 billion	100.0

EARNINGS REVIEW

The Urban Development segment's business activities span property trading and investment as well as end-to-end master development. The segment 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).

In FY 2020, revenue from Urban Development decreased by \$61 million to \$1,275 million mainly due to lower revenue generated from hospitality and commercial properties and lower revenue from property trading projects in Singapore and Vietnam. These were partly offset by higher revenue from property trading projects in China.

Net profit from the segment decreased by \$45 million to \$438 million for FY 2020, mainly due to the absence of tax write-backs as compared to FY 2019 and lower contribution from Singapore and Vietnam property trading projects. These were partly offset by higher fair value gains from investment properties, higher contribution from property trading projects in China, as well as higher contribution from SSTEC.

OPERATING REVIEW
PROPERTY DEVELOPMENT

In 2020, Keppel Land continued to unlock capital to seek new growth opportunities in line with the Group's Vision 2030 roadmap. During the year, Keppel Land announced six asset divestments worth about \$1.3 billion across Singapore, China, Vietnam and the UK.

In Singapore, the announced divestment of Keppel Bay Tower (KBT) to Keppel REIT is a prime example of how Keppel is able to create and extract value across the lifespan of an asset through the Group's value creation eco-system. Over the holding period of about 20 years, the total profit from KBT, including the total capital gains and operating profit attributable to Keppel Corporation and Keppel Land, was about \$426 million. Following the divestment, the Group will continue to derive fees from rendering property management services, as well as benefit from rental income and any potential capital value appreciation in KBT through Keppel's stake in Keppel REIT.

During the year, Keppel Land expanded its portfolio with the announced acquisitions of stakes in two residential projects in China and India. Focused on generating higher returns, Keppel Land will continue to turn its assets proactively through en-bloc sales and divestments, while investing strategically to capture growth opportunities as well as build new capabilities.

Keppel Land continued to create new operating platforms and adjacent services to complement its core real estate business. In 2020, Keppel Land acquired a stake in Cove, one of Southeast Asia's fastest growing co-living companies. It is also collaborating with Keppel Capital's 50% owned US-based senior living operator, Watermark Retirement Communities, to acquire new knowledge and insights into the sector.

With a pipeline of about 54,000 residential units and a total commercial portfolio of 1.7 million square metres (sm) of gross floor area (GFA) in key Asian cities, including commercial properties under development, Keppel Land is well-positioned to capitalise on the long-term demand for homes, office and retail spaces in its target markets.

China

Despite the COVID-19 pandemic, home buyer interest remained strong in China. During the year, Keppel Land sold about 2,110 units, compared to about 3,400 units sold in 2019, mainly due to fewer sales launches in 2020. The drop in home sales year-on-year (yoy) was also because Keppel Land had brought forward some of 2020's pipeline of project launches to 2019, riding on the positive sales momentum in that year.

Home sales in 2020 were mainly from Waterfront Residences, Park Avenue Heights and Seasons Residences in Wuxi, Seasons Residences in Shanghai, City Park in Chengdu, as well as China Chic in Nanjing. Despite COVID-19, Keppel Land sold 1,335 units in Wuxi in 2020, 29% higher yoy, riding on positive take-up from three project launches in Wuxi.

Keppel Land continued to focus on the Jing-Jin-Ji region, Yangtze River Delta, Greater Bay Area and the Chengdu metropolis to capture opportunities. During the year, Keppel Land deepened its presence in Shanghai's residential market with the acquisition of a 15% stake in a residential project in Jiading District. The project launched 360 units in March 2021, and sold 90% of the released units on the day of launch.

Following the lifting of lockdown measures in various Chinese cities, the performance of Keppel Land's commercial assets quickly stabilised due to their good locations and on the back of overall economic growth. In 2020, Keppel Land completed asset enhancement initiatives (AEI) at The Kube in Zhangjiang, Shanghai and Westmin Plaza in Guangzhou. Both assets are generating higher rental income following the completion of the AEI.

Singapore

As showflats closed due to the Circuit Breaker in Singapore, Keppel Land introduced virtual show galleries and digitalised the sales process. Keppel Land also leveraged technology to

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safeguard office tenants' health and well-being during the pandemic, such as through the implementation of facial recognition for contactless access, mobile application access, as well as installing Ultraviolet-C lights for air sterilisation, amongst other measures.

In 2020, Keppel Land sold about 370 residential units in Singapore, higher than the 250 units sold in 2019. These were mainly from The Garden Residences, which sold about 330 units during the year. As at end-2020, the project was 93% sold and is expected to be completed in 2021. Also during the year, 38 units were sold at Reflections and Corals at Keppel Bay. The two projects at Keppel Bay were 97% and 87% sold respectively as at end-2020.

In January 2021, Keppel Land, together with Mapletree Investments, launched The Reef at King's Dock. The project saw strong take-up with over 90% of the 300 units released sold over the launch weekend. The project will be developed into a luxury, waterfront living development and is expected to be completed by 2025. Keppel Land is also developing 19 Nassim into a luxurious 101-unit condominium which will be completed in 2023. Meanwhile, plans for

Keppel Bay Plot 6, a residential site located on Keppel Island, are currently under review.

The redevelopment of Keppel Towers into a full commercial development is currently in progress. Meanwhile, Keppel Land's retail mall i12 Katong, which closed in 2020 for major asset enhancement works, is expected to re-open in 2H 2021. The mall will be a showpiece for new retail concepts.

In November 2020, Keppel Land and Sustainable Singapore Gallery, managed by PUB, launched a public outreach programme, "R.I.S.E. to the Challenge", to raise awareness on rising sea levels and climate action. The programme comprises a series of exhibitions and workshops to be conducted over the next two years.

In 2020, Keppel Land received international recognition at the Global Real Estate Sustainability Benchmark 2020. It also received the Building and Construction Authority's (BCA) Quality Excellence Award - Quality Champion (Platinum) for the second consecutive year, and several accolades for residential projects in Singapore including The Reef at King's Dock and 19 Nassim. Notably, in December 2020,

RESIDENTIAL LANDBANK

54,000

High-quality homes across key Asian cities.

COMMERCIAL PORTFOLIO

1.7m sm

In total gross floor area, of which half is under development.



Upon completion of the asset enhancement works in 2021, Keppel Land's retail mall i12 Katong will be a showpiece for new retail concepts.

OPERATING & FINANCIAL REVIEW

URBAN DEVELOPMENT



Keppel Land's residential development, Celesta Rise in HCMC, Vietnam, sold almost all of the 519 launched units within a month.

KBT became the first commercial building in Singapore to receive the Green Mark Platinum (Zero Energy) certification from BCA.

Vietnam

Due to slower approval of new project launches, Keppel Land sold about 550 units in 2020, compared to 950 units in 2019. 2020's home sales were mainly from Celesta Rise, as well as Narra Residences, The View and The Infiniti, all of which are in Ho Chi Minh City (HCMC). As at end-2020, Narra Residences and The Infiniti were 88% and 95% sold respectively, while The View was fully sold.

Notwithstanding the slower approval of new launches, the demand for quality homes remained strong in Vietnam. In November 2020, Keppel Land launched 519 units of Celesta Rise and almost all the launched units were sold out within a month.

In December 2020, Keppel Land, in collaboration with Keppel Capital, launched the US\$600 million Keppel Vietnam Fund, a Vietnam-focused real estate fund, and achieved a first closing of US\$400 million. The fund seeks to invest alongside Keppel Land in real estate projects, including residential and commercial properties, as well as mixed-use projects and townships in Vietnam, with a focus on HCMC and Hanoi.

Others

In Indonesia, Keppel Land sold 115 units in West Vista, slightly more than the 97 units

sold in 2019. Meanwhile, the final phase of The Riviera at Puri was launched with most of the released units sold as at end-2020. Occupancy of co-living units at West Vista remained stable at about 80% in 2020. In the commercial sector, Keppel Land commenced operations of KLOUD, its serviced co-office platform, at IFC Tower 2 in Jakarta.

In India, sales at Provident Park Square in Bangalore continued at a steady pace, with about 67% of launched units sold as at end-2020. Keppel Land and its partner Rustomjee Group have embarked on developing the residential and supporting retail units in the 51.4-hectare (ha) integrated township development in Thane, Mumbai.

In partnership with Puravankara, Keppel Land is developing its first commercial development in Bangalore, which is expected to be completed in 2025. During the year, Smartworks, one of India's leading home-grown flexible space operators, in which Keppel Land is invested, achieved a footprint of 2.3 million sf and 47,000 desks across major cities in India, and continues to scale up steadily.

Keppel Land remains on the lookout for investment opportunities that dovetail with Keppel's Vision 2030 goals. It will continue to deepen collaboration with other Keppel business units, focus on assets that provide more recurrent and sustainable income streams, as well as leverage third-party funds through Keppel Capital to expand its capital base for growth.

URBAN SOLUTIONS

Keppel Urban Solutions (KUS) is an end-to-end master developer of smart, sustainable urban townships that leverages the Group's capabilities and strong track record in the planning and development of large-scale projects in Asia Pacific.

In Vietnam, the development of Saigon Sports City (SSC), a collaboration between KUS and Keppel Land, continued to progress during the year. SSC is poised to be a core township within the HCMC New Innovation District that will see the amalgamation of Districts 2, 9 and Thu Duc into a vibrant and environmentally resilient district. As an integrated sports-centric township, SSC will offer innovative and sustainable urban solutions to create a high-quality live, work and play environment.

In China, KUS is working with Keppel Land China 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. KUS is well-positioned to provide and deliver integrated digital and physical next-generation urban infrastructure solutions, in line with the sustainable development goals set out in China's 14th Five-Year Plan and 2060 carbon neutrality goals.

KUS is currently developing its proprietary Keppel Smart City Operating System (KOS), which will serve as a digital platform for the

development and operation of large-scale townships. When completed, KOS can harness the power of data to provide a more efficient environment for the operation and maintenance of the Group's assets and developments.

SINO-SINGAPORE TIANJIN ECO-CITY

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

Over the years, the Eco-City has evolved into a vibrant community with diverse amenities including 20 schools with more than 15,000 students, neighbourhood centres, libraries, a hospital and three health services centres, among others. To date, 120,000 people¹ live in the Eco-City which has over 10,000 registered companies¹.

In 2020, the Eco-City continued to gain traction as a leading smart Eco-City. The Eco-City continued to enhance its smart developments and achieved full 5G coverage across its built-up areas.

Despite a soft property market in Tianjin in 2020, the Eco-City remained an attractive residential township. A total of about 4,000 homes were sold in 2020, of which about 290 homes were from projects developed by SSTECC.

Reflecting the market's continued confidence in the Eco-City's future growth, SSTECC successfully sold two residential land plots in the Start-Up Area and the Central District, as well as two industrial plots in the Northern District in 2020. SSTECC is currently focusing on developing the future city centre in the Central District of the Eco-City.

To further the Eco-City's goal of promoting sustainable urbanisation, the China-Singapore Tianjin Eco-City Administrative Committee (ECAC), the Keppel Group, SSTECC and other Chinese partners will jointly establish the Global Institute for Sustainable Urban Development (Sino-Singapore Tianjin Eco-City) as a platform to publicise, promote and export the Eco-City's development experience to various Chinese cities and also other countries along the Belt and Road.

During the year, various business units in the Keppel Group continued to contribute towards the Eco-City's development.

In 2020, Keppel Land sold 150 homes in the Eco-City. Since 2008, Keppel Land has launched a total of about 5,100 homes in the Eco-City, of which about 95% have been sold. Meanwhile, Phase 1 of Seasons City, Keppel Land's commercial development in the Eco-City, is on track for completion in 2021.

During the year, Keppel Land handed over Seasons Heights, the Eco-City's first smart

estate, to homeowners. Seasons Heights is a pilot development under the Guidelines for the Construction of Smart Residential Areas in Tianjin Eco-City, which were jointly established by the ECAC, Keppel Land, SSTECC and other Tianjin partners, and includes some 30 smart technology applications, such as a 5G contactless thermal scanner and smart waste sorting stations. Meanwhile, Keppel Telecommunications & Transportation's logistics distribution centre in the Eco-City and the Sino-Singapore Tianjin Eco-City Water Reclamation Centre, a JV between Keppel Infrastructure and Tianjin Eco-City Investment and Development Co., Ltd, continued to operate well, despite the disruptions caused by COVID-19.

MARKET REVIEW & OUTLOOK

Rapid urbanisation and a fast-growing middle class continue to drive demand for high-quality urban living solutions in many Asian cities. In addition, rapidly ageing populations are also expected to drive demand for customised urban living solutions. Meanwhile, new trends in co-living and co-working are being fuelled by accelerated digitalisation, changing demographics as well as the shift towards work-from-home and other flexible working arrangements accelerated by the COVID-19 pandemic.

As a Group, Keppel will continue to position itself to seize opportunities arising from this changing landscape by leveraging its sizeable property portfolio and the diverse strengths of the Group to develop integrated, smart urban solutions as well as launch new real estate concepts. Keppel will further enhance its solutions offerings through continual investments in technology and to hone new capabilities for co-living, co-working and senior living, among others.

CHINA

In China, Gross Domestic Product (GDP) growth in 2020 was 2.3%, and the Chinese government has targeted GDP growth of over 6% for 2021. During the year, China's residential market saw gradual improvements, with total transacted value and volume increasing by 10.8% and 3.2% yoy respectively. There was also continued demand for homes in Tier-2 cities such as Nanjing, Wuxi and Chengdu where Keppel Land is present.

To rein in a potential residential bubble, the Chinese government introduced control measures for specific cities where there were signs of overheating,



Keppel Land's Seasons Heights, which was handed over to homeowners in 2020, is the Eco-City's first smart estate.

¹ These figures include the Central Fishing Port and Tourism District.

OPERATING & FINANCIAL REVIEW

URBAN DEVELOPMENT

Keppel will focus on building better and smarter capabilities in the areas of property technology and new real estate solutions to offer a full suite of urban living solutions that are underpinned by technology.

and also introduced the “Three Red Lines” to tighten developers’ access to bank loans. While the measures have had no immediate impact on Keppel’s operations in China during the year, the Group will continue to monitor the developments closely. Meanwhile, China’s commercial sector as a whole continued to draw investments, although pressure on occupancies and rental growth in Tier-1 cities persists.

SINGAPORE

Singapore’s residential property remained resilient, despite its economy contracting by 5.4% in 2020 due to COVID-19. According to the Urban Redevelopment Authority, 9,982 homes were sold in 2020, compared to 9,912 units sold in 2019. Meanwhile, the 2020 private property price index rose 2.2% yoy.

Against the backdrop of COVID-19, CBRE estimated that Grade A (Core CBD) office rents in 2020 declined by 10% yoy, reversing gains seen in 2019. Weaker demand also led to a higher vacancy rate of 6.2% in 2020, a 2% increase yoy. This was mitigated by improved demand from the technology and insurance sectors in 2020. Singapore remains an attractive destination for companies looking to operate in the region, even as companies explore flexible working arrangements and review their office requirements following COVID-19.

Amidst the challenging macro environment, Keppel Land will focus on executing its current residential and commercial projects under development, while continuing to look out for good business opportunities in Singapore.

VIETNAM

In Vietnam, GDP rose by about 2.9% yoy in 2020, and the Asian Development Bank (ADB) expects Vietnam’s GDP to grow by 6.3% in 2021. Despite COVID-19, the residential market in HCMC remained strong, underpinned by economic growth, stable foreign investments, high urbanisation rate and a growing middle class.

According to CBRE Vietnam, over 17,000 units were launched in HCMC in 2020, as compared to 27,000 in 2019, with an absorption rate of about 88%. Average

selling price (ASP) in the high-end segment decreased by 1% yoy, while ASP in the mid-end segment increased 5% yoy. In the commercial space, Grade A office rent fell 5.3% yoy, while occupancy rate reduced to about 82% due to new office supply and the impact of COVID-19.

OTHERS

In Indonesia, 2020 GDP contracted by 2.07% yoy. However, ADB expects this to turn into a growth of 5.3% in 2021. In the short term, JLL expects the Grade A office and high-rise apartment markets to continue facing headwinds due to oversupply. Conversely, demand for landed housing is expected to remain resilient due to strong fundamentals.

In India, ADB forecasts real GDP to contract by 9% in 2020. This is expected to recover to a forecasted 8% growth in

2021. Notwithstanding the headwinds, the long-term outlook for office and residential markets of key Indian cities remains positive, as they are backed by sound fundamentals including rapid urbanisation and rising household incomes.

To meet the emerging trends and differentiate itself, Keppel will focus on building better and smarter capabilities in the areas of property technology and new real estate solutions to offer a full suite of urban living solutions that are underpinned by technology.

Leveraging the Group’s strengths, Keppel Land, KUS and SSTEK will continue to collaborate with one another, as well as with other business units, to develop compelling urban solutions that contribute to sustainable urbanisation.



Residents at Cove’s co-living properties in Singapore.

Keppel is building new capabilities to tap the rising trends in co-living and co-working which are fuelled by accelerated digitalisation and changing demographics.