

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

The Directors present their statement together with the audited consolidated financial statements of the Group, and balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

In the opinion of the directors, the consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company as set out on pages 132 to 214, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and the financial performance, changes in equity and the cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1. Directors

The Directors of the Company in office at the date of this statement are:

Danny Teoh (Chairman)
 Loh Chin Hua (Chief Executive Officer)
 Till Bernhard Vestring
 Veronica Eng
 Jean-François Manzoni
 Teo Siong Seng
 Tham Sai Choy
 Penny Goh
 Shirish Moreshwar Apte (appointed on 1 July 2021)

2. Audit Committee

The Audit Committee of the Board of Directors comprises four independent non-executive Directors. Members of the Committee are:

Tham Sai Choy (Chairman)
 Veronica Eng
 Penny Goh
 Shirish Moreshwar Apte (appointed on 1 July 2021)

The Audit Committee carried out its function in accordance with the Companies Act 1967, including the following:

- Reviewed financial statements and announcements relating to financial performance, and significant financial reporting issues and judgments contained in them;
- Reviewed the adequacy and effectiveness of financial, operational, compliance and information technology controls, as well as risk management in relation to financial reporting and other financial-related risks;
- Reviewed the Board's comment on the adequacy and effectiveness of the Group's internal control systems, and state whether it concurs with the Board's comments; and if there are material weaknesses identified in the Group's internal controls, to consider and recommend the necessary steps to be taken to address them;
- Reviewed the assurance from the CEO and CFO on the financial records and financial statements and the assurance and steps taken by the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Group's internal control systems;
- Reviewed audit scopes, plans and reports of the Company's external and internal auditors and considered effectiveness of actions taken by management on the recommendations and observations;
- Reviewed the adequacy, effectiveness, independence and objectivity of the external auditors and internal auditors annually;
- Reviewed the scope and results of the external audit function and internal audit function;
- Reviewed the nature and extent of non-audit services performed by external auditors;
- Met with external auditors and internal auditors, without the presence of management, at least annually;
- Ensured that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Company, at least annually;
- Reviewed the whistle-blower policy and the Company's procedures for detecting and preventing fraud and other arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- Reviewed interested person transactions;
- Investigated any matters within the Audit Committee's terms of reference, whenever it deemed necessary;
- Reported to the Board on material matters, findings and recommendations;
- Reviewed the Audit Committee's terms of reference annually and recommended proposed changes to the Board for approval; and
- Ensured the Head of Internal Audit and external auditors have direct and unrestricted access to the Chairman of the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of PricewaterhouseCoopers LLP for re-appointment as independent auditors and approved the remuneration and terms of engagement at the forthcoming annual general meeting of the Company.

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate other than the KCL Restricted Share Plan, KCL Performance Share Plan, KCL Restricted Share Plan 2020, KCL Performance Share Plan 2020 and Remuneration Shares to Directors of the Company.

4. Directors' interests in shares and debentures

According to the Register of Directors' shareholdings kept by the Company for the purpose of Section 164 of the Companies Act 1967, none of the Directors holding office at the end of the financial year had any interest in the shares and debentures of the Company and related corporations, except as follows:

	Holdings At		
	1.1.2021 or date of appointment, if later	31.12.2021	21.1.2022
Keppel Corporation Limited			
<i>(No. of ordinary shares)</i>			
Danny Teoh	94,825	104,825	104,825
Loh Chin Hua	1,860,772	2,135,826	2,135,826
Loh Chin Hua (deemed interest)	38,500	38,500	38,500
Till Bernhard Vestring	89,000	96,000	96,000
Veronica Eng	38,000	47,000	47,000
Jean-François Manzoni	108,000	116,000	116,000
Tham Sai Choy	155,570	162,570	162,570
Penny Goh	30,000	37,000	37,000
Teo Siong Seng	-	7,000	7,000
Teo Siong Seng (deemed interest)	-	21,483	21,483
Keppel Corporation Limited			
<i>(Unvested restricted shares to be delivered after 2018)</i>			
Loh Chin Hua	87,469	-	-
<i>(Unvested restricted shares to be delivered after 2019)</i>			
Loh Chin Hua	201,258	100,629	100,629
<i>(Unvested restricted shares to be delivered after 2020)</i>			
Loh Chin Hua	-	173,914	173,914
<i>(Contingent award of performance shares issued in 2018 to be delivered after 2021)^{1,2}</i>			
Loh Chin Hua	320,000	320,000	320,000
<i>(Contingent award of performance shares issued in 2019 to be delivered after 2022)^{1,3}</i>			
Loh Chin Hua	365,000	365,000	365,000
<i>(Contingent award of performance shares issued in 2020 to be delivered after 2022)¹</i>			
Loh Chin Hua	365,000	365,000	365,000
<i>(Contingent award of performance shares issued in 2021 to be delivered after 2023)¹</i>			
Loh Chin Hua	-	365,000	365,000
<i>(Contingent award of performance shares – Transformation Incentive Plan issued in 2016 to be delivered after 2021)¹</i>			
Loh Chin Hua	750,000	750,000	750,000
<i>(Contingent award of performance shares – Transformation Incentive Plan issued in 2021 to be delivered after 2025)¹</i>			
Loh Chin Hua	-	970,000	970,000

¹ Depending on the achievement of pre-determined performance targets, the actual number of shares to be released could range from zero to 150% of the number stated.

² The performance period of the KCL PSP award issued in 2018 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2018, 2019 and 2021 will be used to determine the vesting level of the award at the end of the extended performance period.

³ The performance period of the KCL PSP award issued in 2019 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2019, 2021 and 2022 will be used to determine the vesting level of the award at the end of the extended performance period.

5. Share plans of the Company

The KCL Performance Share Plan ("KCL PSP") and KCL Restricted Share Plan ("KCL RSP") were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 April 2010.

At the Annual General Meeting held on 2 June 2020, the Company's shareholders approved the adoption of the KCL Performance Share Plan 2020 ("KCL PSP 2020") and KCL Restricted Share Plan 2020 ("KCL RSP 2020"), replacing the KCL PSP and KCL RSP respectively with effect from 2 June 2020. The KCL PSP and KCL RSP were terminated on the same day. The termination of the KCL PSP and KCL RSP will not, however, affect awards granted prior to such termination, whether such awards have been released (whether fully or partially) or not, which awards will continue to be valid and be subject to the terms and conditions of the KCL PSP and KCL RSP.

Details of share plans awarded under the KCL PSP, KCL PSP-Transformation Incentive Plan ("KCL PSP-TIP"), KCL PSP-M1 Transformation Incentive Plan ("KCL PSP-M1 TIP"), KCL PSP 2020, KCL PSP 2020-Transformation Incentive Plan ("KCL PSP 2020-TIP"), KCL RSP, KCL RSP-Deferred Shares and KCL RSP 2020-Deferred Shares are disclosed in Note 3 to the financial statements and as follows:

Contingent awards:

Date of Grant	Number of Shares					Balance at 31.12.2021
	Balance at 1.1.2021	Contingent awards granted	Adjustments upon release	Released	Cancelled	
KCL PSP						
30.4.2018	1,180,000	-	-	-	-	1,180,000
30.4.2019	1,585,000	-	-	-	(42,153)	1,542,847
31.3.2020	1,535,000	-	-	-	(85,967)	1,449,033
	<u>4,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(128,120)</u>	<u>4,171,880</u>
KCL PSP-TIP						
29.4.2016	3,466,770	-	-	-	(152,153)	3,314,617
28.4.2017	1,875,401	-	-	-	(123,312)	1,752,089
28.2.2020	1,180,000	-	-	-	(80,000)	1,100,000
	<u>6,522,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(355,465)</u>	<u>6,166,706</u>
KCL PSP-M1 TIP						
17.2.2020 ⁴	127,900	-	-	-	-	127,900
17.2.2020	295,600	-	-	-	-	295,600
	<u>423,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,500</u>
KCL PSP 2020						
30.4.2021	-	1,490,000	-	-	-	1,490,000
	<u>-</u>	<u>1,490,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,490,000</u>
KCL PSP 2020-TIP						
30.7.2021	-	11,380,000	-	-	(240,000)	11,140,000
	<u>-</u>	<u>11,380,000</u>	<u>-</u>	<u>-</u>	<u>(240,000)</u>	<u>11,140,000</u>

Awards:

Date of Grant	Number of Shares					Balance at 31.12.2021
	Balance at 1.1.2021	Contingent awards granted	Adjustments upon release	Released	Cancelled	
KCL RSP 2020-Deferred Shares						
15.2.2021	-	5,096,700	(7,625)	(5,089,075)	-	-
	<u>-</u>	<u>5,096,700</u>	<u>(7,625)</u>	<u>(5,089,075)</u>	<u>-</u>	<u>-</u>

⁴ The performance period of the 3-year KCL PSP-M1 TIP issued in 2020 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2019, 2021 and 2022 will be used to determine the vesting level of the award at the end of the extended performance period.

Awards released but not vested:

Date of Grant	Number of Shares					Balance at 31.12.2021
	Balance at 1.1.2021	Released	Vested	Cancelled	Other adjustments	
KCL RSP-Deferred shares						
15.2.2019	1,157,727	-	(1,139,966)	(17,761)	-	-
18.4.2019	101,731	-	(100,160)	(1,437)	(134)	-
17.2.2020	3,409,612	-	(1,715,291)	(114,791)	(2,881)	1,576,649
	4,669,070	-	(2,955,417)	(133,989)	(3,015)	1,576,649
KCL RSP 2020-Deferred Shares						
15.2.2021	-	5,089,075	(1,712,798)	(144,783)	-	3,231,494
	-	5,089,075	(1,712,798)	(144,783)	-	3,231,494

No Director of the Company received any contingent award of Shares granted under the KCL RSP, KCL PSP, KCL RSP 2020 and KCL PSP 2020 except for the following:

Contingent awards:

	Contingent awards granted during the financial year	Aggregate awards granted since commencement of plans to the end of financial year	Aggregate other adjustments since commencement of plans to the end of financial year	Aggregate awards released since commencement of plans to the end of financial year	Aggregate awards not released as at the end of financial year
KCL RSP					
Executive Director					
Loh Chin Hua	-	644,757	-	(644,757)	-
KCL PSP					
Executive Director					
Loh Chin Hua	-	2,250,814	(752,714)	(448,100)	1,050,000
KCL PSP-TIP					
Executive Director					
Loh Chin Hua	-	750,000	-	-	750,000
KCL PSP 2020					
Executive Director					
Loh Chin Hua	365,000	365,000	-	-	365,000
KCL PSP 2020-TIP					
Executive Director					
Loh Chin Hua	970,000	970,000	-	-	970,000

Awards:

	Awards granted during the financial year	Aggregate awards granted since commencement of plans to the end of financial year	Aggregate other adjustments since commencement of plans to the end of financial year	Aggregate awards released since commencement of plans to the end of financial year	Aggregate awards not released as at the end of financial year
KCL RSP-Deferred shares					
Executive Director					
Loh Chin Hua	-	836,642	-	(836,642)	-
KCL RSP 2020-Deferred Shares					
Executive Director					
Loh Chin Hua	260,870	260,870	-	(260,870)	-

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5. Share plans of the Company (continued)

Awards released but not vested:

	Aggregate awards released since commencement of plans to the end of financial year	Aggregate awards vested since commencement of plans to the end of financial year	Aggregate awards released but not vested as at the end of financial year
KCL RSP			
Executive Director			
Loh Chin Hua	644,757	(644,757)	-
KCL RSP-Deferred shares			
Executive Director			
Loh Chin Hua	836,642	(736,013)	100,629
KCL RSP 2020-Deferred Shares			
Executive Director			
Loh Chin Hua	260,870	(86,956)	173,914
KCL PSP			
Executive Director			
Loh Chin Hua	448,100	(448,100)	-

No Director or employee received 5% or more of the total number of contingent award of Shares granted during the financial year and aggregated to date, except for the following:

	Contingent shares granted during the financial year (%)	Aggregate contingent shares granted to date (%)
Executive Director		
Loh Chin Hua		
- KCL Restricted Share Plan ("KCL RSP") and KCL Performance Share Plan ("KCL PSP")	-	6.6%
- KCL Restricted Share Plan 2020 ("KCL RSP 2020") and KCL Performance Share Plan 2020 ("KCL PSP 2020")	8.9%	8.9%

There are no contingent award of Shares granted to any of the Company's controlling shareholders or their associates under the KCL RSP, KCL RSP 2020, KCL PSP and KCL PSP 2020.

6. Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board



DANNY TEOH
Chairman



LOH CHIN HUA
Chief Executive Officer

Singapore, 25 February 2022