

Integrated Urban Solutions

Transforming the Urban Portfolio for Sustainable Growth

The Integrated Urban Solutions segment comprises Urban, Water and Waste-to-resource businesses. The segment integrates energy, water, waste management, and smart technologies into the development and management of industrial spaces to create sustainable environments that meet modern urban and industrial needs.

Urban: Leading the Way in Low-carbon Industrial Parks and Spaces

With 35 years of experience, Sembcorp has built a strong reputation as a trusted leader in delivering integrated urban solutions across Asia. In August 2024, we refreshed our Urban segment targets, with a clear focus on establishing ourselves as a leading low-carbon industrial park player in the region, building on our track record and expertise in master development and renewable energy. The strategic initiatives and targets include:

- **Expand land bank:** Grow to 18,000ha by 2028
- **Grow recurring income:** Increase industrial properties leasable space to 1.5 million sqm by 2028
- **Enhance financial metrics:** Achieve net profit compound annual growth rate (2022–2028) above 15% and 2028 return on equity of 10%.

The Urban business’ ability to attract foreign direct investment and create jobs positions us strongly to secure new projects in existing and new markets. We have identified Vietnam and Indonesia as key focus markets, where strong growth opportunities are driven by robust GDP growth, thriving manufacturing sectors, rising urbanisation and a growing middle class. Additionally, the Urban

Operational Indicators

	2024	2023
Urban		
– Land sales (ha)	342	248
– Total gross land (cumulative) (ha)	14,400 ¹	13,000
– Leasable space (GFA sqm) from majority-owned industrial properties	508,000	134,000
– Portfolio occupancy (%) for majority-owned completed industrial properties	76%	47%
Water		
– Water and wastewater treatment capacity (m ³ /day)	8,075,570	8,075,114
Waste-to-resource		
Energy-from-waste (Efw) gross installed capacity		
– Wilton 11 Efw Plant (MW)	48	48

GFA: gross floor area ha: hectares m³/day: cubic metres per day sqm: square metres

¹ Inclusive of Tembesi project, a joint venture agreement signed with Panbil Group in January 2025

business will explore new markets and actively manage its operations in China to enhance returns.

As sustainability becomes increasingly integral to business operations, manufacturers are transitioning to green factories and adopting decarbonisation and energy-efficient solutions. Our expertise in providing low-carbon solutions, positions us to meet this growing demand. Our offerings include development of low-carbon industrial parks, green industrial properties for lease, and integration of renewable energy solutions within these developments to reduce carbon footprints. These initiatives align with global sustainability trends, enhancing the appeal of our developments to environmentally conscious tenants.

Strong Performance Reinforces Urban’s Refreshed Strategic Initiatives

The Urban business achieved a significant turnaround in its financial and operational performance in 2024, reflecting the progress made from the August 2024 strategy refresh.

Net profit before exceptional items increased by 76% year-on-year, driven by land sales of 342ha, up from 248ha in 2023. These came from the Vietnam Singapore Industrial Parks (VSIP) in Vietnam and Kendal Industrial Park in Indonesia – two primary focus markets outlined in our strategy.

During the year, investment licences were awarded for VSIP Thai Binh, VSIP Quang Ngai II, and Becamex-VSIP Binh Thuan, expanding the VSIP portfolio to 18 projects. These new developments will contribute to our saleable land bank from 2026, offering our manufacturing customers unique location advantages across Vietnam.

In January 2025, we entered into a strategic joint venture with Panbil Group, a prominent player in the industrial and hospitality sectors in Batam, Indonesia. This partnership leverages our expertise in international investment promotion and green energy solutions, alongside Panbil’s construction capabilities, to develop a 100ha low-carbon industrial park in Tembesi, within Batam’s Muka Kuning area –

an established hub for industries such as electronics, electrical, precision engineering, and pharmaceuticals. Additionally, we signed a Memorandum of Understanding (MoU) with Panbil to explore the development of a 500ha industrial park on Tanjung Sauh, a newly designated special economic zone for industrial development in the smaller island in Batam. The collaboration with Panbil strengthens our presence in Indonesia, extending beyond our Kendal project in Central Java.

With the addition of these industrial parks, our total gross land bank now stands at 14,400ha, moving us closer to our 2028 target.

Leveraging our township development expertise, we also signed a non-binding MoU with Odisha Industrial Infrastructure Development Corporation in January 2025, to assess opportunities for an industrial park in Odisha, India. This builds on our Group’s capabilities and presence in India to evaluate high-potential opportunities for sustainable and attractive returns.

During the year, we acquired land in multiple locations in Vietnam to develop

a new portfolio of industrial properties for lease, marking a significant step in the execution of our refreshed business strategy to grow industrial leasable space to 1.5 million sqm GFA by 2028. Approximately 374,000 sqm of modern ready-built warehouses and factories will be added to our current operational industrial portfolio of 134,000 sqm. This strategic initiative expands our offering of high-quality spaces and strengthens our recurring income² stream, positioning us for continued growth and stability. Recurring income accounted for 9% of the year’s profit, while occupancy rates for completed industrial properties rose to 76%, up from 47% in 2023.

In China, we successfully mitigated the impact of a slowing economy by optimising costs, focusing on tenancy renewals, and increasing occupancy at the Nanjing Global Sustainability Hub.

Advancing Water Sustainability: Innovative Solutions for Efficient Water Management and Wastewater Treatment

As a leading water management specialist, we help businesses achieve

their water sustainability goals through solutions such as industrial wastewater treatment and water reclamation. Our sustainability-first approach allows businesses to minimise liquid discharge and conserve their water resources. We specialise in addressing the challenges of complex industrial effluents, using customised solutions to manage even the most challenging wastewater streams effectively.

In April 2024, we completed the Sembcorp Nanjing Suiwu Industrial Wastewater Joint Advanced Treatment Project and NCIP Distributed Solar Power Project in Jiangsu, China. Using advanced technologies, such as our Virtual Brain™ Water real-time digital management platform, we enhanced water treatment efficiency, reduced energy consumption, and minimised chemical usage while maintaining effluent compliance.

The project was recognised as the High Quality Development Service Provider for Chemical Industrial Parks at the 2024 China Chemical Industry Park Development Conference in Chengdu in October 2024. This recognition reinforces our commitment to delivering sustainable and efficient industrial wastewater treatment solutions.

Sale of Sembcorp Environment: Capital Recycling

We continue to review our portfolios and sharpen our focus in the energy sector to ensure strategic alignment and to maximise shareholder value. In November 2024, we announced the sale of Sembcorp Environment Pte Ltd (SembEnviro) for a consideration of S\$405 million³. The sale consideration represents approximately 43% premium over its book value and net asset value.



Sembcorp Nanjing Suiwu Wastewater Treatment Plant, China

² Recurring income refers to industrial and commercial space for lease, utilities income, estate management fees, and excludes corporate costs

³ The sale of SembEnviro to SBT Investment 2 was completed on March 18, 2025

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Vietnam Singapore Industrial Park in Nghe An, Vietnam

Upon completion of the sale, the proceeds will be re-deployed, under our S\$14 billion investment plan (2024–2028), to accelerate growth and drive energy transition.

SembEnviro is an integrated waste management services provider involved in the processing, collection and recycling of industrial, commercial and municipal solid waste in Singapore. To ensure business continuity, all staff and management will be retained for at least 24 months. We have also engaged the relevant unions to provide assurance that employees will remain in their current jobs. The buyer, SBT Investment 2, a wholly-owned subsidiary of TBS Energi, is an integrated energy company dedicated to reducing its carbon footprint and promoting environmental sustainability from low-carbon growth. With expertise in power generation, renewable energy, and waste management,

TBS will build on SembEnviro's strong foundation and reputation, to deliver waste management solutions that adapt to the evolving needs of Singapore's communities and industries.

Outlook

We remain committed to expanding our presence in key markets while leveraging our renewable energy capabilities. Earnings for the Integrated Urban Solutions segment are expected to remain stable, with growth in the Urban segment offsetting the absence of contribution from SembEnviro. A gain of no less than S\$100 million is expected to be recognised upon completion of the sale.

In the Urban segment, we will continue to evaluate and enter new markets on a strategic basis to build up our land bank and develop sustainable industrial parks and townships. Our strategic partnerships in Vietnam and Indonesia, along

with our focus on expanding our industrial leasable space, position us well to capture the growing demand for green, energy-efficient industrial spaces.

Our water business is expected to remain stable. We will continue to innovate and adopt initiatives to improve efficiency in operations while strategically allocating capital to higher-returning assets and optimise returns for less value-adding assets.