Keppel Corporation

ADVANCING SUSTAINABILITY ACCELERATING GROWTH

Annual Report 2021

ADVANCING SUSTAINABILITY **ACCELERATING GROWTH**

We are advancing sustainability, making it our business with a focus on energy & environment, urban development, connectivity and asset management.

Under Vision 2030, we are accelerating growth through an asset-light model, harnessing technology and working with like-minded partners on solutions to drive sustainable development and create value for our stakeholders.

VISION

A trusted global company building a sustainable future.

MISSION

We deliver solutions for sustainable urbanisation safely, responsibly and profitably.

GROUP OVERVIEW

PERFORMANCE REVIEW

GOVERNANCE

FINANCIAL REPORT

OTHER INFORMATION

KEY FIGURES

REVENUE
$8.6b
Increased 31% from FY 2020's $6.6 billion.
Higher contributions from all segments – Energy & Environment, Urban Development, Connectivity and Asset Management.

NET PROFIT
$1.02b
Compared to FY 2020's net loss of $506 million.
All segments registered improved year-on-year performance in FY 2021.

RETURN ON EQUITY
9.1%
Compared to negative 4.6% for FY 2020.
Improvement in Return on Equity for FY 2021 corresponded with the net profit achieved.

EARNINGS PER SHARE
$0.56
Compared to loss per share of $0.28 for FY 2020.
Net profit of $1.02 billion for FY 2021 translated to earnings per share of $0.56.

CASH DIVIDEND PER SHARE
33.0 cents
More than triple FY 2020's cash dividend of 10.0 cents per share.
Total distribution for FY 2021 comprises a proposed final cash dividend of 21.0 cents per share, and an interim cash dividend of 12.0 cents per share.

NET ASSET VALUE PER SHARE
$6.41
Increased 9% from FY 2020's $5.90 per share.

NET GEARING RATIO
0.68x
Decreased from FY 2020's net gearing of 0.91x.
Net gearing decreased mainly due to reduced net debt as well as a higher equity base. The decline in net debt was mainly driven by cash proceeds from asset monetisation. Strong earnings growth and the issuance of perpetual securities in FY 2021 led to higher capital employed.

FREE CASH INFLOW
$1.75b
Compared to FY 2020's outflow of $72 million.
This was mainly due to cash proceeds from asset monetisation, higher dividend income, as well as lower investments and capital expenditure, partly offset by higher working capital requirements.

MSCI ESG RATING
AAA
Retained the highest AAA rating in the Morgan Stanley Capital International (MSCI) ESG ratings in December 2021.
Ranked among the top 8% of global industrial conglomerates, based on environmental, social and governance (ESG) criteria, in the MSCI All Country World Index. Keppel has held the rating since February 2020.

EMPLOYEE ENGAGEMENT SCORE
84%
This was higher than Mercer's global average of 80%.

COVID-19 RELIEF EFFORTS
$5.5m
Disbursed since the start of the pandemic to support affected communities in Singapore and overseas.

WORKPLACE SAFETY AND HEALTH AWARDS
18 Awards
Clinched at the WSH Awards 2021.
Keppel achieved its zero-fatality target in 2021, and saw improvements across its Total Recordable Injury, Accident Frequency and Accident Severity Rates.

GROUP FINANCIAL HIGHLIGHTS

GROUP HALF-YEARLY RESULTS ($ million)

	2021			2020		
	1H	**2H**	**Total**	**1H**	**2H**	**Total**
Revenue	**3,677**	**4,948**	**8,625**	3,182	3,392	6,574
EBITDA	**385**	**920**	**1,305**	52	370	422
Operating Profit/(Loss)	**188**	**710**	**898**	(149)	157	8
Profit/(Loss) before Tax	**516**	**819**	**1,335**	(357)	102	(255)
Attributable Profit/(Loss)	**300**	**723**	**1,023**	(537)	31	(506)
Earnings/(Loss) per Share (cents)	**16.5**	**39.7**	**56.2**	(29.5)	1.7	(27.8)

	2021	2020	% Change
For the year ($ million)			
Revenue	**8,625**	6,574	31
Profit			
EBITDA	**1,305**	422	209
Operating	**898**	8	>500
Before Tax	**1,335**	(255)	n.m.f.
Net Profit/(Loss)	**1,023**	(506)	n.m.f.
Operating Cash Flow	**(275)**	202	n.m.f.
Free Cash Flow	**1,750**	(72)	n.m.f.
Economic Value Added (EVA)	**204**	(1,368)	n.m.f.
Per share ($)			
Earnings/(Loss)	**0.56**	(0.28)	n.m.f.
Net Assets	**6.41**	5.90	9
Net Tangible Assets	**5.53**	5.02	10
At year end ($ million)			
Shareholders' Funds	**11,655**	10,728	9
Perpetual Securities	**401**	–	n.m.f.
Non-controlling Interests	**385**	428	-10
Total Equity	**12,441**	11,156	12
Net Debt	**8,400**	10,123	-17
Net Gearing Ratio (times)	**0.68**	0.91	-25
Return on shareholders' funds (%)			
Profit/(Loss) before Tax	**12.0**	(2.4)	n.m.f.
Net Profit/(Loss)	**9.1**	(4.6)	n.m.f.
Shareholders' value			
Distribution (cents per share)			
Interim Dividend	**12.0**	3.0	300
Final Dividend	**21.0**	7.0	200
Total Distribution	**33.0**	10.0	230
Share Price ($)	**5.12**	5.38	-5
Total Shareholder Return (%)	**(1.5)**	(18.6)	-92

n.m.f. denotes no meaningful figure

GLOBAL PRESENCE

1 **ASIA (EX SINGAPORE)**
$1,824m
- China
- India
- Indonesia
- Japan
- Malaysia
- Myanmar
- The Philippines
- Republic of Korea
- Vietnam

2 **SINGAPORE**
$5,029m

3 **AUSTRALIA**
$61m

4 **MIDDLE EAST**
$92m
- Qatar
- The United Arab Emirates

5 **EUROPE**
$574m
- Belgium
- Germany
- Italy
- Ireland
- The Netherlands
- The United Kingdom

6 **SOUTH AMERICA**
$552m
- Brazil

7 **NORTH AMERICA**
$493m
- The United States

TOTAL FY 2021 REVENUE
$8.6b
Markets outside of Singapore contributed about 42% of the Group's revenue for FY 2021.

ADVANCING SUSTAINABILITY **ACCELERATING GROWTH**

We are accelerating the execution of Vision 2030, our long-term strategy to guide the Group's transformation and growth as one integrated company.

DANNY TEOH Chairman

> We will be paying out a total cash dividend of 33 cents per share for the whole of 2021, more than three times the total cash dividend of 10 cents for 2020.

DEAR SHAREHOLDERS,

2021 marked an inflection point for the global economy, as it gradually rebounded from the depths of the COVID-19 crisis. Based on the projection by the International Monetary Fund, the global economy grew by 5.9% for 2021, but growth is expected to slow to 4.4% for 2022, reflecting the myriad challenges that the world continues to face today, including geopolitical tensions, the continuing impact of COVID-19, supply disruptions and inflation.

Despite the volatile environment, Keppel delivered strong performance, as we accelerated the execution of Vision 2030, our long-term strategy to guide the Company's transformation and growth as one integrated company providing solutions for sustainable urbanisation. We have set and announced specific financial and non-financial targets for the Group, including transforming and focusing our business, asset monetisation, growing recurring income, as well as working towards the mid to long-term Return on Equity (ROE) target of 15% per annum.

As part of Vision 2030, we have also put sustainability at the core of our strategy. This includes both how we run our business, and advancing growth by making sustainability our business, through providing solutions that contribute to sustainable development and combatting climate change.

DELIVERING STRONG FINANCIAL PERFORMANCE

In FY 2021, Keppel Corporation made a net profit of $1.02 billion, a sharp reversal from the loss of $506 million in FY 2020, and the highest net profit the Group has made in the past six years, since the start of the downturn of the offshore & marine (O&M) sector. Our ROE improved to 9.1% for FY 2021, a marked improvement not only from negative 4.6% in FY 2020, but even compared to the 6.3% in pre-pandemic FY 2019. Our recurring income also grew 33% year-on-year to $292 million.

With our successful asset monetisation programme and the enlarged equity base, net gearing fell to 0.68x as at end-2021, compared to 0.91x at end-2020. Free cash inflow was $1.75 billion, a sharp improvement over the outflow of $72 million in FY 2020.

Taking into account the strong performance of the Group, the Board of Directors has proposed a final cash dividend of 21.0 cents per share. Together with the interim cash dividend of 12.0 cents per share, we will be paying out a total cash dividend of 33.0 cents per share for the whole of 2021 – more than three times the total cash dividend of 10.0 cents for 2020. This represents a gross dividend yield of 6.4% on the Company's last transacted share price of $5.12 as at 31 December 2021.

In January 2022, we also announced our $500 million Share Buyback Programme. Shares repurchased will be held as treasury shares which will be used in part for the annual vesting of employee share plans, and importantly, also as possible currency for future merger and acquisition (M&A) activities.

TRANSFORMING AND RE-FOCUSING OUR BUSINESSES

Over the past year, we announced a series of initiatives and proposed transactions to simplify and focus our business and grow it in line with Vision 2030.

Two of these transactions are currently still being negotiated, namely the proposed combination of Keppel Offshore & Marine (Keppel O&M) and Sembcorp Marine, together with the resolution of Keppel O&M's legacy rigs, and the proposed divestment of our logistics business in Southeast Asia and Australia.

The decision to commence discussions on the proposed combination of Keppel O&M and Sembcorp Marine was not an easy one for Keppel, given the Company's heritage in and strong association with the O&M sector. But the Board and management believe that

Having landed on our long-term strategy, we are now committed to accelerating growth, and realising our Vision 2030 targets by 2025.

this is an important and necessary strategic move amidst the global energy transition and structural challenges facing the sector. If we are successful in executing the combination, I believe we would not only create a stronger combined entity, leveraging the strengths of the two companies, but also significantly sharpen Keppel's focus, simplify our business and trigger a re-rating of the Company.

The rationale for the proposed divestment of the logistics business is clear, given our plans to be more disciplined, and to focus on needle-moving businesses aligned to our long-term strategy.

In 2021, we also announced the proposed acquisition of the Singapore Press Holdings (SPH) portfolio. We are grateful to shareholders for your overwhelming support at the Extraordinary General Meeting in December 2021. As Keppel has commenced arbitration proceedings, I will not comment further on this matter, except to highlight that the proposed acquisition was in part opportunistic, given SPH's plans to restructure and divest its non-media business. Apart from the SPH portfolio, we are also exploring other exciting M&A opportunities, as we continue to grow Keppel's business in line with Vision 2030.

Beyond business transformation at the portfolio level, we have also been driving innovation and transformation in each business unit, whether it is Keppel Infrastructure's rollout of Energy-as-a-Service, Keppel Land's pivot from a traditional developer to be an asset-light urban space solutions provider, or M1's digital transformation.

PURSUING GROWTH AT SPEED AND SCALE

The world is changing rapidly, with technological advancement and macrotrends such as urbanisation, digitalisation, climate change and the energy transition both disrupting businesses and creating new opportunities.

Vision 2030 was developed in response to many of these macrotrends, a number of which have been further accelerated by COVID-19 and growing concerns about climate change. Importantly, Vision 2030 is not a static document cast in stone. We will closely monitor the evolving operating environment and adjust our strategy and business model to ensure we remain competitive and relevant, and well-placed to create value for all our stakeholders.

Keppel has announced renewables projects with a total capacity of 1.1GW, including the acquisition of a majority stake in leading solar platform Cleantech Renewable Assets.
(In picture: One of Cleantech's assets in Singapore)

M1 continues to roll out its 5G Standalone (SA) network, which achieved 50% outdoor coverage in Singapore as at end-2021.

ASSET MONETISATION

$2.9b

Announced from 4Q 2020 to end-2021.

We will also focus on driving growth in terms of both speed and scale. When we first set out to draft Vision 2030, a longer time frame was deliberately chosen to give our younger business leaders a longer runway to boldly envisage a different future Keppel. Having landed on our long-term strategy, we are now committed to accelerating growth, and realising our Vision 2030 targets by 2025.

We are also exercising firm discipline in capital allocation. Instead of being a highly diversified conglomerate, we will be more selective about the businesses we are involved in. We will double down and scale up in our chosen areas, and not be engaged in too many sectors.

SHARPENING THE USE OF OUR CAPITAL

We are adopting an asset-light business model, as can be seen from our asset monetisation programme, as well as our efforts to tap third-party funds for growth. Since the launch of the asset monetisation programme, we announced $2.9 billion of asset monetisation from 4Q 2020 to end-2021, and received about $2.7 billion in cash over this period, thus freeing up our balance sheet to fund new pursuits and also reward shareholders. We are confident of exceeding our asset monetisation target of $5 billion by end-2023; but we will not stop there. Asset monetisation will be a key part of Keppel's business model and ecosystem for value creation going forward.

We have also pivoted away from relying mainly on our balance sheet for new projects, a recent example being Keppel Corporation's collaboration with Keppel Asia Infrastructure Fund (KAIF) and a co-investor of KAIF to acquire a majority stake in Cleantech Renewable Assets, a leading solar platform.

Our Asset Management business will be an increasingly central pillar for the Group, not just as a vertical yielding recurring fee income or as a platform for capital recycling, but as a "horizontal" that brings the Group together to collaborate and hunt as a pack, working alongside third-party investors to expand our capital base.

HARNESSING TECHNOLOGY IN THE PRESENT AND FOR THE FUTURE

We are also investing in technology, a key enabler of Keppel's future growth. This is driven both centrally, with valuable inputs from our Keppel Technology Advisory Panel, and also in each of our business units. For example, Keppel Infrastructure is collaborating with partners to explore various clean energy and decarbonisation solutions; Keppel Land is focusing on smart and sustainable buildings; M1 is rolling out its 5G Standalone network and 5G use cases; while Keppel Data Centres is exploring ways to reduce the carbon footprint of data centres. We have also stepped up our investment in start-ups and venture capital funds to gain early access to intellectual property and technology, and build new capabilities. Some of the innovative solutions we are exploring, such as energy-efficient floating data centres, can be commercialised fairly soon, while others such as carbon capture, utilisation and storage, will take more time to materialise. But we have started the journey, with an eye on the future.

PUTTING SUSTAINABILITY AT THE CORE OF STRATEGY

2021 was also a year in which we made significant progress in our sustainability journey. Ahead of the United Nations Climate Change Conference in Glasgow, we announced our commitment to halve the Group's Scope 1 and 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050. Achieving this target would require us to pay close attention to the carbon footprint of our businesses, including the M&A opportunities we explore, and how we harness renewable energy and improve the energy efficiency of our assets.

Since 2020, we have committed to support the recommendations of the Task Force on Climate-related Financial Disclosures, and are deepening our understanding and disclosure of climate-related risks and opportunities. In 2021, we conducted a high-level assessment of the vulnerability of 50 of the Group's key assets to physical climate risks. Based on the findings, business units will consider possible mitigation or adaptation measures to be taken, where necessary.

The net zero commitments made by many governments and companies around the world will drive demand for renewables, clean energy and decarbonisation solutions. These are areas where Keppel has the relevant capabilities and track record, and where we can make a difference to the global decarbonisation agenda.

During the year, we announced a series of sustainability-related business initiatives, such as exploring the import of renewable energy to Singapore and the proposed development of supply infrastructure to bring liquefied hydrogen into Singapore to power Keppel's data centres. We will pursue even more of such initiatives going forward, as we make sustainability our business.

BUILDING A SUSTAINABLE FUTURE TOGETHER

Governance is a key aspect of sustainability, and Keppel remains focused on corporate governance, compliance and risk management. We continued to enhance the Group's compliance measures, including progressively rolling out the ISO 37001 Anti-Bribery Management System across business units. We have also strengthened our cyber security governance structure and established a Keppel Cyber Security Centre to address the increasing prevalence of cyber security and data privacy risks.

In recognition of Keppel's commitment to corporate governance and sustainability, Keppel was conferred the prestigious Singapore Corporate Governance award at the Securities Investors Association (Singapore)'s Investors' Choice Awards 2021. We also retained the highest MSCI AAA ESG rating, which we have held since early-2020. These accolades reaffirm the Board's and management's efforts to improve corporate governance and sustainability practices, and encourage us to strive for even higher standards.

VOLUNTEER HOURS

>12,000 hrs

Of community outreach and service by Keppelites globally.

> We have announced our commitment to halve the Group's Scope 1 and 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050.

Keppel Land is seizing opportunities in sustainable urban renewal.
(In picture: Keppel Bay Tower, Singapore's first BCA Green Mark Platinum (Zero Energy) commercial building.)

Safety is one of Keppel's core values, and we maintained our unwavering focus on health and safety during the year. I am pleased to share that in 2021, Keppel achieved our zero-fatality target for our global operations and also saw improvements across our Total Recordable Injury, Accident Frequency and Accident Severity Rates.

People are our most valuable asset, and we continued to invest in training and development, strengthening succession planning and deepening staff engagement. Despite COVID-19-related disruptions, our workforce remained highly engaged, with an engagement score of 84% in the 2021 Employee Engagement Survey, about 6% above Mercer's Singapore average, and 4% above Mercer's global average. We have enhanced efforts to improve the overall well-being of employees, paying particular attention to mental health amidst the prolonged pandemic. This includes organising workshops on mental wellness and activities to promote healthy lifestyles, and making available professional counselling for employees who may need such services.

Keppel has always believed that when our communities thrive, we thrive. We seek to contribute to society in different ways, through charitable donations, community investments, commercial initiatives that contribute to building a more resilient and inclusive society, as well as staff volunteerism.

Since the start of the pandemic, Keppel has disbursed about $5.5 million to the fight against COVID-19, in Singapore and overseas. New initiatives in 2021 include a $300,000 donation to the Digital for Life Fund, set up by the Infocomm Media Development Authority, to help low-income seniors to be more connected with their communities using digital tools, and the donation of laptops to students from lower income families to support home-based learning. In support of environmental conservation, we announced a $1 million donation to support the development of the Keppel Coastal Trail at Labrador Nature Reserve in Singapore. The trail would help safeguard core habitats and critically endangered native species, and also enhance public awareness of the role of coastal forests in mitigating the impact of climate change and rising sea levels.

Mr Desmond Lee (centre), Minister for National Development and Minister-in-charge of Social Services Integration, Mr Danny Teoh (right), Chairman of Keppel Corporation and Mr Loh Chin Hua (left), CEO of Keppel Corporation, together with Keppel Volunteers and members of the community, planted 50 trees at Labrador Nature Reserve on 7 November 2021 to mark the launch of the Keppel Coastal Trail.

Beyond financial support, Keppel's staff provided more than 12,000 hours of volunteer community outreach and service globally, including both physical activities held in accordance with safe management measures, as well as virtual events.

ACKNOWLEDGEMENTS

I would like to thank Dr Lee Boon Yang for his strong leadership and invaluable contributions as chairman of the Board for close to 12 years, before his retirement in April 2021. Boon Yang played a pivotal role to help the Company remain resilient amidst challenging conditions, and lay the foundation for its future growth.

We are pleased to welcome Mr Shirish Apte as an independent director. Shirish brings to the Board a wealth of experience in the global banking and financial services sector, which is invaluable to the Company in the next phase of its growth.

In line with the prevailing SGX listing rules, which came into effect on 1 January 2022, I am no longer considered an independent director, after having served for more than nine years on the Board. Reflecting our commitment to high standards of corporate governance, Mr Till Vestring has been appointed Lead Independent Director with effect from 1 November 2021. Till has served for over six years on the Board and shown his dedication and commitment to strong corporate governance. We thank Till for accepting this new responsibility and look forward to his continued contributions.

I would also like to express my deep appreciation to fellow directors for their dedication and wise counsel, which helped Keppel to deliver strong results amidst a tough operating environment. I am also grateful to our partners and other stakeholders for their confidence and support for Keppel.

Finally, I would like to thank and commend Keppelites around the world for their many contributions to the Company and to the communities, wherever we operate. We will continue to work together with all stakeholders to advance sustainability and accelerate growth.

Yours sincerely,

DANNY TEOH
Chairman
25 February 2022

THE KEPPEL OF TOMORROW WILL BE DEFINED BY OUR FOCUS ON SUSTAINABILITY, BEING ASSET LIGHT, AND HARNESSING TECHNOLOGY.

LOH CHIN HUA Chief Executive Officer

Q From Keppel's perspective, how would you characterise 2021?

A 2021 was a watershed year for Keppel, as the Group rallied together to accelerate the execution of Vision 2030. Against a volatile backdrop marked by continuing COVID-19-related curbs, supply chain disruptions, geopolitical tensions and inflation, Keppel delivered a strong set of results.

For the first time since 2015, at the start of the offshore & marine (O&M) downturn, Keppel Corporation's full year net profit crossed $1 billion, reversing the net loss of $506 million in 2020. Our revenue also grew 31% to $8.6 billion in 2021.

Significantly, our strong progress in asset monetisation contributed to a strong cash inflow of $1.75 billion for the year, compared to an outflow of $72 million in FY 2020. Our net gearing also fell to 0.68x at the end of 2021 from 0.91x at the end of 2020. We were thus able to propose a final dividend of 21.0 cents, bringing the total dividend to 33.0 cents per share, more than three times what we had paid for the whole of FY 2020.

As part of our efforts to be more disciplined and refocus our portfolio, we announced the proposed combination of Keppel Offshore & Marine (Keppel O&M) and Sembcorp Marine, including the resolution of Keppel O&M's legacy rigs, as well as the proposed divestment of our logistics business. We have made good progress in both these areas and are working towards signing definitive agreements by the end of 1Q 2022.

During the year, we continued to drive transformation and growth in each of our key business units. We have also made significant strides forward in other Vision 2030 targets, such as strengthening governance, driving innovation, enhancing employee engagement, and improving our safety performance. We achieved our zero-fatality target in 2021 and saw improvements across our Total Recordable Injury, Accident Frequency and Accident Severity Rates. Reflecting our commitment to sustainability, we announced our target to halve the Group's Scope 1 and 2 carbon emissions by 2030 from 2020 levels and achieve net zero by 2050.

Q What are Keppel's priorities in 2022?

A In 2022, our focus will continue to be on accelerating our Vision 2030 plans to transform Keppel, building on the strong momentum of 2021. We will continue our asset monetisation programme and increasingly pivot towards an asset-light model. We will gravitate away from lumpy earnings to more recurring income, and will also continue working towards our medium to long-term Return on Equity (ROE) target of 15% per annum.

In the year ahead, we will look at further focusing and simplifying our business. Under Vision 2030, we see ourselves not as a conglomerate of diverse parts but as one integrated business providing solutions for sustainable urbanisation.

As we pursue the many exciting growth opportunities, we will be very disciplined and selective about what we will do. We will double down and scale up in our focus areas such as renewables, decarbonisation solutions, sustainable urban renewal, data centres and asset management. We will also continue to focus on risk management, compliance and controls, safety and project execution.

The Keppel of tomorrow will be defined by our focus on Sustainability, being Asset Light, and harnessing Technology, which has always been one of Keppel's fortes. I am confident that, guided by Vision 2030, we will emerge stronger, more relevant, and on a faster growth path than before.

Q Can you provide an update on your asset monetisation programme? What will you do after you have achieved the $5 billion target? Will you set a new target?

A We have been making good progress over the past one and a half years. We announced in September 2020 that we planned to achieve $3-5 billion in asset monetisation over three years. At our first half results in 2021, I shared that we were confident of reaching the higher end of our target by the end of 2023.

With $2.9 billion in asset monetisation announced by the end of 2021, as well as a pipeline of deals that we are currently working on, I am confident that we can exceed our asset monetisation target of $5 billion by the end of 2023, if not earlier.

We will focus on exceeding the $5 billion target first, before setting any new targets.

The key point is that asset monetisation is integral to Keppel's strategy to be asset light, and we have seen how powerful it can be in improving cashflow and earnings. We will not be stopping at $5 billion but will continue to drive asset monetisation as a consistent feature of Keppel's business model moving forward. This will allow us to regularly unlock capital for re-investing into new growth areas, as well as reward our shareholders sustainably.

Q Can you provide an update on the proposed combination of Keppel O&M and Sembcorp Marine, as well as the resolution of the legacy rigs? What is Keppel O&M doing in the meantime?

A Discussions on the proposed combination of Keppel O&M and Sembcorp Marine are progressing steadily. As it is a highly complex transaction, both sides are doing detailed due diligence. I am optimistic that we can arrive at a mutually beneficial proposition, and we are working towards signing definitive agreements by the end of the first quarter of 2022.

In the meantime, Keppel O&M is pressing on with its transformation to be a nimble, asset-light and people-light Operating Company (Op Co), focused on seizing opportunities in the energy transition. These efforts have allowed Keppel O&M to perform resiliently, even though the O&M sector remains challenging and continues to be affected by labour and supply chain disruptions.

In 2021, Keppel O&M secured $3.5 billion in new orders and ended the year with a strong net orderbook of $5.1 billion.

We will further focus and simplify our business. We see ourselves not as a conglomerate of diverse parts but as one integrated business providing solutions for sustainable urbanisation.

Keppel is well-placed to provide compelling solutions that can help to advance sustainable development and climate action. *(In picture: Artist's impression of climate-resilient nearshore urban developments or "floating cities", which Keppel Land is exploring with other Keppel business units.)*

The Group is actively exploring opportunities in low-carbon energy such as renewable energy and liquefied hydrogen, among other areas.

It also continued with aggressive cost management efforts that led to a reduction of about $140 million in overheads year-on-year. In line with our earlier stated target for Op Co[1] to be financially independent and profitable over time, Op Co achieved a net profit of $66 million for FY 2021.

With rising oil prices, the offshore drilling rig market has also shown signs of improvement. Utilisation and day rates for modern jackups, which make up the bulk of Keppel O&M's legacy rigs, both improved during the year and are expected to rise even further over the next few years. With improving market conditions, we are hopeful that Keppel O&M's legacy rigs, which would be injected into a separate Asset Co to be majority owned by external investors procured by Kyanite Investment Holdings, can be substantially monetised over the next three to five years.

If we are successful in the proposed combination of Keppel O&M and Sembcorp Marine and the resolution of the legacy rigs and associated receivables, our Energy & Environment segment would then comprise our business activities in renewables, new energy, decarbonisation and environmental solutions. It will be much more streamlined, focused and aligned to Keppel's mission.

Q Can you provide an update on the key initiatives that Keppel is undertaking in the sustainable infrastructure space as you make sustainability your business?

A Sustainability holds immense business opportunities for Keppel. The net zero commitments made by governments and companies around the world will create strong demand for renewables, clean energy as well as decarbonisation and environmental solutions. These are areas where Keppel has strong capabilities and a proven track record, and where we can help our customers on their journeys to net zero.

Many of the Group's new business pursuits and research and development efforts in the past year were in these areas, including exploring the import of renewable energy to Singapore, developing electric vehicle (EV) charging infrastructure, securing Singapore's first Energy-as-a-Service contract, and studying the feasibility of developing an Asia-Pacific green ammonia supply chain.

In December, we announced the acquisition of a majority stake in Cleantech Renewable Assets, a leading solar energy platform. Including this transaction, we have announced renewables projects with a total capacity of 1.1GW. As we progress towards our target of 7.0GW of renewable energy assets, we will not only pursue greenfield developments, but will also explore opportunities to acquire stakes in established renewable energy platforms, allowing us to grow our presence in renewables even more quickly.

A big part of our business is also in providing decarbonisation solutions, whether it is through Keppel Infrastructure, Keppel Land or Keppel Data Centres. Keppel has been helping our customers drive down their carbon footprint through district cooling systems as well as smart, zero-energy buildings. We are also working on energy-efficient floating data centres that use seawater for cooling, which we plan to launch in 2022, subject to regulatory approval.

Over the longer term, we are also looking at developing solutions for carbon capture, utilisation and storage, as well as new energy solutions, such as green ammonia and hydrogen, to meet the burgeoning global demand for clean energy.

As we progress towards Vision 2030, we will continue to explore inorganic opportunities to acquire assets, operating platforms and technologies that would allow us to scale up quickly in these new areas. Keppel Capital can also bring in additional funding from private investors to increase the Group's dry powder for investments.

Q What are your views of the China market in light of the debt crisis facing Evergrande and other Chinese developers?

A Although sentiments have turned more cautious after the debt crisis affecting developers in China, we remain optimistic and confident about opportunities in China over the mid to long-term. Despite the slowdown in GDP growth, China's economy, which grew 8.1% in 2021, is still one of the fastest growing economies in the world. The Chinese government is also taking steps to stabilise the economy.

China should not be seen as one market; the debt crisis and slowing growth are not affecting different Chinese cities in the same way. In 2021, Keppel Land's home sales in China actually grew 32% year-on-year to 2,780 units. In the Tier 1 cities where Keppel is present, demand remains quite strong, as we have seen from some of our recent launches.

In every crisis lies threats, and also opportunities. The current situation in China's real estate market may present opportunities for Keppel, as some local developers in China may need foreign capital to help them invest. This is where we can play a role, either as a joint venture partner, or a provider of funding by bringing in co-investors.

Q How is Keppel Land progressing in its transformation into an asset-light provider of urban space solutions?

A Keppel Land made significant progress towards becoming an asset-light urban space solutions provider over the past

Renewables, clean energy, decarbonisation and environmental solutions are areas where Keppel has strong capabilities and a proven track record, and where we can help our customers on their journeys to net zero.

year. It completed the monetisation of eight projects in FY 2021, with total proceeds of about $1.9 billion and net gains of over $450 million[2].

About 60% of the proceeds were realised from its residential landbank, which is held in our books at cost. At the end of 2021, our residential landbank had a historical cost of about $3.8 billion, while the market value of these assets was almost 74% higher at $6.6 billion. There is thus substantial value that we can continue to unlock through our asset monetisation programme and redeploy for growth moving forward.

Meanwhile, Keppel Land is also actively working with Keppel Capital to access more third-party funds for investments. In January 2022, Keppel Land together with Keppel Vietnam Fund and its investor, acquired a 49% interest in three residential land plots in Hoai Duc, Hanoi for close to $160 million. Through working with Keppel Capital, Keppel Land can scale up in its key markets in a more asset-light manner.

Real estate today is undergoing a fundamental business model redesign, accelerated by the pandemic, and enabled by digitalisation and a growing market for smart buildings. Keppel Land is remaking itself to embrace new business models such as Real Estate as a Service and leveraging new technologies and artificial intelligence to sharpen its focus on customer centricity, all of which will contribute to growing recurring income. Some of the initiatives being explored include offering core or flex space solutions for individuals and businesses, transforming office and retail spaces with digital and experiential offerings, senior living and related amenities, as well as digital services for smart cities.

Keppel Land is also expanding its capabilities to provide solutions for sustainable urban renewal. A good example of this is Keppel Bay Tower, a 20-year-old office property, which we had upgraded and turned into Singapore's first BCA Green Mark Platinum (Zero Energy) commercial building. This is not only a good business case but also contributes towards sustainable development by reducing waste and supporting the circular economy.

Q How will Keppel grow its Connectivity business into a bigger contributor to the Group?

A Connectivity, as the name suggests, can play a key role in linking up Keppel's business units. Our data centre business is a foremost example of how our diverse value chains are converging, as business units work steadily together to grow the pie.

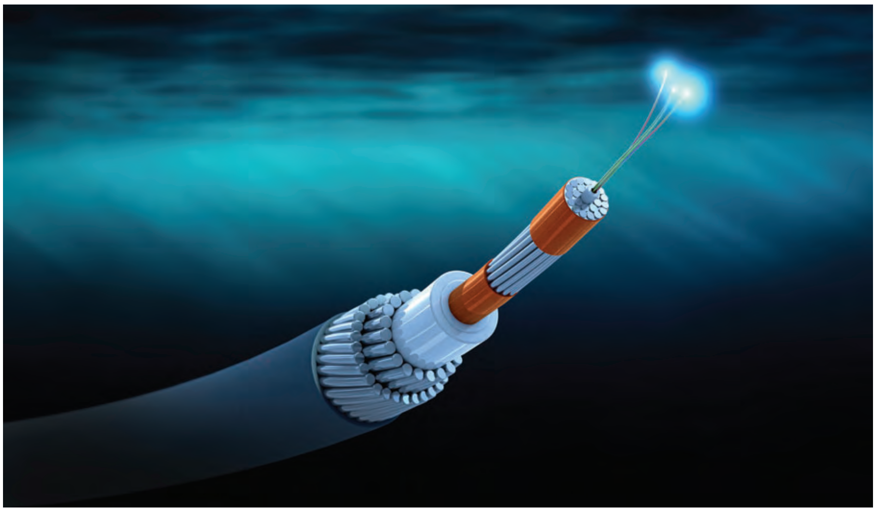
Keppel is probably one of the most – if not the most – integrated data centre solutions provider in the world. We not only have a strong track record for developing and operating data centres, but also an established asset management platform that nurtures these assets from cradle to maturity, as well as capabilities in clean energy and infrastructure.

Leveraging the Group's expertise in the Energy & Environment segment, we are exploring how we can centralise the provision of utilities required by data centres. We are looking into implementing our proven district cooling solutions to reduce power consumption for cooling data centres. Keppel Infrastructure and Keppel Renewable Energy are also exploring the provision of renewables, and zero-carbon energy alternatives including hydrogen to power the data centres. Our integrated solutions will not only improve energy efficiency and reduce carbon emissions of data centres but can also be a key strategic differentiator for Keppel.

Through our investment in the Bifrost Cable System, Keppel's data centre customers can also benefit from the enhanced connectivity and network diversity that Bifrost affords. Already, we have seen strong demand for our fibre pairs and are confident that most of these would be committed before the cable system is completed in 2024.

Meanwhile, M1 has made good progress in a multi-year journey to transform itself from a traditional telco into a cloud native connectivity platform. It is swiftly rolling out its 5G Standalone network and 5G use cases in Singapore, while expanding its enterprise business in the region. We will fully leverage M1's 5G and data analytics capabilities to glean actionable insights, as well as connect and empower the Group's spectrum of solutions from smart buildings to infrastructure plants to asset management.

1 Op Co comprises Keppel O&M (excluding the legacy completed and uncompleted rigs and associated receivables) and its interests in Floatel and Dyna-Mac.
2 About $380 million of the net gains were recognised in FY 2021, while the rest was recognised in FY 2020.



Keppel has seen strong demand for its fibre pairs in the Bifrost Cable System, whose manufacturing commenced in December 2021.

With our business units working together as an integrated value chain, supported by highly energised employees, I am confident that we can achieve our Vision 2030 targets by 2025.

To further drive the Group's digital transformation, we have recently appointed M1's CEO, Manjot Singh Mann, concurrently as Keppel's Chief Digital Officer. This reflects our focus on leveraging digital transformation to accelerate the achievement of Keppel's business priorities, harness the Group's synergies and sharpen our competitive edge. As we further integrate our solutions and value chains, Keppel is set to become a formidable connectivity solutions partner to customers, governments, and various stakeholders.

Q What are the plans for the Asset Management business moving forward? How do you plan to scale up this business?

A Our Asset Management business has made good progress over the years. It is the segment which pulls together the rest of the Group and serves as a powerful catalyst to realise synergies and create value.

In 2021, Keppel Capital's net profit grew 38% to $117 million, from $85 million in FY 2020[1]. Asset management fees rose steadily, growing 29% year-on-year, further boosting the Group's recurring income. The assets under management (AUM) under Keppel Capital also grew by 14% to $42 billion as at the end of 2021.

Amidst international concerns about inflation, we see strong demand from investors for real assets with long-term sustainable cash flows. Many of the investors whom we speak to want to work with a partner like Keppel, who is able to develop and operate these real assets. This is where Keppel has a very unique position — beyond our own balance sheet, we can tap third-party funds to create even more end-to-end solutions for sustainable urbanisation that our customers seek.

There is sometimes a misperception that being asset light means doing less. This is incorrect. For Keppel, going asset light means doing more, with less. Let me give an example.

We said in June 2020 that the Group had $17.5 billion of monetisable assets, based on carrying value. Suppose we were able to monetise these assets at a market value of about $20 billion. If we were to use say $5 billion of the proceeds to reward shareholders through dividends, repurchase shares, and also pay down debt, then we would have $15 billion left to re-invest for growth.

Currently, Keppel Capital's AUM is $42 billion. And Keppel has put in about $3.5 billion from our balance sheet to date. Therefore, if we were to invest the entire $15 billion through Keppel Capital, then our AUM could potentially grow to over $200 billion, assuming that a similar multiple applies. Of course, this is just a hypothetical example, but it illustrates how we can do more with less and harness our asset-light model to scale up and accelerate growth.

There are many exciting assets and investment opportunities across Keppel's Vision 2030 focus areas that we can explore and expand into. What is required is solid execution, and finding the right deals to achieve our goals.

Q Can you provide an update on Keppel's initiatives to enhance collaboration across business units, and move towards one integrated business?

A We have made good progress in getting business units to work with one another over the past few years. Collaboration is now a regular part of Keppel's modus operandi. In the next chapter of Keppel's growth under Vision 2030, we are moving from collaboration to integration. We are increasingly focused on building end-to-end value chains, especially for the new growth engines where we want to scale up and establish our competitive advantage quickly.

To bring about such integration, we have formed OneKeppel Teams for each of our growth areas to zero-in on opportunities such as data centres, infrastructure, energy transition and more. OneKeppel Teams bring together talent and expertise from various business units and functions to evaluate and pursue opportunities across the projects' development stages, from cradle to maturity, be they investments by the Group's private funds, operating entities or listed REITs and business trust.

Working as OneKeppel, we can also undertake more complex deals, including those with hybrid structures, by drawing on the strengths of each business unit to offer investors and customers compelling and distinct value propositions. OneKeppel Teams will play an increasingly important role in integrating our value chains, as well as unlocking synergies and access to new profit pools.

Q What are some of the merger and acquisition (M&A) opportunities that the Group is exploring? How will you fund these opportunities?

A We are exploring a number of exciting M&A opportunities, as we continue to grow Keppel's business in line with Vision 2030. Keppel is well-placed to seize opportunities in renewables, decarbonisation solutions, urban renewal and connectivity, which are supported by the macrotrends of urbanisation, digitalisation, and growing international concerns about climate change.

As we monetise assets, we will be able to free up our balance sheet and put the capital to work in pursuing new growth initiatives. However, we are not limited just to the size of our balance sheet. We will have the option of tapping on co-investment capital from Keppel Capital's private investors, or even our REITs and Keppel Infrastructure Trust, for some of these investments. We can also choose to take on larger investments through forming consortiums.

A recent example is the acquisition of a majority stake in Cleantech Renewable Assets, a leading solar energy platform, for up to US$150 million. This deal was undertaken by Keppel Corporation, together with Keppel Asia Infrastructure Fund (KAIF) and a co-investor of KAIF. We are also in the process of engaging potential co-investors for Keppel's fibre pairs in the Bifrost Cable System.

Q Analysts have described FY 2021's total cash dividend of 33.0 cents per share as "generous". Is this a sustainable level moving forward?

A We know that dividends are important to many of our shareholders. While we do not have an explicit dividend policy, we have been consistent in paying

[1] Keppel Capital's net profit includes 100% contribution from the Manager of Keppel DC REIT.

out 40-50% of our annual net profit as dividends over the past few years.

We have proposed a generous final dividend, considering not only the profit that has been made, but also the strong progress the Group has achieved in our asset monetisation programme. The total dividend of 33.0 cents per share for FY 2021 represents a 45% payout ratio, after ringfencing $318 million of impairments associated with KrisEnergy, as we said we would. This translates into a gross dividend yield of 6.4% on Keppel Corporation's last transacted share price of $5.12 as at 31 December 2021.

As the Group's financial performance and recurring income continue to improve, and we make further progress in achieving our monetisation target in excess of $5 billion by end-2023, I am confident that we can continue to reward Keppel's shareholders well.

Q What was the rationale for launching the $500 million Share Buyback Programme? Why is Keppel raising its share purchase mandate to 5%?

A We are proposing to raise Keppel Corporation's share purchase mandate from 2% to 5% to support and accelerate our share buyback programme.

Shares repurchased under the buyback programme will be held as treasury shares which will be used in part for the annual vesting of employee share plans, and more importantly, as possible currency for future M&A activities under Vision 2030. Rather than paying a full cash consideration, we will be able to offer a mix of cash and shares when making acquisitions. This is especially important when acquiring founders' platforms. Using shares as acquisition currency would help ensure that the founders of such platforms have vested interests in the long-term success of Keppel, thereby aligning their interests with Keppel's.

Q Can you share more about Keppel's focus on sustainability and climate change?

A Sustainability is not new for Keppel. But as part of Vision 2030, we have given it even greater importance and put it at the core of our strategy. This means both running our business sustainably, and providing solutions that help governments and our customers get to net zero and contribute to climate action. In line with our enhanced focus on sustainability, we have appointed a Chief Sustainability Officer to lead the Group's sustainability efforts.

We have announced our carbon emissions reduction targets, which feature prominently in the performance scorecards and long-term incentives of senior management across the Group. We are also increasing our focus on climate-related risks and opportunities, in line with the recommendations of the Task Force on Climate-related Financial Disclosures.

Just as importantly, we are making sustainability our business. Many of our new business initiatives are in sustainability-related areas such as clean energy, EV charging infrastructure and green buildings. Keppel's businesses and the solutions we provide are also highly aligned to Singapore's Green Plan 2030. These are areas where Keppel has the relevant capabilities and track record, and where I believe we can make a significant contribution to the world.

Q Are you optimistic about achieving Vision 2030 goals by 2025?

A The short answer is, yes, certainly. As the world focuses increasingly on climate change and environmental degradation, Keppel is well-placed to provide compelling solutions that can help to combat climate change and advance sustainable development.

We are in the right space, at the right time. I am heartened to note that in a recent survey, 83% of Keppelites have indicated that they are inspired by our mission to provide solutions for sustainable urbanisation.

With our business units increasingly working together as an integrated value chain, and supported by highly energised employees, I am confident that Keppel can achieve our Vision 2030 targets by 2025.

Supported by highly energised employees, Keppel can achieve our Vision 2030 targets by 2025.

HIGHLIGHTS OF ACHIEVEMENTS **IN 2021**

1

Business Transformation in Line with Vision 2030

- Organic transformation of Keppel Offshore & Marine (Keppel O&M); signed Memorandums of Understanding for proposed combination of Keppel O&M and Sembcorp Marine and resolution of legacy rigs.
- Proposed divestment of logistics business in Southeast Asia and Australia.

ENERGY & ENVIRONMENT

- Seizing opportunities in renewables, clean energy, decarbonisation and environmental solutions.

URBAN DEVELOPMENT

- Transforming Keppel Land into an asset-light urban space solutions provider.

CONNECTIVITY

- Scaling up data centre business, while driving innovation to reduce its carbon footprint; expanded into adjacent subsea cable business.
- Continuing M1's digital transformation and 5G Standalone network rollout, and growing its enterprise business.

ASSET MANAGEMENT

- Expanded assets under management by 14% to $42 billion.
- Deepened OneKeppel collaboration to tap third-party funding for growth.

MAKING SUSTAINABILITY OUR BUSINESS

- Various business pursuits and R&D projects related to sustainability, including acquiring a majority joint venture stake in Cleantech Renewable Assets, developing electric vehicle charging infrastructure, securing the first Energy-as-a-Service contract in Singapore, and exploring the import of renewable energy into Singapore.
- Announced 1.1GW of renewables projects to date, progressing towards target of 7.0GW.

> We are committed to business transformation, actively pursuing our targets and delivering on our focus areas.

RUNNING OUR BUSINESS SUSTAINABLY

- Announced target to halve Scope 1 and 2 emissions by 2030 from 2020 levels, and achieve net zero by 2050.
- MSCI AAA ESG rating; Industry Mover in the S&P Global Sustainability Yearbook 2022.

MSCI ESG RATINGS AAA

Sustainability Award Industry Mover 2022 S&P Global

2

Financial Performance

NET PROFIT
$1.02b
compared to loss of $506m in FY 2020

GEARING
0.68x
at end-Dec 2021, compared to 0.91x at end-Dec 2020

ROE
9.1%
compared to negative 4.6% in FY 2020

ASSET MONETISATION
$2.9b
announced since 4Q 2020, $2.7b cash collected

CASHFLOW
$1.75b
inflow, compared to $72m outflow in FY 2020

TOTAL DIVIDEND
33 cents
cash dividend per share for FY 2021, compared to 10 cents for FY 2020

RECURRING INCOME
$292m
33% increase over $220m in FY 2020

3

Governance, Compliance, Risk Management & Safety

GOVERNANCE
- Continued to roll out ISO 37001 Anti-Bribery Management System across business units.

RISK MANAGEMENT
- Strengthened cyber security governance structure, established Keppel Cyber Security Centre.
- Conducted physical climate risk assessment of 50 of the Group's key assets.

SAFETY
- Achieved zero fatalities across global operations, and saw improvements in Total Recordable Injury, Accident Frequency and Accident Severity Rates.

We are making sustainability our business, by providing solutions that contribute to a cleaner and greener world.

4

People

STAFF ENGAGEMENT & DEVELOPMENT
- Received strong engagement score of 84%, 6% above Mercer's Singapore average and 4% above its global average.
- Achieved average of 20 training hours per employee, with a total of 80,000 training opportunities.
- Conducted a Group-wide talent mapping exercise and identified associated development plans.

SUCCESSION PLANNING
- Implemented leadership changes at a few key business units, as part of the Group's succession planning and leadership renewal. Potential successors identified for key leadership positions.
- Launched Board Mentorship framework to support development of new generation leaders.

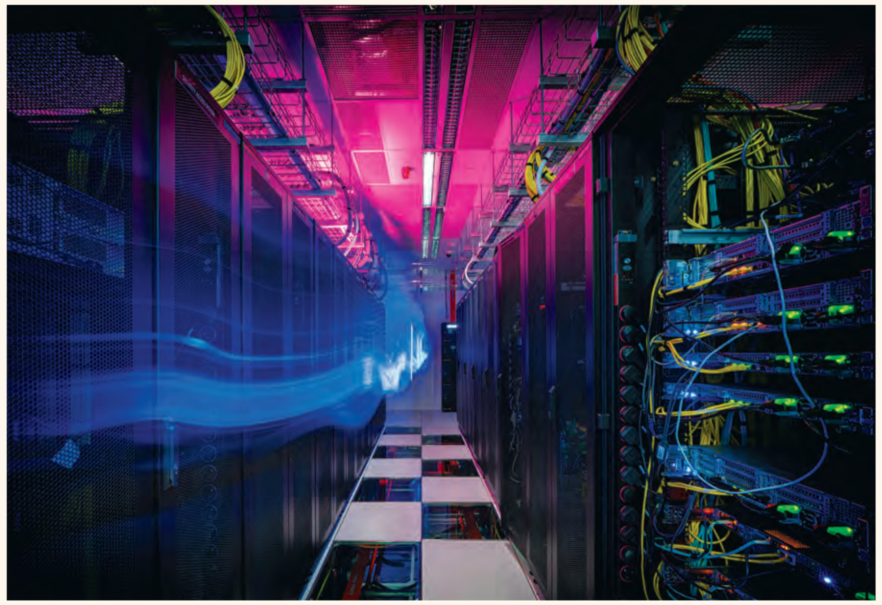
5

Corporate Social Responsibility

VOLUNTEERS
- More than 12,000 hours of community service, exceeding target of 10,000 hours.

SOCIAL INVESTMENTS
- $4.6 million contributed to worthy causes.

FOCUS AREAS IN 2022



ACCELERATE BUSINESS TRANSFORMATION
- Continue business transformation and drive growth, focusing on sustainable urbanisation solutions.
- Complete proposed transactions involving offshore & marine and logistics businesses.
- Continue asset monetisation programme, with goal of **exceeding $5 billion by end-2023.**
- Drive collaboration and integration to create compelling end-to-end solutions and realise OneKeppel synergies.
- Grow revenue from cross-business unit collaboration to **20% by 2025.**

DRIVE FINANCIAL PERFORMANCE
- Achieve Vision 2030 financial targets, including **mid to long-term ROE target of 15%**.
- Maintain gearing below 1.0x.

ENHANCE GOVERNANCE, COMPLIANCE, RISK MANAGEMENT & SAFETY
- Ensure strong governance, risk management, compliance, controls and safety record.

DEVELOP HUMAN CAPITAL
- Continue staff engagement and development.
- Enhance succession planning.

CHAMPION SUSTAINABILITY
- Work towards ESG goals, including long-term carbon emissions reduction targets.
- Make a positive impact on the community.

TECHNOLOGY AND INNOVATION

Amidst a fast-changing environment, technology and innovation are key enablers for Keppel to achieve its Vision 2030 plans.

Technology and innovation efforts are driven both at the Group and business unit (BU) levels.

Keppel Technology & Innovation (KTI), which was established in 2018, serves as the Group's platform to sharpen its focus on innovation, provide technology foresight in a rapidly evolving environment, and identify long gestation opportunities in collaboration with BUs. BUs also have dedicated innovation teams that, working in collaboration with KTI, identify, scope and pursue ideas and projects within their respective segments, such as Keppel Infrastructure's Keppel Energy Transition Centre (KETC) or Keppel Land's Innovation Agile Team (IAT).

Beyond in-house capabilities, the Group also has a Keppel Technology Advisory Panel, comprising eminent business leaders and industry experts from across the world, which guides the Group's innovation journey and provides technology foresight.

With effect from 1 March 2022, Keppel has appointed a Chief Digital Officer (CDO), and also established a Group Digital Office – a newly created department to drive digital transformation, as well as a Digital Transformation Steering Committee, which will be chaired by the CDO.

TECHNOLOGY & INNOVATION MANAGEMENT

Keppel looks at technology and innovation across three lenses: business segments, time horizon and key technologies.

BUSINESS SEGMENTS

Energy & Environment: We are collaborating with upstream, midstream and downstream partners to develop decarbonisation solutions and new energy systems. We are leveraging Keppel's energy systems engineering expertise to develop new infrastructure, power systems and carbon capture technologies.

Urban Development: We are focusing on smart, sustainable buildings and cities, new services to enhance the live-work-play experience, as well as innovative climate-resilient nearshore urban developments, which can help to mitigate the impact of climate change and rising sea levels.

Connectivity: We are focused on delivering new generations of energy-efficient and green data centres, including energy-efficient floating data centre parks, to meet the global IT demand sustainably. We are also rolling out M1's 5G Standalone network and developing the world's first subsea cable system that directly connects Singapore to the west coast of North America via Indonesia.

Asset Management: We are building the digital foundation to connect our assets around the world, enabling more streamlined operations and optimised decision making.

TIME HORIZONS

We are exploring opportunities across three time horizons:

- **Engine 1: Current businesses**
  Our focus is on driving efficiencies and continued expansion through digitalisation and advanced analytics, to reduce cost, deepen customer engagement and centricity and accelerate growth.
- **Engine 2: Existing or new businesses that we are scaling up**
  We seek to unlock applications for new and disruptive technologies through an ecosystem approach involving in-house as well as external expertise from industry, research centres and academia.
- **Engine 3: Longer term opportunities**
  These are high-potential opportunities which we are exploring for the long term, but with limited impact expected within the next three years.

KEY TECHNOLOGIES

Digitalisation & Automation: We are driving digitalisation across the Group to streamline operations and create new products and services for our customers. These solutions can be applied across Keppel's different facilities.

Advanced Analytics: We are investing to build an integrated digital backbone across the Group, aimed at better leveraging the abundant data that our businesses continuously generate, with the objective to enhance our operations and decision making, as well as build new platforms such as a B2C ecosystem.

New Energy Systems: Amidst the energy transition, we are researching and developing the technologies required to enable new energy value chains. Hydrogen is expected to be a critical energy vector and we are exploring solutions for multiple carrier forms. We are also building new energy systems and creating new business models such as Energy-as-a-Service to meet our customers' needs.

Smart Engineering: We are building on our engineering capabilities and collaborating with partners on the newest design, engineering and manufacturing technologies. We aim to increase energy efficiency, reduce time to market, cost to build and operate, and the environmental footprint of our projects.

5G & IoT: With the world seeing a multitude of applications of 5G and IoT applied to smart buildings and cities, autonomous vehicles, advanced robotics etc., we continue to build connectivity, IoT, analytics, cloud and edge computing solutions to meet future demands.

Energy & Environment

Keppel Energy Transition Centre

We are building new energy systems and creating new business models such as Energy-as-a-Service to meet our customers' needs.

In 2021, Keppel Infrastructure (KI) established the KETC as its technology and innovation arm. KETC aims to harness technological foresight and accelerate innovation and technology development with the goal of positioning KI at the forefront of the energy transition to capture opportunities presented by this macrotrend.

Core focus areas

- Energy innovation
- Environmental sustainability in waste and water treatment
- Smart grid
- InfraTech

KETC will collaborate with multiple parties, including technology providers, start-ups, institutes of research and higher learning, interest groups and funding agencies. It aims to facilitate global ecosystem partnerships, promote open innovation and co-creation, including low-carbon living labs and new digital business models, leveraging Keppel's global business footprint.

KETC supports KI's aim to be a leading player for innovative large-scale decarbonisation, low-carbon energy and environmental solutions, which will help industries and stakeholders overcome climate-related challenges and enhance energy and water resilience.

Urban Development

Keppel Land's Business Model Innovation

Keppel Land is reinventing the way it delivers value to its customers, leveraging the latest technologies.

As Keppel Land transforms from a brick-and-mortar developer into an asset-light solutions provider for urban spaces, it is also reinventing the way it delivers value to its customers.

An IAT has been established to focus on business model innovation for urban spaces. IAT comprises key representatives across departments globally, including those involved in digitalisation & technology, customer centricity, innovation investments, business development and operations.

Key thrusts

- Facilitating ideation, validation and incubation of new business ideas.
- Promoting innovation-related best practices through focused workshops and training sessions.
- Engaging proptech venture capital and the start-up ecosystem, in collaboration with government agencies.
- Taking strategic stakes in promising proptech-related venture capital funds and start-ups.

COLLABORATION AND INTEGRATION

Keppel is advancing its transformation to be one integrated business providing solutions for sustainable urbanisation by driving first collaboration and increasingly integration across business units and functions.

Guided by Vision 2030, Keppel's business units are increasingly coming together to hunt as a pack for opportunities across the Group's focus areas. As OneKeppel, we are harnessing the Group's diverse capabilities to create innovative solutions that create both value for stakeholders and competitive advantage for Keppel.

HUNTING AS A PACK

ONEKEPPEL TEAMS

Keppel continues to invest in developing systems and structures to drive integration across the Group. Synergistic platforms, known as OneKeppel Teams, are being set up to integrate talent and expertise from various business units and functions, putting Keppel in a formidable position to seize opportunities quickly and scale up in its Vision 2030 focus areas.

OneKeppel Teams adopt a cradle-to-maturity approach in evaluating opportunities across the projects' development stages, whether they are investments by the Group's operating entities, private funds, listed REITs or business trust. The diverse structure of the Teams further ensures that the perspectives and interests of the Group's varied stakeholders are well considered in any investment decision, contributing towards win-win outcomes and greater value creation.

OneKeppel Data Centre (DC) and OneKeppel Infrastructure were the first such teams to be formed in 2021, to focus respectively on investments in data centres and various types of infrastructure, including renewables, decarbonisation and environmental solutions. The OneKeppel DC team for instance, brings together investment personnel and expertise from Keppel Data Centres and Keppel Capital. The team is further guided by an advisory committee comprising senior management from various parts of the Group.

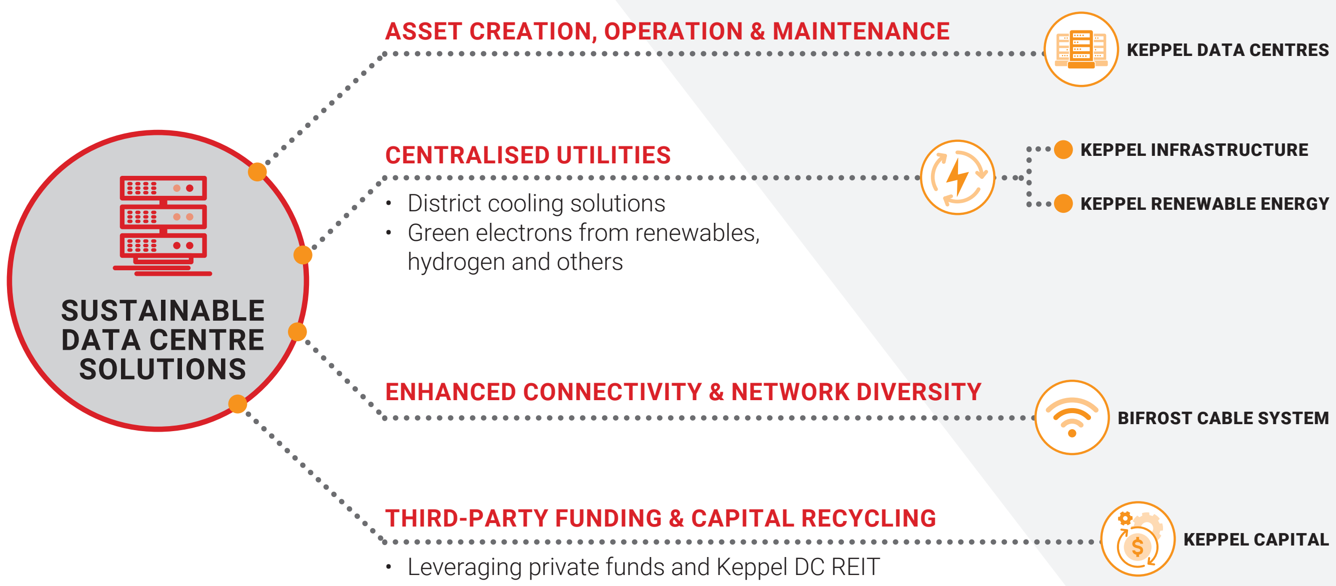
The pooling of talent and resources also enables Keppel's business units to optimise strategic execution and resource allocation, as well as enhance their operations. Through hunting as a pack, these Teams can converge potential deals across business units into a single pipeline for evaluation, thus minimising the loss of opportunities. Importantly, the OneKeppel approach allows the Group to undertake more complex deals, including those with hybrid structures, by drawing on the strengths of each business unit.

OneKeppel Teams will play increasingly significant roles in fuelling Keppel's integrated value chain, unleashing synergies and giving business units access to new profit pools that may not be available to them individually. Diverse opportunities arising from this cross-fertilisation of business units and their talents will help to develop the Group's human capital and allow Keppel to accelerate growth.

ONEKEPPEL TEAMS

KEY OBJECTIVES	Improved Execution Capabilities	Single Pipeline View	Deal Ownership	Career Development	OneKeppel Approach
	• Synchronised strategy • Better resource allocation • Break silos • Operational efficiency	• Minimise lost opportunities as OneKeppel	• Cradle-to-maturity approach	• Opportunity for exposure across different risk-return profiles of asset management and investments	• Ability to tackle more complex deals and hybrid investment deals

DRIVING INTEGRATION IN THE DATA CENTRE BUSINESS



PACKING A PUNCH

SUSTAINABLE DATA CENTRE SOLUTIONS

As a leading provider of data centre solutions, Keppel continues to push the envelope for the holistic design and development of more energy-efficient and greener concepts, such as high-rise data centres or floating data centres, which we plan to launch in 2022, subject to regulatory approval.

The launch of Vision 2030 has taken Keppel even further on this journey to explore how we can integrate the Group's various sustainable products, services and capabilities to help governments and businesses reduce their energy expenditure and carbon footprints.

IMPROVING ENERGY EFFICIENCY

We are exploring the centralisation of utilities to help decarbonise data centres by reducing energy intensity and powering them with green electrons. This involves deploying the Group's proven district cooling systems (DCS) to cool data centres, as well as providing reliable sources of green energy for the assets.

By aggregating energy loads across several buildings, Keppel's DCS facilities can greatly reduce the overall capacity requirements and costs for cooling larger scale developments, achieving up to 40% in energy savings compared to standalone systems. We are also exploring the procurement of renewables, and zero-carbon energy alternatives including hydrogen to power the data centres.

It is estimated that Keppel's centralised utilities platform can potentially improve the Power Usage Effectiveness of data centres by as much as 20-30%.

VALUE CREATED

$1.1b

cumulative value created by Keppel's data centre business since 2014, comprising total earnings of about $715 million and a premium of about $377 million over Keppel's carrying value of Keppel DC REIT units held as at 31 December 2021.

BOOSTING CONNECTIVITY

In addition to lowering their carbon footprint, our data centre customers can also benefit from enhanced connectivity and network diversity by tapping the Group's investment in the Bifrost Cable System. This cable system is the world's first subsea cable system that directly connects Singapore to the west coast of North America via Indonesia through the Java Sea and Celebes Sea.

PROVIDING END-TO-END SOLUTIONS

The Group's competencies in creating and operating a variety of real assets present a unique and attractive proposition to financial investors. For example, the Group can tap third-party funding for the development of real assets through our private funds, and recycle them through the Keppel-managed REITs and business trust when they have been de-risked and are generating stable cash flows.

Harnessing diverse capabilities from across the Group allows Keppel to deliver innovative solutions that differentiate us from the competition. Keppel's versatile end-to-end model can also be used to help commercialise other innovative concepts such as energy-efficient floating data centre parks and climate-resilient nearshore developments or "floating cities".

ECOSYSTEM FOR VALUE CREATION

AS ONE INTEGRATED BUSINESS WITH SUSTAINABILITY AT THE CORE OF OUR STRATEGY, WE WILL HARNESS THE STRENGTHS OF THE GROUP TO ACCELERATE GROWTH UNDER VISION 2030 AND BUILD A SUSTAINABLE FUTURE.

OUR BUSINESS MODEL

Design and Build

The Group has a strong track record in designing and developing high-quality real assets including energy and environmental infrastructure, residential and commercial properties, data centres, power plants and more.

Private Funds

Through the private funds that it creates and manages, Keppel can bring on board investors, such as pension and sovereign wealth funds, to co-invest in the development of assets across its business units. This expands Keppel's capital base to seize opportunities while it earns recurring fees from managing the private funds.

a. Own and Operate

Keppel owns and operates many of the assets it creates which can be retained as investments, yielding long-term, steady cashflows and recurring income. Business units can earn fees from leasing out and operating such assets. They can also earn fees from rendering project and asset management services to the private funds created by Keppel.

b. Turnkey

The Group also sells products and provides turnkey solutions to its customers. Some of the assets created, such as homes, will be handed over to customers when they are completed. In this phase of asset creation, business units can earn development margins from the sale of their solutions.

REAL ASSETS THAT WE CAN CREATE, OPERATE AND MAINTAIN

Keppel Marina East Desalination Plant, Singapore

Saigon Sports City in Ho Chi Minh City, Vietnam

OUR STAKEHOLDERS

Employees

People are our most valuable asset. We are committed to the well-being of our people and investing in their development. We adopt merit-based recruitment practices and emphasise diversity and inclusiveness.

Customers

Customer satisfaction is crucial to the success of our businesses. We are committed to continually improving our range of products to better meet customers' needs, including through harnessing insights from customer engagement.

Governments

Governments shape the business environments in which we operate. Political factors, policies and regulations can affect how businesses are run and also create new opportunities for companies. We track topics of concern to governments and regulatory bodies wherever we operate, and seek to not only comply with but also support the policies of national and regional governments.

Our business model, underpinned by strong collaboration and integration across business units, provides a robust ecosystem that allows us to create and capture value from all parts of the Group. From the time an asset is being created till after its injection into a Keppel-managed trust or fund, our business model produces multiple income streams.

To fuel Keppel's growth, we are also expanding the Group's capital base, bringing on board like-minded co-investors through our private funds to seize opportunities and accelerate asset creation without putting a strain on our balance sheet. We can also turn our assets efficiently through our business model, unlocking value and recycling capital to achieve the best risk-adjusted returns.

Stabilise and Monetise

The assets held as investments by Keppel and its private funds contribute revaluation gains to the Group. As these assets mature and are de-risked and stabilised, the Group can monetise them through divestments to its listed REITs and business trust as well as third parties. This process of asset monetisation enables the Group to pursue the best risk-adjusted returns by unlocking value and recycling capital to seize new growth opportunities.

REITs and Trust

The Group sponsors and manages real estate, data centre and infrastructure trusts across its business lines, which it leverages as platforms to recycle capital. Mature assets are well suited to the REITs and business trust, whose investors seek stable, recurring income.

The injection of assets to the REITs and business trust helps to grow the total portfolio of assets managed by the Group.

The Group will continue to earn fee income from asset management, as well as the operation and maintenance of the assets.

In addition, through its stakes in the listed vehicles, the Group continues to benefit from the performance and contributions of the REITs and business trust.

Income Streams

Project-based income | Recurring income | Revaluation & divestment gains

Data centre in Huizhou, China

Seasons City retail mall in Tianjin, China

Shareholders & Investors

Shareholders play an important role in the financing and governance aspects of our business. Our Investor Relations Policy sets out the principles that the Company abides by to ensure a level playing field and help shareholders and prospective investors make well-informed decisions.

Suppliers

Strong, effective relationships with our suppliers give our businesses strategic and operational advantages. By effecting stringent procurement processes and a supplier code of conduct, we aim to encourage our suppliers to adopt more sustainable practices.

Local Communities

As active members of our communities, we aim to contribute towards their continued well-being. We engage community leaders to develop impactful programmes that drive community development.

For more information on the value we create for our stakeholders, please refer to our Sustainability Report – to be published in May 2022.

WE ARE COMMITTED TO ENVIRONMENTAL STEWARDSHIP, RESPONSIBLE BUSINESS PRACTICES, AND INVESTING IN PEOPLE AND COMMUNITIES WHEREVER WE OPERATE.

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

Our Strategy
Keppel provides solutions for sustainable urbanisation, and has placed sustainability at the core of the Company's strategy. This includes both running our business in a sustainable manner, and making sustainability our business by providing solutions that contribute to a cleaner, greener world and combatting climate change.

Keppel Corporation's Board of Directors and management consider environmental, social and governance (ESG) issues in the determination of the Company's strategy and business, and are committed to contributing to the United Nations Sustainable Development Goals (SDGs). Keppel Corporation is a signatory of the United Nations (UN) Global Compact and is committed to its 10 universal principles. Keppel also supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and has incorporated them in the Group's sustainability reporting.

The three key strategic thrusts under Keppel's sustainability framework are (1) Environmental Stewardship; (2) Responsible Business; and (3) People and Community.

ENVIRONMENTAL STEWARDSHIP

As part of Keppel's Vision 2030, we have set targets to halve the Group's Scope 1 and 2 carbon emissions by 2030 from 2020 levels and achieve net zero by 2050, as well as reduce our water and waste intensity.

We are also making sustainability our business by providing solutions that contribute to sustainable development and climate action. Keppel is refocusing its portfolio on sustainable urbanisation solutions, through evaluating the fit with the Company's Vision, Mission and ESG goals as well as the risks and opportunities associated with climate change.

We are expanding the Group's involvement in renewables, clean energy and decarbonisation solutions, and have committed to grow the Group's renewable energy portfolio to 7.0GW by 2030.

RESPONSIBLE BUSINESS

The long-term sustainability of our business is driven at the highest level of the Company through a strong and effective board, good corporate governance and prudent risk management, including the evaluation of ESG risks.

We are driving collaboration across the Group, promoting innovation and harnessing technology to seize opportunities to provide sustainable urbanisation solutions.

We also work with stakeholders in our value chain to enhance their sustainability performance.

PEOPLE AND COMMUNITY

People are the cornerstone of our business. We are committed to diversity, employee well-being, workplace health and safety, and investing in the training and development of our employees to help them reach their full potential.

We strive to create value and build vibrant and inclusive communities wherever we operate, and support initiatives that contribute to protecting the environment, promoting education and caring for the underprivileged, with the goal of building a sustainable future together.

We have committed up to 1% of the Group's net profit to support worthy causes.

GOVERNANCE

Management Structure
The key material ESG factors for Keppel Corporation have been identified and are regularly reviewed by the Board and management. The Board maintains active oversight over sustainability issues, including overseeing the management and monitoring of ESG factors, and takes them into consideration in the determination of the Company's strategic direction and policies.

At the management level, the Group Sustainability Steering Committee, chaired by Keppel Corporation's Chief Executive Officer Loh Chin Hua and comprising senior management from across the Group, drives the Group's sustainability strategy. The Group Sustainability Working Committee, comprising discipline-specific working groups, executes, monitors and reports on the Group's sustainability efforts.

Keppel has also announced the appointment of a Chief Sustainability Officer (CSO) with effect from 1 March 2022. The CSO will coordinate and drive the Group's sustainability efforts, including chairing the Group Sustainability Working Committee. He will be supported by a new Group Sustainability department, which has been established to focus on sustainability issues.

Keppel's management systems, policies and guidelines, including the Keppel Group Code of Conduct, Global Anti-Bribery Policy, Environmental Sustainability Policy, Human Rights Policy, Health, Safety and Environment Policy, Statement on Diversity and Inclusion, and Supplier Code of Conduct, set standards for both our staff and, where relevant, stakeholders whom we work with. These policies, which are available on the Company's website, are regularly reviewed and refined, when necessary, in line with international best practices.

Strong Governance Framework
Keppel is focused on upholding high standards of corporate governance and business ethics. We have a strong and independent board, with six independent directors out of a total of nine directors. We have a Board Diversity Policy and are committed to board diversity in terms of skills, knowledge, experience and other aspects of diversity, such as gender, age, ethnicity and nationality. We maintain clear, consistent and regular communication with Keppel's shareholders and the investment community.

Internal Controls and Risk Management
Keppel's System of Management Controls comprises the Three-Lines Model to ensure the adequacy and effectiveness of the Group's system of internal controls and risk management. Details are disclosed on pages 94 and 95. The Group's Sustainability Risk Management Framework is integrated within the Group's Enterprise Risk Management Framework, and guides the Group's companies on the specific processes and methods applied in identifying, assessing and managing sustainability-related risks and opportunities.

For more information on Governance, please refer to page 76.

MEASURING PERFORMANCE

Performance Scorecard
The Company's performance scorecard aligns compensation with corporate and individual performance, both in terms of financial and non-financial performance. Key sub-targets within each of the scorecard areas include key financial indicators, risk management, compliance and controls measures, safety goals, environmental sustainability (including carbon emissions reduction targets), employee engagement, talent development and succession planning. Environmental sustainability targets make up 7.5% of the Company's performance scorecard.

Stakeholder Engagement
We actively engage our stakeholder groups through diverse mechanisms, including through virtual engagements when opportunities for physical interactions were more limited due to the COVID-19 pandemic.

Employees | Customers | Governments | Shareholders & Investors | Suppliers | Local Communities

RECOGNITION

- MSCI ACWI ESG Leaders Index and MSCI World ESG Leaders Index
- iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index
- FTSE4Good Index
- Euronext Vigeo World 120 Index
- Industry Mover in the S&P Global Sustainability Yearbook 2022
- Winner of the Singapore Corporate Governance Award 2021 (Big Cap) at the Securities Investors Association (Singapore) Investors' Choice Awards 2021
- Apex Winner in the Sustainable Business category at the Global Compact Network Singapore's Singapore Apex Corporate Sustainability Awards 2021
- The Keppel Group won 18 Workplace Safety and Health Awards
- Charity Platinum Award at the Community Chest Awards 2021

For more information, view our Sustainability Report on our website at www.kepcorp.com

We publish sustainability reports annually, and the next report will be published in May 2022. Our sustainability reports draw on international standards of reporting, including the Global Reporting Initiative Standards, and are externally assured. The reports are also aligned with sustainability reporting requirements by the Singapore Exchange.

SUSTAINABILITY FRAMEWORK

We are committed to the international sustainable development agenda, and leverage collaboration and partnership to support the achievement of the United Nations Sustainable Development Goals (SDGs). We have incorporated 10 of the SDGs as a supporting framework to guide our sustainability strategy.

Strategic Pillar: Environmental Stewardship

MATERIAL ISSUES
Climate Action

APPROACH
Keppel is committed to running its business sustainably. We also provide solutions which help our communities and customers reduce carbon emissions and contribute to climate action.

We are refocusing the Group's portfolio on sustainable urbanisation solutions, including through evaluating their fit with Keppel's Vision, Mission and ESG goals, and the risks and opportunities associated with climate change, as well as internal shadow carbon pricing.

Keppel will also contribute to climate action through its corporate social responsibility and public engagement efforts.

3 GOOD HEALTH AND WELL-BEING · 6 CLEAN WATER AND SANITATION · 7 AFFORDABLE AND CLEAN ENERGY · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION

HIGHLIGHTS
Keppel has committed to halve its Scope 1 and 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050.

Since 2020, Keppel has adopted an evolutionary shadow carbon pricing policy to evaluate major investment decisions, in order to contribute to climate action, mitigate climate-related risks, prepare for tougher climate legislation and higher carbon prices, and avoid stranded assets. We will continue to review and refine our shadow carbon price in response to changes in international carbon tax regimes.

Keppel has set a target to grow its renewable energy portfolio to 7.0GW by 2030, and has since 2020 announced renewables projects with a total capacity of 1.1GW.

Many of the Group's new business pursuits and research and development efforts in the past year were in renewables, clean energy, decarbonisation and environmental solutions. These include the acquisition by Keppel Corporation together with a Keppel Capital consortium, of a majority joint venture stake in Cleantech Renewable Assets, a leading solar energy platform, exploring the import of renewable energy to Singapore, developing electric vehicle charging infrastructure, securing Singapore's first Energy-as-a-Service contract, and studying the feasibility of developing an Asia-Pacific green ammonia supply chain.

The iconic Keppel Marina East Desalination Plant (KMEDP), Singapore's first large-scale, dual-mode desalination plant, was officially opened in February 2021, contributing to Singapore's water security amidst increasing rainfall uncertainty caused by climate change. In June, KMEDP was named 'Desalination Plant of the Year' at the Global Water Awards 2021.

Keppel Offshore & Marine (Keppel O&M) continued to seize opportunities in renewables and gas solutions, which made up 39% of its orderbook as at end-2021.

The built environment is a significant contributor to carbon emissions. Keppel Land is contributing to climate action through developing smart and sustainable offices of the future, including Keppel Towers, which garnered the BCA Green Mark Platinum Super Low Energy Award for its innovative and green features in 2021.

Keppel Data Centres is also looking into reducing the carbon footprint of its data centres, including through exploring the development of energy-efficient floating data centres.

Keppel is also contributing to nature-based solutions to climate change by supporting environmental initiatives such as the National Parks Board's OneMillionTrees movement. Keppel committed $3 million to support the planting of 10,000 trees over five years in parks and nature reserves in Singapore. In May 2021, a tree planting event was held to commemorate the start of this pledge.

In November 2021, Keppel further pledged to donate $1 million to support the development of the Keppel Coastal Trail at Labrador Nature Reserve. The Trail will help safeguard core habitats and critically endangered native species in the nature reserve, as well as enhance public awareness of the role of coastal forests in mitigating the impact of climate change and rising sea levels.

MATERIAL ISSUES
Environmental Management

APPROACH
We are committed to minimising our environmental impact and are focused on sustainable management and efficient use of natural resources.

We aim to reduce the Group's carbon emissions, reduce waste generation through resource efficiency, recycling and reuse of natural resources, as well as reduce water intensity through active monitoring and water-efficiency programmes.

3 GOOD HEALTH AND WELL-BEING · 6 CLEAN WATER AND SANITATION · 7 AFFORDABLE AND CLEAN ENERGY · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION

HIGHLIGHTS
We have set high-impact sustainability goals and are committed to long-term targets to reduce our carbon emissions, as well as water and waste intensity.

Beyond the Scope 1 and 2 carbon emissions reduction targets highlighted above, we have conducted a high-level screening of our Scope 3 emissions and continue to progressively expand the coverage of the relevant categories. We will work with the Group's portfolio of investments and supply chain to improve energy efficiency and reduce emissions where possible.

Keppel has also committed to achieving a 10% reduction in waste intensity and 20% reduction in water consumption intensity by 2030 from 2019 levels.

We have laid out a roadmap to contribute to global decarbonisation efforts. This includes refocusing our portfolio on sustainable urbanisation solutions, greening our properties, lowering emissions intensity of our infrastructure assets, purchasing and using renewable energy where possible, reducing the carbon footprint of our data centres, investing in clean, new businesses, greening urban cooling, advancing the circular economy through Keppel's proprietary technologies, and investing in sustainability-related innovation.

Keppel Bay Tower, where Keppel Corporation is headquartered, was certified by the Building and Construction Authority (BCA) as Singapore's first Green Mark Platinum (Zero Energy) commercial building. Since the end of 2018, Keppel Corporation's corporate headquarters in Singapore has been powered by renewable energy. We also acquired carbon credits to offset Scope 3 emissions from business travel and employee commuting, thus allowing our corporate office at Keppel Bay Tower to achieve carbon neutrality for its operations since 2020.

Keppel Seghers is developing the Hong Kong Integrated Waste Management Facility (IWMF) and the Tuas Nexus IWMF in Singapore, in joint ventures with industry partners. Both IWMFs utilise Keppel Seghers' proprietary SIGMA combustion control, moving grates technology and boiler design to provide superior waste combustion and energy recovery.

Strategic Pillar: Responsible Business

MATERIAL ISSUES
Corporate Governance & Risk Management

APPROACH
We are committed to being an effective, accountable and transparent institution, and will conduct ourselves according to the highest ethical standards and comply with all applicable laws and regulations wherever we operate. Our tone on regulatory compliance is clear and consistently reiterated from the top of the organisation. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.

As part of risk management, Keppel has robust business continuity plans in place to safeguard against different strategic risks, including risks related to sustainability and climate change.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS · 17 PARTNERSHIPS FOR THE GOALS

HIGHLIGHTS
With COVID-19 continuing to impact the global economy in 2021, Keppel continued to have robust business continuity plans in place, allowing the Group to operate effectively, despite the impact of the pandemic and various measures implemented to curb its spread.

Reflecting Keppel's zero tolerance for fraud, bribery, corruption and violation of laws and regulations, we have continued to enhance our compliance measures, including rolling out the ISO 37001 Anti-Bribery Management System across business units. Apart from Keppel O&M and the Singapore entities of Keppel Land and Keppel Data Centres which have achieved ISO 37001 certification, Keppel Infrastructure and the overseas entities of Keppel Land (China, Vietnam and Indonesia) also achieved certification in 2021.

In 2021, Keppel continued to adopt an effective and balanced approach to risk management to optimise returns, while taking into consideration business risks and corporate sustainability. We focused in particular on cyber security, in view of the increased risks of cyber attacks. We also enhanced the monitoring of climate-related risks across business units, in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In recognition of Keppel's strong corporate governance and sustainability practices, the Company won the Singapore Corporate Governance Award (Big Cap) at the Securities Investors Association (Singapore) Investors' Choice Awards 2021, and was Apex Winner at the Singapore Apex Corporate Sustainability Awards 2021. Keppel also retained the highest AAA rating in the Morgan Stanley Capital International (MSCI) ESG ratings in December 2021.

MATERIAL ISSUES
Economic Sustainability

APPROACH
Keppel views sustainability both as a corporate responsibility and a source of business opportunities. Guided by Keppel's Vision 2030, we are growing our business as a provider of solutions for sustainable urbanisation, and in so doing, driving economic development, and contributing to the well-being of communities wherever we operate.

8 DECENT WORK AND ECONOMIC GROWTH · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

HIGHLIGHTS
Keppel's business operations generate employment, opportunities for suppliers, products and services for customers, tax revenues for governments and dividends for shareholders. Through the solutions that we develop and operate, we are contributing to infrastructure and urban development, enhancing connectivity and sustainable development.

We have set targets to invest in sustainability-linked innovation, and are tapping our engineering nous to explore greener solutions such as energy-efficient floating data centre parks, as well as climate-resilient nearshore urban developments, or "floating cities", which can mitigate the impact of rising sea levels.

Keppel Telecommunications & Transportation is collaborating with partners to jointly own and develop the Bifrost Cable System which will directly connect Singapore to the west coast of North America, while M1 is rolling out its 5G Standalone network, thus contributing to enhancing communications infrastructure.

MATERIAL ISSUES
Supply Chain & Responsible Procurement

APPROACH
We recognise the importance of supply chain risk management and sustainable procurement, and are committed to building a resilient and diversified supply chain. To this end, we work closely with our suppliers to make a positive impact on their sustainability performance.

8 DECENT WORK AND ECONOMIC GROWTH · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

HIGHLIGHTS
All our suppliers are qualified in accordance with our requisition and purchasing policies, screened based on ESG criteria and are expected to sign and abide by Keppel's Supplier Code of Conduct, which is publicly available online.

The Group was able to continue operating effectively despite supply chain disruptions caused by the pandemic, in part due to the robust supplier diversification programmes in place, as well as the steps undertaken by management to mitigate the impact of the pandemic. For example, Keppel O&M worked closely with its customers to reorganise work processes, leveraging its global network of yards, to ensure that it could continue to deliver its projects in accordance with customers' requirements, despite the impact of COVID-19.

MATERIAL ISSUES
Product Quality & Safety

APPROACH
We drive innovation and exercise due care and diligence in the design, construction and operation of our products and provision of services, to ensure they meet the highest standards of quality and do not pose hazards to customers and users.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES · 17 PARTNERSHIPS FOR THE GOALS

HIGHLIGHTS
We continue to drive innovation both at the Group level and within individual business units to improve product quality. Innovative projects launched in 2021 include the iconic condominium project in Singapore, the Reef at King's Dock, which features a floating deck to raise awareness of marine biodiversity and conservation. M1 is also providing its customers with made-to-measure offerings, supported by its digital transformation, as well as 5G-powered digital solutions for enterprises, such as the suite of intelligent solutions deployed at Marina at Keppel Bay in conjunction with the launch of M1's 5G Standalone network, that leverage 5G to improve efficiency while providing better services for customers.

In terms of product safety, we carefully consider the health and safety impact of our products across their different life-cycle stages, starting from design & development to use and handling. We have also established robust Quality Assurance programmes to ensure our products meet customers' specifications and all applicable regulatory requirements. For major projects developed by the Group, we carry out regular quality, health and safety reviews before they are handed over to our customers. We are committed to act on any feedback from our customers and also regularly engage customers to drive continuous improvement.

Strategic Pillar: People and Community

MATERIAL ISSUES
Occupational Health & Safety

APPROACH
Providing a safe and healthy work environment for all stakeholders is fundamental to our commitment to conducting business responsibly.

We are also strong advocates for safety and health in the broader community, and champion national and industry initiatives to raise standards and drive innovation in these areas.

HIGHLIGHTS
Keppel achieved its zero-fatality target for its global operations in 2021, and saw improvements across its Total Recordable Injury, Accident Frequency and Accident Severity Rates. The Group also clinched 18 awards at the Singapore Workplace Safety and Health Awards 2021.

Key safety initiatives implemented in 2021 include an initiative to encourage and empower all employees and stakeholders to speak up and intervene when they encounter unsafe behaviours.

Keppel also continued its Safety Digital Transformation journey by digitalising most of the existing manual safety processes such as reporting hazards and applying for permit-to-work. When sufficient data is collected, data analytics will be conducted to sharpen our efforts in proactive accident prevention.

As COVID-19 continued to spread globally in 2021, safeguarding the health and safety of our employees, customers and stakeholders remained a top priority. To this end, Keppel continued to implement robust safe management measures in accordance with government regulations. The measures implemented include split-team arrangements, regular inspections to ensure safe management measures are maintained, health monitoring through Antigen Rapid Testing, regular disinfection of high touch-points and enhanced cleaning procedures.

We also track the vaccination status of our workforce and strongly encourage those who are medically eligible to be vaccinated. By the end of 2021, the vast majority of Keppel's workforce has been fully vaccinated.

With COVID-19 taking a toll on mental wellness, we also stepped up efforts to improve the overall well-being of our employees, with a focus on mental health. These include organising workshops and campaigns on mental wellness, as well as activities to promote healthy lifestyles.

3 GOOD HEALTH AND WELL-BEING · 8 DECENT WORK AND ECONOMIC GROWTH · 17 PARTNERSHIPS FOR THE GOALS

MATERIAL ISSUES
Labour Practices, Talent Management & Human Rights

APPROACH
Keppel is committed to fair employment practices, upholding human rights principles, and investing in people development. We are committed to diversity and inclusion, and value and respect our employees regardless of ethnicity, gender, religious beliefs, nationality, age or any physical disability.

We respect the fundamental principles set out in the United Nations (UN) Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our stance on human rights is articulated in the Keppel Group Human Rights Policy while our stance on diversity and inclusion is articulated in our Corporate Statement on Diversity and Inclusion. Both statements are publicly available online.

HIGHLIGHTS
Keppel's hiring policies ensure equal employment opportunities for all. We are also committed to nurturing and developing our employees.

In 2021, as part of the Group's succession planning, talent development and strategic workforce planning, leadership renewal was announced in a few key business units and an extensive talent mapping exercise was carried out.

We continue to actively engage staff to help ensure that they feel connected and motivated amidst COVID-19 and work-from-home arrangements. Since the start of the pandemic, Keppel has harnessed IT collaborative tools to facilitate effective telecommuting and virtual townhalls. Other events were also organised to promote employee well-being, including virtual team-building activities and activities that promote healthy lifestyles.

To build a workplace where our employees can learn, grow, and fulfil their potential, we launched various new initiatives in 2021. These include a Global Learning Festival to foster a positive learning culture, and an International Career Week to equip employees with skills to develop their careers. The Group achieved an average of 20 hours of training per employee in 2021.

The Group achieved an Employee Engagement Score of 84% in 2021, about 6% above Mercer's Singapore average, and 4% above Mercer's global average.

Migrant workers are an important part of Keppel's workforce, especially in the offshore & marine sector. As part of Keppel O&M's continuing efforts to enhance the well-being of migrant workers, Keppel O&M wrote to its contractors and employment agencies in 2021 to require them to abide by the Dhaka Principles for Migration with Dignity[1] going forward.

3 GOOD HEALTH AND WELL-BEING · 8 DECENT WORK AND ECONOMIC GROWTH · 17 PARTNERSHIPS FOR THE GOALS

[1] The Dhaka Principles are a set of human rights-based principles that aim to protect the rights of migrant workers, including the provision of clear and transparent worker contracts and no charging of recruitment fees.
[2] The $4.6 million includes voluntary contributions from the Keppel Group's directors, senior management and staff to support COVID-19 relief efforts.

Strategic Pillar: People and Community

MATERIAL ISSUES
Community Development

APPROACH
We believe firmly that the Company does well when the community does well. Through collaboration with our stakeholders, we mobilise and share knowledge, as well as financial and human resources to uplift lives and support the achievement of the SDGs.

We also encourage and promote effective public, public-private and civil society partnerships through the sponsorship and support of community initiatives, as well as thought leadership and dialogue platforms.

HIGHLIGHTS
Since the start of the COVID-19 pandemic, Keppel has disbursed about $5.5 million to provide support to communities affected by the pandemic in Singapore and overseas.

COVID-19-related assistance announced in 2021 include a $300,000 donation to the Digital for Life Fund set up by the Infocomm Media Development Authority to help connect seniors affected by the pandemic, as well as a donation of 150 new laptops to the Ministry of Social and Family Development's Community Link initiative to support home-based learning by students from lower-income families. In addition, Keppel donated $120,000 to Willing Hearts, a volunteer-run soup kitchen for underprivileged and needy communities in Singapore. Keppel volunteers have been regularly contributing at Willing Hearts, and will continue to do so over the next three years.

Beyond Singapore, Keppel also contributed to communities overseas. Keppel announced VND7.4 billion of assistance to support COVID-19 relief efforts in Vietnam, including vaccination efforts and providing medical supplies to local hospitals in affected regions.

In 2021, the Group invested a total of $4.6 million[2] in social investment spending, including $2.4 million disbursed through the Keppel Care Foundation, the Group's philanthropic arm.

Keppel Care Foundation has disbursed over $50 million in support of worthy community causes since its establishment in 2012.

Beyond financial support, Keppel staff also volunteer their time and services to contribute to the community. Despite restrictions imposed by COVID-19, Keppel Volunteers contributed more than 12,000 hours of community work in 2021, exceeding the target of 10,000 hours for the year.

3 GOOD HEALTH AND WELL-BEING · 13 CLIMATE ACTION · 17 PARTNERSHIPS FOR THE GOALS

SOCIAL INVESTMENT SPENDING BY PROJECT TYPE IN 2021 (%)

Healthcare/Care for the Underprivileged		32.2
The Arts/Community Development Projects		14.6
Education		24.2
Environment		23.2
Industry Advancement		5.8
Total	**$4.6 million**	**100.0**

BOARD OF DIRECTORS

Board Committees

- N Nominating Committee
- A Audit Committee
- R Remuneration Committee
- BR Board Risk Committee
- BS Board Safety Committee

DANNY TEOH, 66

Chairman
Non-Executive and Non-Independent Director

N R BS

Date of first appointment as a director:
1 October 2010

Date of last re-election as a director:
2 June 2020

Length of service as a director (as at 31 December 2021):
11 years 3 months

Board Committee(s) served on:
Nominating Committee (Member);
Remuneration Committee (Member);
Board Safety Committee (Member)

Academic & Professional Qualification(s):
Associate member of the Institute of Chartered Accountants in England & Wales

Present Directorships (as at 1 January 2022):
Listed companies
Nil

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
JTC Corporation; Ascendas – Singbridge Pte. Ltd.; DBS Bank (China) Limited; Changi Airport Group (Singapore) Pte Ltd; DBS Group Holdings Ltd; DBS Bank Ltd; DBS Foundation Ltd; DBS Bank (Taiwan) Ltd; M1 Limited

Others:
Former Managing Partner, KPMG LLP, Singapore; Past member of KPMG's International Board and Council; Former Head of Audit and Risk Advisory Services and Head of Financial Services, KPMG LLP

LOH CHIN HUA, 60

Executive Director and Chief Executive Officer

BS

Date of first appointment as a director:
1 January 2014

Date of last re-election as a director:
23 April 2019

Length of service as a director (as at 31 December 2021):
8 years

Board Committee(s) served on:
Board Safety Committee (Member)

Academic & Professional Qualification(s):
Bachelor in Property Administration, Auckland University; Presidential Key Executive MBA, Pepperdine University; CFA® charterholder

Present Directorships (as at 1 January 2022):
Listed companies
Nil

Other principal directorships
Keppel Offshore & Marine Ltd (Chairman); Keppel Land Limited (Chairman); Keppel Infrastructure Holdings Pte. Ltd. (Chairman); Keppel Capital Holdings Pte. Ltd. (Chairman); Keppel Telecommunications & Transportation Ltd (Chairman); Keppel Care Foundation Limited; M1 Limited (Chairman)

Major Appointments (other than directorships):
National University of Singapore (Member of Board of Trustees); Singapore Economic Development Board (Board Member); EDB Investments Pte Ltd (Board Member)

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Various fund companies under management of Alpha Investment Partners Limited; Various companies under Keppel Group of companies

Others:
Nil

TILL VESTRING, 58
Non-Executive and Lead Independent Director

R N

Date of first appointment as a director:
16 February 2015

Date of last re-election as a director:
2 June 2020

Length of service as a director (as at 31 December 2021):
6 years 11 months

Board Committee(s) served on:
Remuneration Committee (Chairman);
Nominating Committee (Member)

Academic & Professional Qualification(s):
Master of Economics, University of Bonn, Germany; Master of Business Administration, Haas School of Business, University of California, Berkeley

Present Directorships (as at 1 January 2022):
Listed companies
Inchcape plc

Other principal directorships
Leap Philanthrophy Ltd; Advanced Micro Foundry Pte. Ltd.; Delaware Consulting International CVBA; Keppel Telecommunications & Transportation Ltd

Major Appointments (other than directorships):
Advisory Partner, Bain & Company Southeast Asia

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Singapore Chinese Orchestra Company Limited

Others:
Nil

VERONICA ENG, 68
Non-Executive and Independent Director

BR A

Date of first appointment as a director:
1 July 2015

Date of last re-election as a director:
2 June 2020

Length of service as a director (as at 31 December 2021):
6 years 6 months

Board Committee(s) served on:
Board Risk Committee (Chairman);
Audit Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Business Administration (First Class Honours), University of Singapore

Present Directorships (as at 1 January 2022):
Listed companies
Nil

Other principal directorships
Keppel Capital Holdings Pte. Ltd.;
Eastspring Investments Group Pte. Ltd.

Major Appointments (other than directorships):
Professor (Practice), NUS Business School

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Nil

Others:
Founding Partner of Permira (1985 to 2015); Former Member of the Board and Executive Committee of Permira

JEAN-FRANÇOIS MANZONI, 60
Non-Executive and Independent Director

N R

Date of first appointment as a director:
1 October 2018

Date of last re-election as a director:
23 April 2021

Length of service as a director (as at 31 December 2021):
3 years 3 months

Board Committee(s) served on:
Nominating Committee (Chairman);
Remuneration Committee (Member)

Academic & Professional Qualification(s):
DBA, Harvard Business School, Boston; MBA, McGill University, Montreal; Bachelor, Business Administration, l'Ecole des Hautes Etudes Commerciales de Montréal; Fellow of the Singapore Institute of Directors

Present Directorships (as at 1 January 2022):
Listed companies
Nil

Other principal directorships
IMD Foundation Board; IMD Scholarship Foundation

Major Appointments (other than directorships):
President and Nestlé Professor, International Institute for Management Development (IMD), Switzerland; Member of several International Advisory panels, including Digital Switzerland and Russian Presidential Academy of National Economy and Public Administration

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Singapore Civil Service College;
Association to Advance Collegiate Schools of Business (AACSB) International

Others:
Nil

TEO SIONG SENG, 67
Non-Executive and Non-Independent Director

BS

Date of first appointment as a director:
1 November 2019

Date of last re-election as a director:
2 June 2020

Length of service as a director (as at 31 December 2021):
2 years 2 months

Board Committee(s) served on:
Board Safety Committee (Chairman)

Academic & Professional Qualification(s):
Degree in Naval Architecture and Ocean Engineering from the University of Glasgow, United Kingdom

Present Directorships (as at 1 January 2022):
Listed companies
Singamas Container Holdings Ltd.; COSCO Shipping Holding Co., Ltd.; COSCO Shipping Energy Transportation Co., Ltd.; Wilmar International Limited

Other principal directorships
Pacific International Lines (Pte) Ltd; PIL Pte. Ltd.

Major Appointments (other than directorships):
Business China (Director); The United Republic of Tanzania in Singapore (Honorary Consul)

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Enterprise Singapore (Board member)

Others:
Singapore Chinese Chamber of Commerce & Industry (Honorary President); Immediate Past Chairman of Singapore Business Federation

THAM SAI CHOY, 62
Non-Executive and Independent Director

A BR

Date of first appointment as a director:
1 November 2019

Date of last re-election as a director:
2 June 2020

Length of service as a director (as at 31 December 2021):
2 years 2 months

Board Committee(s) served on:
Audit Committee (Chairman); Board Risk Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Arts (Honours) in Economics, University of Leeds, United Kingdom; Fellow of the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in England and Wales

Present Directorships (as at 1 January 2022):
Listed companies
DBS Group Holdings Limited

Other principal directorships
DBS Bank Ltd.; DBS Bank (China) Limited; DBS Foundation Ltd; EM Services Pte Ltd (Chairman); Keppel Offshore & Marine Ltd; Mount Alvernia Hospital; Singapore International Arbitration Centre

Major Appointments (other than directorships):
Nanyang Polytechnic (Board member)

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Singapore Accountancy Commission; KPMG Group of Companies; Singapore Institute of Directors (Chairman); Housing & Development Board; Accounting and Corporate Regulatory Authority

Others:
Nil

PENNY GOH, 69
Non-Executive and Independent Director

A BR

Date of first appointment as a director:
2 January 2020

Date of last re-election as a director:
2 June 2020

Length of service as a director (as at 31 December 2021):
2 years

Board Committee(s) served on:
Audit Committee (Member);
Board Risk Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Law (Honours), University of Singapore

Present Directorships (as at 1 January 2022):
Listed companies
Keppel REIT Management Limited (the Manager of Keppel REIT) (Chairman)

Other principal directorships
HSBC Bank (Singapore) Limited (Chairman);
Singapore Totalisator Board;
Keppel Land Limited

Major Appointments (other than directorships):
Allen & Gledhill LLP (Senior Adviser)

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Mapletree Logistics Trust Management Ltd (the Manager of Mapletree Logistics Trust);
Eastern Development Private Limited;
Eastern Development Holdings Pte Ltd;
Allen & Gledhill Regulatory & Compliance Pte. Ltd.

Others:
Former Co-Chairman and Senior Partner of Allen & Gledhill LLP

SHIRISH APTE, 69
Non-Executive and Independent Director

A BR

Date of first appointment as a director:
1 July 2021

Date of last re-election as a director:
N.A.

Length of service as a director (as at 31 December 2021):
6 months

Board Committee(s) served on:
Audit Committee (Member);
Board Risk Committee (Member)

Academic & Professional Qualification(s):
Qualified as a Member of the Institute of Chartered Accountants in England & Wales;
Member of the Institute of Chartered Accountants, India

Present Directorships (as at 1 January 2022):
Listed companies
Commonwealth Bank of Australia

Other principal directorships
Pierfront Capital Mezzanine Fund Pte Ltd (Chairman); Fullerton India Credit Company Limited, India (Chairman); Pierfront Capital Fund Management Pte. Ltd. (Chairman); KP Management (GL) Pte. Ltd.; KPCF Investments Pte. Ltd.; Keppel Infrastructure Holdings Pte. Ltd; Aviva Singlife Holdings Pte. Ltd.; Aviva Financial Advisers Pte. Ltd.(Chairman)

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
IHH Healthcare Berhad, Malaysia; Acibadem Healthcare, Turkey; Integrated Hospitals and Healthcare Bhd; Citi Bank Handlowy, Poland; CG Power & Industrial Solutions; Clifford Capital Holdings Pte Ltd; Clifford Capital Pte Ltd; Fortis Healthcare Limited, India

Others:
Nil

KEPPEL GROUP BOARDS OF DIRECTORS

KEPPEL OFFSHORE & MARINE

LOH CHIN HUA
Chairman
Chief Executive Officer,
Keppel Corporation

CHAN HON CHEW
Chief Financial Officer,
Keppel Corporation

CHRIS ONG LENG YEOW
Chief Executive Officer

THAM SAI CHOY
Independent Director,
Keppel Corporation

TAN EK KIA
Chairman,
Star Energy Group Holdings Pte Ltd

LIM CHIN LEONG
Former Chairman of Asia,
Schlumberger

STEPHEN PAN YUE KUO
Chairman,
World-Wide Shipping Agency Limited

CHUA HSIEN YANG
Director of Group Mergers & Acquisitions,
Keppel Corporation

KEPPEL LAND

LOH CHIN HUA
Chairman
Chief Executive Officer,
Keppel Corporation

CHAN HON CHEW
Chief Financial Officer,
Keppel Corporation

LOUIS LIM
Chief Executive Officer

PENNY GOH
Senior Adviser,
Allen & Gledhill LLP

CHRISTINA TAN
Chief Executive Officer,
Keppel Capital

TAN SWEE YIOW
Senior Managing Director of
Urban Development,
Keppel Corporation

FRANCOIS VAN RAEMDONCK
Director of Group Strategy and Development,
Keppel Corporation

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION

LOH CHIN HUA
Chairman
Chief Executive Officer,
Keppel Corporation

CHAN HON CHEW
Chief Financial Officer,
Keppel Corporation

THOMAS PANG THIENG HWI
Chief Executive Officer

TILL VESTRING
Independent Director,
Keppel Corporation

WONG WAI MENG
Chief Executive Officer,
Keppel Data Centres

CHRISTINA TAN
Chief Executive Officer,
Keppel Capital

MANJOT SINGH MANN
Chief Executive Officer,
M1

CHUA HSIEN YANG
Director of Group Mergers & Acquisitions,
Keppel Corporation

KEPPEL INFRASTRUCTURE

LOH CHIN HUA
Chairman
Chief Executive Officer,
Keppel Corporation

CHAN HON CHEW
Chief Financial Officer,
Keppel Corporation

CINDY LIM
Chief Executive Officer

SHIRISH APTE
Independent Director,
Keppel Corporation

LOUIS LIM
Chief Executive Officer,
Keppel Land

CHRIS ONG LENG YEOW
Chief Executive Officer,
Keppel Offshore & Marine

BRIDGET LEE
Chief Executive Officer,
Keppel Capital Alternative Asset

KEPPEL CAPITAL

LOH CHIN HUA
Chairman
Chief Executive Officer,
Keppel Corporation

CHAN HON CHEW
Chief Financial Officer,
Keppel Corporation

CHRISTINA TAN
Chief Executive Officer

VERONICA ENG
Independent Director,
Keppel Corporation

LOUIS LIM
Chief Executive Officer,
Keppel Land

THOMAS PANG THIENG HWI
Chief Executive Officer,
Keppel Telecommunications & Transportation

CINDY LIM
Chief Executive Officer,
Keppel Infrastructure

KEPPEL REIT MANAGEMENT (MANAGER OF KEPPEL REIT)

PENNY GOH
Chairman
Senior Adviser,
Allen & Gledhill LLP

IAN RODERICK MACKIE
Lead Independent Director and Chairman,
Urban Land Institute Australia

ALAN RUPERT NISBET
Independent Director

CHRISTINA TAN
Chief Executive Officer,
Keppel Capital

TAN SWEE YIOW
Senior Managing Director of
Urban Development,
Keppel Corporation

FONG MUN NGIN, MERVYN
Advisory Board Member,
Spark Systems Pte. Ltd.

YOICHIRO HAMAOKA
Independent Director

KEPPEL DC REIT MANAGEMENT (MANAGER OF KEPPEL DC REIT)

CHRISTINA TAN
Chairman
Chief Executive Officer,
Keppel Capital

KENNY KWAN
Lead Independent Director and Principal,
Baker & McKenzie

LEE CHIANG HUAT
Independent Director

TAN TIN WEE
Chief Executive,
National Supercomputing Centre, Singapore

DILEEP NAIR
Independent Director

LOW HUAN PING
Independent Director

THOMAS PANG THIENG HWI
Chief Executive Officer,
Keppel Telecommunications & Transportation

KEPPEL INFRASTRUCTURE FUND MANAGEMENT (TRUSTEE-MANAGER OF KEPPEL INFRASTRUCTURE TRUST)

DANIEL CUTHBERT EE HOCK HUAT
Chairman

THIO SHEN YI
Joint Managing Director,
TSMP Law Corporation

MARK ANDREW YEO KAH CHONG
Independent Director

KUNNASAGARAN CHINNIAH
Independent Director

SUSAN CHONG SUK SHIEN
Chief Executive Officer,
Greenpac (S) Pte Ltd

CHRISTINA TAN
Chief Executive Officer,
Keppel Capital

KEPPEL PACIFIC OAK US REIT MANAGEMENT (MANAGER OF KEPPEL PACIFIC OAK US REIT)

PETER MCMILLAN III
Chairman
Co-founder,
Pacific Oak Capital Advisors LLC

SOONG HEE SANG
Lead Independent Director

JOHN J. AHN
President,
Whitehawk Capital Partners, L.P.

KENNETH TAN JHU HWA
Co-Managing Partner and Managing Director,
Southern Capital Group Private Limited

SHARON WORTMANN
Independent Director

BRIDGET LEE
Chief Executive Officer,
Keppel Capital Alternative Asset

M1

LOH CHIN HUA
Chairman
Chief Executive Officer,
Keppel Corporation

MANJOT SINGH MANN
Chief Executive Officer

CHAN HON CHEW
Chief Financial Officer,
Keppel Corporation

TAN WAH YEOW
Independent Director

GUY DANIEL HARVEY SAMUEL
Independent Director

THOMAS PANG THIENG HWI
Chief Executive Officer,
Keppel Telecommunications & Transportation

JANICE WU SUNG SUNG
Executive Vice President,
Corporate Development,
Singapore Press Holdings

CHUA HWEE SONG
Chief Financial Officer,
Singapore Press Holdings

KEPPEL TECHNOLOGY ADVISORY PANEL

The Keppel Technology Advisory Panel seeks to advance the Group's technology leadership.

Established in 2004, the Keppel Technology Advisory Panel (KTAP) comprises eminent business leaders and industry experts from across the world. Drawing from the diverse experience and knowledge of its members, KTAP allows Keppel to keep abreast of the changing global technology landscape across the Group's Vision 2030 focus areas.

KTAP guides the Group's innovation journey from ideation to implementation, providing advice for strategic projects and facilitating access to technology, partners and collaborators. Through continuous dialogue and engagement with these industry and technology experts on the panel, Keppel's business units gain early access to strategic innovations under development and receive a continuous injection of new ideas. Assisted by Keppel Technology & Innovation (KTI), the Group's business technology and innovation platform, KTAP exercises oversight of Keppel's business innovation ecosystem with the aim of harnessing technology to accelerate growth across the Group.

KTAP also guides the exploration of topics at the Group's annual technology foresight conference. Over 30 distinguished speakers from across sectors, including academia and startups, presented on a wide range of topics at the 2021 conference, which focused on the latest technology and innovation topics relevant to Keppel's Vision 2030 growth areas. These included blue and green energy molecules for Singapore, renewables and energy storage, carbon capture, utilisation and storage, data centre innovations, as well as the use of blockchain in real estate and asset management, among other areas. The speakers provided topical overviews designed to spark curiosity and conversations across the Group regarding the use of innovation, digitalisation and technology.

From left: Mr Danny Teoh (Chairman of Keppel Corporation), KTAP members including Professor Cheong Koon Hean, Dr Ng Wun Jern (Chairman of KTAP) and Mr Ed Ansett, as well as Mr Loh Chin Hua (CEO of Keppel Corporation). Not in picture: KTAP members Dr Romain Debarre and Mr Chua Kee Lock.

Dr Romain Debarre spoke on the future of renewables, and how Keppel can contribute to the ecosystem at KTAP 2021, KTI's annual technology foresight conference.

KTAP MEMBERS

DR NG WUN JERN (Chairman)

Dr Ng founded the Nanyang Environment & Water Research Institute (NEWRI) in 2007 and led it for 10 years. He was President's Chair Professor at the School of Civil & Environmental Engineering, Nanyang Technological University, and his some 400 publications on water, wastewater and waste management and soil remediation include IPs and commercialised inventions. Dr Ng serves as technical advisor to government agencies, established environmental companies, incubators and private equity funds, and guides start-up companies active in ASEAN, China and South Asia.

PROFESSOR CHEONG KOON HEAN

Professor Cheong is concurrently chairman of Ministry of National Development's Centre of Livable Cities and Singapore University of Technology and Design's Lee Kuan Yew Centre for Innovative Cities. She was formerly CEO of the Housing & Development Board from 2010 to 2020 overseeing the development and management of some 1 million public housing flats. Professor Cheong had played a key role in major urban transformation projects including Singapore's new city extension at Marina Bay and the Sino-Singapore Tianjin Eco-City in China.

CHUA KEE LOCK

Mr Chua is the Group President & CEO of Vertex Holdings, a Singapore-headquartered venture capital investment holding company. Vertex Group is a global venture capital network comprising four early-stage technology-focused funds (Vertex Ventures China, Vertex Ventures Israel, Vertex Ventures US, Vertex Ventures SEA & India), an early-stage healthcare-focused fund (Vertex Ventures HC) and a growth stage fund (Vertex Growth). He is concurrently Managing Partner of Vertex Ventures SEA & India, Chairman of Vertex Growth Fund as well as Chairman of Vertex Technology Acquisition Corporation, the first listed SPAC in Singapore.

ED ANSETT

Mr Ansett is the founder and chairman of i3 Solutions Group, a consulting engineering firm, specialising in data centres and mission-critical facilities. He is a specialist and pioneer in the field of high reliability critical facilities.

DR ROMAIN DEBARRE

Dr Debarre is the Managing Director of the Kearney Energy Transition Institute. He possesses diverse experience in energy, business strategy and scientific research. He is a recognised energy expert who forges close ties between governments, companies and academics to leverage technological opportunities and reduce carbon emissions.

At the KTAP 2021 conference, Professor Cheong Koon Hean shared insights on the future of livability in urban areas and the ways that Keppel can add value.

SENIOR MANAGEMENT

KEPPEL CORPORATION

LOH CHIN HUA
Chief Executive Officer

CHAN HON CHEW
Chief Financial Officer

CORPORATE SERVICES

TAN SWEE YIOW
Senior Managing Director
Urban Development

TAY LIM HENG
Managing Director
Keppel Urban Solutions

FRANCOIS VAN RAEMDONCK
Director
Group Strategy & Development

Managing Director
Keppel Technology & Innovation

CHUA HSIEN YANG
Director
Group Mergers & Acquisitions

YEO MENG HIN
Director
Group Human Resources

LYNN KOH
Director
Group Treasury

HO TONG YEN
Chief Sustainability Officer
(effective 1 Mar 2022)

Director
Group Corporate Communications

CAROLINE CHANG
General Manager
Group Legal

TOK SOO HWA
General Manager
Group Control & Accounts

SEPALIKA KULASEKERA
General Manager
Group Internal Audit

KENNETH LUI
General Manager
Group Risk & Compliance

TAY GUAN CHEW
General Manager
Group Tax

JASON CHIN
General Manager
Group Information Technology

MARTIN LING
General Manager
Group Cyber Security

JAGGI RAMESH KUMAR
General Manager
Group Health, Safety & Environment

ERIC GOH
Chief Representative, China

LINSON LIM
Chief Representative, Vietnam

HO KIAM KHEONG
India Representative

TEO ENG CHEONG
Chief Executive Officer
Sino-Singapore Tianjin Eco-City
Investment and Development

ENERGY & ENVIRONMENT

CHRIS ONG
Chief Executive Officer
Keppel Offshore & Marine

KEVIN CHNG
Chief Financial Officer
Keppel Offshore & Marine

CHOR HOW JAT
Managing Director
(Conversions & Repairs)
Keppel Offshore & Marine

TAN LEONG PENG
Managing Director
(New Builds)
Keppel Offshore & Marine

RON MACLNNES
President
Keppel Offshore & Marine USA
and Keppel LeTourneau

MOHD SAHLAN BIN SALLEH
President
Keppel AmFELS

MARLIN KHIEW
President
Keppel FELS Brasil

LEONG KOK WENG
President
Keppel Philippines Marine

NG SENG CHONG
President
Keppel Nantong Shipyard
Keppel Nantong Heavy Industries

CINDY LIM
Chief Executive Officer
Keppel Infrastructure

LIM SIEW HWA
Chief Financial Officer
Keppel Infrastructure

TAN BOON LENG
Managing Director,
Corporate Office and Project Development
Keppel Infrastructure

JANICE BONG
Executive Director,
Power & Renewables
Keppel Infrastructure

JACKSON GOH
Executive Director,
Environment
Keppel Infrastructure

CHUA YONG HWEE
Executive Director,
New Energy
Keppel Infrastructure

MILO DOCHOW
Executive Director,
Corporate Development
Keppel Infrastructure

GOH ENG KWANG
Executive Director,
Project Management and Water Services
Keppel Infrastructure

URBAN DEVELOPMENT

LOUIS LIM
Chief Executive Officer
Keppel Land

TAN BOON PING
Chief Financial Officer
Keppel Land

BEN LEE
Chief Operating Officer
Keppel Land

President, China
Keppel Land
(appointment till 31 Jan 2022)

WONG LIANG KIT
President, China
Keppel Land
(effective 1 Feb 2022)

NG OOI HOOI
President, Singapore and
Regional Investments
Keppel Land
(appointment till 31 Jan 2022)

JOSEPH LOW
President, Vietnam
Keppel Land

SAMUEL HENRY NG
President, Indonesia
(appointment till 31 Jan 2022)

President, Singapore and Regional Investments
(effective 1 Feb 2022)
Keppel Land

ALLEN TAN
President, Indonesia
Keppel Land
(effective 1 Feb 2022)

HO KIAM KHEONG
President, India
Keppel Land

CONNECTIVITY

THOMAS PANG
Chief Executive Officer
Keppel Telecommunications & Transportation

TAN ENG HWA
Chief Financial Officer
Keppel Telecommunications & Transportation

WONG WAI MENG
Chief Executive Officer
Keppel Data Centres

DESMOND GAY
Chief Executive Officer
Keppel Logistics

MANJOT SINGH MANN
Chief Executive Officer
M1

Chief Digital Officer
Keppel Corporation
(effective 1 Mar 2022)

LEE KOK CHEW
Chief Financial Officer
M1

MUSTAFA KAPASI
Chief Commercial Officer
M1

DENIS SEEK
Chief Technical Officer
M1

MARK TAN
Chief Enterprise Strategy and Business Officer
M1

WILLIS SIM
Chief Corporate Sales and Solutions Officer
M1

NATHAN BELL
Chief Digital Officer
M1

ASSET MANAGEMENT

CHRISTINA TAN
Chief Executive Officer
Keppel Capital

BRIDGET LEE
Chief Operating Officer
Keppel Capital

Chief Executive Officer
Keppel Capital Alternative Asset

ANG SOCK CHENG
Chief Financial Officer
Keppel Capital

KOH WEE LIH
Chief Executive Officer
Keppel REIT Management

JOPY CHIANG
Chief Executive Officer
Keppel Infrastructure Fund Management

ANTHEA LEE
Chief Executive Officer
Keppel DC REIT Management

DAVID SNYDER
Chief Executive Officer
Keppel Pacific Oak US REIT Management

ALVIN MAH
Chief Executive Officer
Alpha Investment Partners

DEVARSHI DAS
Chief Executive Officer
(Infrastructure)
Keppel Capital Alternative Asset

THAN SU EE
Chief Executive Officer
(Core Infrastructure)
Keppel Capital

UNIONS

KEPPEL FELS EMPLOYEES UNION

MAHMOOD BIN ALI
President

ATYYAH BINTI HASSAN
General Secretary

KEPPEL EMPLOYEES UNION

MOHAMED NASIR AHMAD
President

ATAN ENJAH
General Secretary

SHIPBUILDING & MARINE ENGINEERING EMPLOYEES' UNION

EILEEN YEO
General Secretary
NTUC Central Committee Member

SINGAPORE INDUSTRIAL & SERVICES EMPLOYEES' UNION

MUHAMMAD SHARIFFUDIN
President

RICHARD SIM
General Secretary

SYLVIA CHOO
Executive Secretary

UNION OF POWER & GAS EMPLOYEES

TAY SENG CHYE
President

ABDUL SAMAD BIN ABDUL WAHAB
General Secretary

S. THIAGARAJAN
Executive Secretary

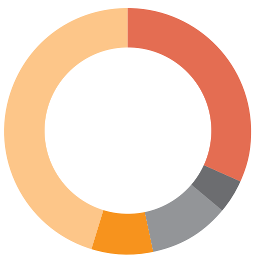
INVESTOR RELATIONS

WE ARE COMMITTED TO CLEAR, TIMELY AND CONSISTENT COMMUNICATION WITH THE INVESTMENT COMMUNITY.

SHAREHOLDING BY INVESTORS (%)

Institutions	49.8
Retail	50.2
Total	**100.0**

SHAREHOLDING BY GEOGRAPHY (%)



Singapore	31.9
Asia (ex Singapore)	4.3
North America	10.7
Europe	7.9
Others*	45.2
Total	**100.0**

* Others comprise the rest of the world, as well as unidentified holdings and holdings below the analysis threshold as at 10 February 2022.

As Keppel accelerates the execution of its Vision 2030 plans, driving business transformation and expanding into new growth areas, we continued to actively engage our stakeholders in the investment community to keep them abreast of the Company's latest developments and also seek their feedback. In 2021, amidst continuing restrictions on travel and in-person meetings to curb the spread of COVID-19, we leveraged digital platforms such as live webcasts and virtual conferencing to communicate with the investment community.

STAKEHOLDER ENGAGEMENT

During the year, we held about 270 virtual meetings and conference calls with institutional investors across Singapore, Australia, Hong Kong, Japan, Malaysia, Thailand, the UK and the US. We also participated in a virtual investment conference organised by the Singapore Exchange (SGX) and Credit Suisse.

13 sell-side research houses currently provide coverage on Keppel Corporation. In addition to semi-annual results briefings and voluntary business updates in the intervening quarters, we held several briefings for media and analysts on the proposed combination of Keppel O&M and Sembcorp Marine, including the resolution of Keppel O&M's legacy rigs, as well as the proposed acquisition of Singapore Press Holdings ex-Media (SPH). We continue to actively engage and maintain close interactions with sell-side analysts, working with them to help the investment community better understand Keppel's strategy and progress towards achieving its Vision 2030 goals.

In 2021, we held our virtual Annual General Meeting (AGM), and separately convened an Extraordinary General Meeting (EGM) to seek shareholders' approval for the proposed acquisition of SPH. To facilitate shareholders' communication with the Board of Directors, shareholders were invited to submit their questions for the Board prior to our virtual AGM and EGM during the year. The responses to key questions received from shareholders before the general meetings were released on SGXNet and made available on our website prior to the events. In addition, the CEO of Keppel Corporation gave presentations at the AGM and EGM, providing further elaboration to shareholders.

To enhance shareholder engagement, we also implemented live Q&As for our virtual EGM in December 2021, where participating shareholders could ask questions live by submitting them through the audio-and-visual webcast platform and have these addressed by the Board at the EGM. The presentation materials, results and minutes of these virtual shareholder meetings were also released on SGXNet and made available on our website.

As part of our ongoing efforts to engage retail shareholders, we held our annual briefing on Keppel's performance, as well as a dialogue session with retail shareholders on the proposed acquisition of SPH. The two events, both of which were hosted by Securities Investors Association (Singapore) (SIAS), drew a total of close to 200 participants.

In 2021, our contribution towards the SIAS Investor Education Programme benefitted around 2,600 retail shareholders, who as complimentary members of the Association, enjoy access to a wide range of webinars, workshops, useful information for investors and other forms of support.

To broaden our outreach to retail investors, including high-net-worth individuals, we also held a briefing for the Bank of Singapore's global relationship managers on Keppel's Vision 2030 during the year. About 90 relationship managers from Singapore and overseas attended the briefing session.

As an affirmation of our continuous efforts to improve corporate governance, which includes active shareholder communication, as well as sustainability practices, Keppel Corporation was conferred Winner of the Singapore Corporate Governance Award (Big Cap) at the SIAS Investors' Choice Awards 2021.

INVESTOR RELATIONS RESOURCES

To ensure fair and timely dissemination of information, we post all announcements on our corporate website promptly after they are released on SGXNet.

In 2021, we held live webcasts of our half-yearly results briefings, as well as media and analyst teleconferences for our 1Q and 3Q business updates. An archive of the webcasts and management speeches, together with the presentation materials, are made available at our website on the same day the results and business updates are released on SGXNet. Transcripts of the Q&A sessions at these briefings are also released on SGXNet and posted on our website before the start of the next trading day.

Our mobile-friendly corporate website www.kepcorp.com provides access to company announcements, half-yearly results and voluntary business updates, annual reports, investor events, stock and dividend information and investor presentation slides. Contact information of our Investor Relations (IR) personnel (email: investor.relations@kepcorp.com) can also be found on the website.

All IR activities are guided by the principles and guidelines set out in the Company's IR policy, which is regularly reviewed and made available at our website. The policy articulates guiding principles that ensure the timely, transparent and accurate disclosures of material information.

During the year, we introduced new interactive charting functions for the Company's financial and share information on Keppel Corporation's website to further enhance the website's functionality and user-friendliness.

SHAREHOLDER INFORMATION

As at 10 February 2022, institutions formed 49.8% of our shareholder base, while retail investors accounted for the remaining 50.2%. Shareholders in Singapore held approximately 31.9% of our issued capital, while those in the rest of Asia held 4.3%, North America 10.7% and Europe 7.9%.

Mr Danny Teoh (centre), Chairman of Keppel Corporation received the Singapore Corporate Governance Award 2021 (Big Cap) from Guest-of-Honour Dr Tony Tan Keng Yam (right), former President of Singapore and Chief Patron of SIAS, and Mr David Gerald, President & CEO of SIAS (left) at the SIAS Investors' Choice Awards 2021.

Keppel's senior management regularly engaged the investment community throughout the year, over live webcasts as well as at virtual conferences and in-person meetings.

INVESTOR RELATIONS CALENDAR

The following key events were held in 2021 to engage investors and analysts:

Q1

- 4Q & FY20 results conference and live webcast
- Virtual meetings with investors from Singapore, Hong Kong, Malaysia, Switzerland and the UK

Q2

- 1Q 2021 business update teleconference for media and analysts
- Virtual meetings with investors from Singapore, Australia, Hong Kong, Malaysia, the UK and the US
- Live webcast of 53rd AGM, held by electronic means
- Participated in the Credit Suisse-SGX ESG Real Estate Conference 2021
- Media and analyst briefing on the proposed combination of Keppel O&M and Sembcorp Marine, including the resolution of Keppel O&M's legacy rigs

Q3

- 2Q & 1H 2021 results conference and live webcast
- Media and analyst briefing on the proposed acquisition of SPH
- Virtual meetings with investors from Singapore, Australia, Hong Kong, Japan, Malaysia, Thailand, the UK and the US
- Annual briefing for retail shareholders, hosted by SIAS
- Briefing for Bank of Singapore's global relationship managers

Q4

- 3Q & 9M 2021 business update teleconference for media and analysts
- Briefing to media & analysts on final offer for SPH
- Virtual meetings with investors from Singapore, Hong Kong, Malaysia and Thailand
- Virtual dialogue with Keppel's retail shareholders on the proposed acquisition of SPH, hosted by SIAS
- Live webcast of EGM on the proposed acquisition of SPH, held by electronic means

OPERATING & MARKET REVIEW

Since Vision 2030 was announced, Keppel has made considerable progress and accelerated the execution of the Vision, with a view to achieving its targets by 2025.

ENERGY & ENVIRONMENT

We provide energy and environmental solutions that are essential for sustainable development.

Refer to pages 48 to 53

URBAN DEVELOPMENT

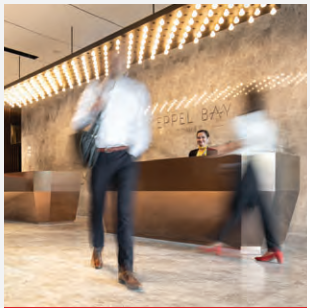
We provide innovative and multi-faceted urban space solutions, including quality homes, offices, malls as well as large-scale integrated developments that enrich people and communities.

Refer to pages 54 to 57

CONNECTIVITY

We connect people and businesses in the digital economy.

Refer to pages 58 to 61



ASSET MANAGEMENT

We create enduring value with quality investment products and provide a platform for recycling capital and tapping third-party funds for growth.

Refer to pages 62 to 65

ACCELERATING VISION 2030

In May 2020, Keppel unveiled Vision 2030, the Group's long-term roadmap to guide its transformation and growth as one integrated company, providing solutions for sustainable urbanisation, with sustainability at the core of the Company's strategy.

Vision 2030 defines Keppel's purpose, focuses its business and ultimately aims to accelerate growth and create value for its stakeholders. It positions Keppel to seize opportunities against the backdrop of key macrotrends that are shaping the world, including rapid urbanisation, climate change, energy transition, growing digitalisation and ageing populations. Keppel aims to be a powerhouse of sustainable urbanisation solutions, leveraging the Company's track record and capabilities in Energy & Environment, Urban Development and Connectivity, with an Asset Management arm to fund the Group's growth, provide a platform for capital recycling, and pull the Group together to seize opportunities with an asset-light business model.

Since the Vision was announced, the Company has made considerable progress and accelerated the execution of Vision 2030, with a view to achieving its targets by 2025.

With growing international concerns about climate change, many governments and companies have made net zero commitments, in turn creating strong demand for renewables, clean energy, decarbonisation solutions, waste and water treatment, as well as green buildings and data centres – all of which are solutions that Keppel provides. Keppel is thus in pole position to be a preferred partner for governments, customers and investors on the journey to net zero.

PRIMING FOR GROWTH

Under Vision 2030, Keppel will also sharpen its focus, simplify its business, double down on the key areas identified, and pivot away from lumpy earnings towards more recurring income.

In June 2021, it announced the proposed combination of Keppel Offshore & Marine (Keppel O&M) and Sembcorp Marine, as well as the resolution of its legacy rigs. Even earlier, in January 2021, Keppel had announced the organic transformation of Keppel O&M and that the Company would exit the oil rig building business, after completing the existing uncompleted rigs. Keppel has also announced the proposed divestment of its logistics business in Southeast Asia and Australia. It has also been progressively divesting its logistics assets in China in the past two years.

Focused on making sustainability its business, Keppel is deepening its presence in areas spanning renewables, electrification, carbon-free energy alternatives and decarbonisation solutions, to expand and fortify its capabilities in low-carbon, circular economy solutions. Many of Keppel Infrastructure's new business pursuits and research and development (R&D) efforts in the past year were in these areas. To scale up quickly to capture opportunities arising from global energy transition, Keppel will also seek opportunities to acquire assets and stakes in established operating platforms. In the longer run, Keppel is also looking at developing solutions for carbon capture, utilisation and storage (CCUS), as well as new energy vectors, such as green ammonia and hydrogen.

In view of the risks and opportunities engendered by climate change, we are exploring the development of climate-resilient nearshore developments, or "floating cities".

Keppel Land is transforming from a traditional real estate developer into an asset-light provider of innovative and sustainable urban space solutions. In 2021, Keppel Land achieved substantial progress monetising its landbank, and is also embracing new business models such as Real Estate as a Service, and expanding its focus on sustainable urban renewal and senior living solutions that can yield potential streams of recurring income. Mindful of the risks and opportunities engendered by climate change, Keppel Land is also exploring the development of climate-resilient nearshore developments, or "floating cities", which could help to mitigate the impact of rising sea levels.

Keppel Telecommunications & Transportation is expanding its data centre portfolio and exploring ways to reduce the carbon footprint of data centres, with plans to start the development of its innovative, energy-efficient floating data centre in Singapore in 2022, subject to regulatory approval. Keppel has also collaborated with partners to launch the Bifrost Cable System, which when completed in 2024, is set to meet the growing digital connectivity needs between Southeast Asia and the west coast of North America.

Meanwhile, M1 continues to advance on its multi-year digital transformation from a traditional telco into a cloud native connectivity platform. Key milestones in 2021 include the monetisation of its network assets, growing its enterprise business, rolling out its 5G Standalone network and expanding 5G use cases.

Keppel Capital continues to grow its assets under management, expanding its asset classes and growing recurring fee income. Amidst heightened concerns about inflation, there is strong demand from investors for the real assets that the Group manages, which can serve as effective inflation hedges.

Increasingly, the Group is integrating its capabilities across its focus segments to work even more closely together to create smarter and more sustainable solutions, while leveraging third-party funds for growth. Such OneKeppel integration would allow the Group to address emerging opportunities that may not be available to individual business units, thus ensuring that the whole is greater than the sum of its parts.

RIGHT SPACE, RIGHT TIME

With the world focusing increasingly on sustainable development and climate change, Keppel is in the right space and at the right time to provide solutions which are good for the planet, people and the Company. Guided by its focus on sustainability, leveraging an asset-light model, and harnessing technology and the Group's track record, Keppel will contribute to advancing sustainability, while accelerating growth.

ENERGY & ENVIRONMENT

WE PROVIDE ENERGY AND ENVIRONMENTAL SOLUTIONS THAT ARE ESSENTIAL FOR SUSTAINABLE DEVELOPMENT.

EARNINGS HIGHLIGHTS ($ million)

	2021	2020	2019
Revenue	**5,574**	3,943	4,969
EBITDA	**(376)**	(671)	268
Operating Profit/(Loss)	**(522)**	(822)	116
Loss before Tax	**(469)**	(1,251)	(121)
Net Loss	**(414)**	(1,181)	(101)

PROGRESS IN 2021

- Signed MOUs for proposed combination of Keppel O&M and Sembcorp Marine, and resolution of legacy rigs, while concurrently driving organic transformation.
- Keppel O&M secured new order wins of $3.5 billion and delivered nine major projects.
- Keppel Infrastructure pursued opportunities in renewables, clean energy and decarbonisation solutions, including exploring renewable power import into Singapore, developing EV charging infrastructure, and studying feasibility of a green ammonia supply chain in APAC.
- Secured contract to provide Singapore's first sustainable Energy-as-a-Service solution.
- Announced acquisition of majority joint venture stake in leading solar energy platform, Cleantech Renewable Assets, with KAIF and its co-investor.

FOCUS FOR 2022/2023

- Work towards completing proposed combination of Keppel O&M and Sembcorp Marine and resolution of legacy rigs.
- Accelerate expansion in the renewables space and integrate renewables into existing generation portfolio.
- Expand environment business with a focus on value-enhancing projects with multiple income streams.
- Expand presence and grow capabilities in clean energy and decarbonisation solutions.
- Pursue and develop innovative solutions in collaboration with other Keppel business segments and drive value chain integration.

Keppel, with expertise in sustainable energy and environment solutions, as well as asset management capabilities, is well-placed to provide compelling end-to-end solutions that can fast forward the energy transition and sustainable development.

The Energy & Environment segment provides solutions and services spanning offshore & marine (O&M), power and renewables, new energy and environment. The segment includes Keppel Offshore & Marine (Keppel O&M), Keppel Infrastructure and Keppel Renewable Energy.

Countries representing about 70% of the world economy have committed to net zero emissions by 2050 following COP 26. The energy sector, which contributes about 76% of the world's greenhouse gas emissions, needs urgent decarbonisation on a global scale. The development and funding of energy transition projects and infrastructure are key in the race towards net zero.

Keppel, with expertise in sustainable energy and environmental solutions, as well as asset management capabilities, is well-placed to provide compelling end-to-end solutions that can fast forward the energy transition and sustainable development.

In 2021, Keppel focused on transforming its business and growing new capabilities in the energy and environment space to strengthen its position as an enabler of the low-carbon economy.

BUSINESS TRANSFORMATION

At the start of 2021, Keppel announced a comprehensive transformation of Keppel O&M to enhance its competitiveness and relevance amidst the global energy transition, as well as its exit from the oil rig building business, after completing the existing rigs under construction. This was followed in June by the signing of Memorandums of Understanding (MOUs) for the proposed combination of Keppel O&M and Sembcorp Marine, including the resolution of Keppel O&M's legacy rigs, as part of Keppel's efforts to be more disciplined and refocus its portfolio.

The proposed combination of Keppel O&M and Sembcorp Marine seeks to create a stronger combined entity that would be better positioned to capitalise on growing opportunities in the O&M, renewables and clean energy sectors. The proposed combination runs in parallel and is inter-conditional with another proposed transaction to sell Keppel O&M's legacy completed and uncompleted rigs and associated receivables to a separate Asset Co, which would be majority owned by external investors to be procured by Kyanite Investment Holdings, a wholly-owned subsidiary of Temasek. Discussions on the proposed transactions are progressing steadily and Keppel is working towards signing definitive agreements by the end of 1Q 2022.

If the proposed transactions are successfully completed, Keppel will become much more streamlined, asset light and focused on renewables, new energy, decarbonisation and environmental solutions.

OFFSHORE & MARINE

While the O&M sector remained challenging in 2021, Keppel O&M performed resiliently. During the year, Keppel O&M secured $3.5 billion of new orders, including a US$2.3 billion contract for a Floating Production, Storage and Offloading vessel (FPSO) from Petrobras. As at end-2021, Keppel O&M's net orderbook stood at $5.1 billion, of which 39% comprised renewables and gas solutions. The quality of Keppel O&M's net orderbook improved, with over 90% of the contracts providing for milestone payments, thereby reducing working capital requirements and risks to the Group.

In 2021, Keppel O&M remained focused on execution and delivered nine major projects to its customers. In addition, Keppel O&M also repaired and retrofitted about 120 vessels, which included higher value jobs such as

Through its proprietary platform AssetCare, Keppel O&M is leveraging technology and data to remotely monitor deployed assets to provide real-time support and improve work efficiency.

scrubber and Ballast Water Treatment System retrofits, and drydocking works for LNG carriers.

As part of its active cost management efforts, Keppel O&M achieved a reduction of about $140 million in overheads year-on-year (yoy) for FY 2021, higher than the projected $90 million announced in 2020. Since 2015, Keppel O&M has managed to shave cumulatively $517 million from its overhead costs, positioning the company to achieve profitability with a lower top line.

With rising oil prices, the offshore drilling rig market has shown signs of improvement. Utilisation and day rates for modern jackups, which make up the bulk of Keppel O&M's legacy rigs, both improved during the year. Pareto Securities estimates these to rise even further over the next few years. With improving market conditions, Keppel is hopeful that Keppel O&M's legacy rigs, which would be injected into a separate Asset Co to be majority owned by external investors procured by Kyanite Investment Holdings, can be substantially monetised over the next three to five years.

Meanwhile, Keppel O&M continues to strengthen its position in the offshore renewables sector. In 2021, the company successfully completed its first two offshore wind substations for customer Ørsted, which will be deployed in the Greater Changhua 1 & 2a offshore wind farms in Taiwan. Keppel O&M is currently undertaking integrating and commissioning works for the two offshore substations on-site, and the projects are expected to be delivered in 2022. Reflecting the strong partnership, Keppel O&M signed a global framework agreement with Ørsted in 2021 to potentially undertake future offshore substation projects. In addition, Keppel O&M secured contracts for two offshore wind topsides and a wind turbine installation vessel upgrading project during the year.

In 2021, Keppel O&M was awarded the Singapore Maritime Institute-Maritime and Port Authority of Singapore Joint Call for Proposal in harbour craft electrification and is leading a coalition to develop a comprehensive electric vessel supply chain in Singapore. Keppel O&M is developing the Floating Living Lab (FLL), a first-of-its-kind floating launchpad for the development and test bedding of sustainable marine solutions in Singapore, which will be used to testbed the electric vessel charging infrastructure. In addition, the FLL will facilitate the use of renewable energy such as solar energy in the charging infrastructure.

As part of its transformation, Keppel O&M is harnessing technology including 5G, remote monitoring and surveillance, IoT and data analytics, to enhance its solutions. Keppel O&M's proprietary industry IoT system, AssetCare, which enables remote monitoring and real-time support for vessel operations, has been deployed on several assets, including FueLNG Bellina, Singapore's first LNG bunkering vessel, which was delivered by Keppel O&M in 2021. FueLNG Bellina is also the world's first bunkering vessel to be awarded a smart notation.

SHARPENING FOCUS ON THE ENERGY TRANSITION

The net zero commitments made by governments and companies around the world are driving strong demand for renewables, clean energy, as well as decarbonisation and environmental solutions. These are areas where the Group, especially Keppel Infrastructure, has strong capabilities and a proven track record, and where it can help its customers make the transition to net zero.

Many of Keppel's new business pursuits and R&D efforts in the past year were in these areas, including exploring the import of renewable energy into Singapore, developing electric vehicle (EV) charging infrastructure, securing Singapore's first Energy-as-a-Service (EaaS) contract, and studying the feasibility of developing an Asia-Pacific green ammonia supply chain.

Keppel is partnering Perennial to roll out Singapore's first sustainability Energy-as-a-Service Concept at Perennial Business City, and is looking to provide more Energy-as-a-Service offerings in Singapore and the region.

Keppel is also actively exploring decarbonisation and circular economy solutions, including carbon capture, utilisation and storage, smart distributed energy resources, as well as various environmental sustainability technologies.

Keppel is also providing other decarbonisation solutions for the energy and environmental sectors to help its customers and governments drive down their carbon emissions. In addition to its proven waste-to-energy (WTE) and district cooling solutions, Keppel is also actively exploring decarbonisation and circular economy solutions, including CCUS, smart distributed energy resources, as well as various environmental sustainability technologies.

Looking ahead, Keppel will continue to seize inorganic opportunities to acquire assets, operating platforms and technologies that would allow the Group to scale up quickly in its identified growth areas. Importantly, with its established asset management platform, Keppel can also bring in varied sources of capital from private and public investors to fund the projects and solutions from cradle to maturity.

POWER AND RENEWABLES

Keppel's Power and Renewables business performed well in 2021 despite the challenges caused by the rise in global gas prices and supply disruptions, and volatility in the Singapore Wholesale Electricity Market.

During the year, Keppel Electric successfully maintained its position as one of the leading electricity retailers in Singapore. As at November 2021, Keppel Electric was the 3rd largest commercial and industrial retailer with a market share of 17.9%[1]. Keppel Electric also retained its position as the largest Open Electricity Market provider in Singapore, with a market share of 22.1% as at end-April 2021. Keppel Electric remains committed to providing its consumers with customisable retail solutions that best suit their needs.

With economic activity recovering despite the ongoing pandemic, electricity consumption in Singapore has rebounded to pre-COVID-19 levels more quickly than anticipated. Demand for electricity in Singapore is beginning to outpace supply. Coupled with a lack of new generation capacity planting in the immediate horizon, the tight market conditions are likely to persist in the near to medium term.

With the recently announced hike in Singapore's carbon tax, which will progressively increase from the existing $5 per tonne of emissions to reach $50-$80 per tonne of emissions by 2030, consumers will be financially incentivised to decarbonise their electricity consumption. This is expected to drive up demand for green electricity and decarbonisation solutions.

To diversify its generation portfolio and to cater to the emerging domestic demand for renewable energy, Keppel Infrastructure has increased its participation in renewables. In line with efforts to promote greater energy infrastructure connectivity in the region, Keppel Infrastructure signed an exclusive framework agreement with Electricite Du Laos (EDL) as part of the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project, to jointly explore opportunities to import up to 100MW of renewable hydropower into Singapore. Keppel Infrastructure and EDL will also explore collaboration opportunities arising from the demand for renewable energy and the transition towards greener forms of energy. Such projects will not only create new growth engines and advance sustainability for the Group but will also enable Keppel to enhance its green retail offerings.

Keppel Infrastructure is strengthening its renewable energy capabilities by collaborating with like-minded partners in the areas of low-carbon electricity, storage and intermittency management solutions. It seeks to deliver reliable, competitive and non-intermittent low-carbon electricity to end-consumers, potentially in the ASEAN region. Apart from hydropower, Keppel is exploring other forms of renewable energy such as wind, solar and biomass, and will leverage technology and data to enhance its operational performance.

Keppel Infrastructure develops, owns and operates a network of integrated utilities and sustainable energy solutions. During the year, it secured a long-term service corridor contract from a large petrochemical customer at Jurong Island and also successfully completed the design and construction of several facilities on the island without any lost time incident.

[1] Excluding SP Services.

We will continue to invest in R&D, and explore new opportunities in renewables, clean energy, decarbonisation and environmental solutions.

To further advance the Group's pursuit of sustainability as a business, Keppel Infrastructure is collaborating with Singapore LNG Corporation (SLNG) and another industry partner on the front-end engineering design of a natural gas liquids extraction facility project. To be located on Jurong Island, the project aims to remove heavier hydrocarbons from LNG through a sustainable approach that incorporates the use of cold energy from SLNG's operations. The project will not only unlock multiple benefits across the LNG and Chemicals value chains but also contribute towards enhancing Singapore's energy security and strengthening the country's position as an LNG and Chemicals hub.

GROWING RENEWABLES PORTFOLIO

Keppel has set a target to grow its renewables portfolio to 7.0GW by 2030 and will do this both organically and inorganically. This will not only contribute to growing the Group's renewable energy portfolio but will also generate recurring income for the Group.

In 2021, Keppel Corporation announced the acquisition of a majority joint venture stake in Cleantech Renewable Assets (Cleantech), a leading solar energy platform, in partnership with Keppel Asia Infrastructure Fund (KAIF) and a co-investor of KAIF. Cleantech has a total capacity of over 600MW across the various stages of operations, construction, and development, with its assets located across India and six countries in Southeast Asia. In addition, Cleantech is targeting to achieve a cumulative generation capacity of 3.0GW over the next five years.

This latest transaction brings the Group's total announced capacity for renewables to 1.1GW, including Keppel Renewable Energy's ongoing solar farm project in Queensland, Australia, which continues to make steady progress. Construction of the solar farm is on track to commence in 2023. Upon completion in 2024, the Harlin solar farm project is expected to have a capacity of at least 500MW, generating enough energy to power over 142,000 average Australian homes.

Keppel Renewable Energy is also pursuing opportunities in the solar, onshore wind, offshore wind and run-of-river hydro space in Asia Pacific, with a focus on the markets of Australia, India, the Philippines, the Republic of Korea, Malaysia and Vietnam.

NEW ENERGY

Keppel Infrastructure continued to expand its district cooling services with three new service contracts, further contributing to energy-efficient cooling in Singapore. The addition of the latest contracts brings the total cooling supplied by Keppel's plants in Singapore to over 70,000 refrigeration tonnes. Meanwhile, construction of Bulim Phase 1 of the Jurong Innovation District in Singapore and the district cooling systems (DCS) plant in Bangkok continued to progress. Both projects are on track to be completed in 2023. Keppel Infrastructure also deepened its partnership with BCPG Public Company Limited via an MOU to jointly develop more energy efficiency-related solutions such as cooling, EV charging, microgrids, and solar installations in key gateway cities in Thailand.

With climate change being one of the greatest threats today, Keppel is investing in new technologies and energy-efficient solutions. Keppel Infrastructure and the National University of Singapore jointly designed and developed a Thermal Energy Storage (TES) solution that uses a new Phase-Change Material to improve the energy efficiency of DCS. The TES system has an energy carrying capacity of up to three times more than a conventional chilled water storage system, and can yield more than 10% in cost savings annually. The TES trial was completed in 2021 and will be rolled out for commercial application in 2022.

As part of its plans to grow in the EV sector, Keppel Infrastructure entered into a joint venture with Starcharge to deploy EV charging infrastructure in Singapore and the region. It also launched Volt, its EV charging brand and solutions provider.

Keppel Infrastructure is also partnering Perennial to roll out Singapore's first sustainable EaaS concept at Perennial Business City. The concept includes installing and operating highly efficient chiller systems and photovoltaic solar panels, providing long-term zero-carbon electricity, as well as developing smart EV charging stations. The project is expected to reduce Perennial Business City's total energy consumption by more than 40%, making it the first sustainable super-low energy business park in the Jurong Lake District.

To meet the rapidly growing global demand for carbon-free energy, Keppel Infrastructure signed an MOU with Temasek and

The Hong Kong IWMF was 40.6% completed as at end-2021.

Incitec Pivot to study the feasibility of producing green ammonia in Australia for export. Green ammonia is a potential source of clean fuel that can support the demand for sustainable energy and contribute to deep decarbonisation in power and hard-to-abate sectors.

Looking ahead, Keppel Infrastructure will continue to invest in R&D, and explore new opportunities in renewables, clean energy, decarbonisation and environmental solutions, as it expands its track record for zero-emission solutions and low-carbon energy services.

ENVIRONMENT

Governments around the world recognise the need for more sustainable water and waste management solutions to cope with rapid urbanisation, with many countries announcing planned infrastructure investments over the next few years. In 2021, Keppel Infrastructure continued to focus on the execution of its projects in Singapore and overseas with an emphasis on safety and quality.

In February 2021, Singapore's fourth desalination plant, the Keppel Marina East Desalination Plant, was officially opened by Prime Minister Lee Hsien Loong, strengthening Keppel's presence as a provider of water solutions.

Meanwhile engineering design and procurement activities continued at Singapore's first Integrated Waste Management Facility (IWMF), in anticipation of the commencement of major site works in 2022. Upon completion in 2024, the IWMF WTE facility and the Materials Recovery Facility will be amongst the largest of such facilities in Singapore. Over in Hong Kong, the prefabrication of process modules and reclamation works progressed steadily at the Hong Kong IWMF despite the supply chain disruptions arising from COVID-19. As at end-2021, the Singapore and Hong Kong IWMF projects were 22.7% and 40.6% completed respectively.

In mainland China, Keppel Infrastructure successfully commissioned two WTE plants in Beijing and Xi'an. As one of the leading and most reliable WTE technology solutions provider in China, Keppel is well positioned to seize opportunities in China, as part of the Chinese government's plans to grow the country's urban municipal waste incineration capacity to 800,000 tonnes per day by the end of 2025.

Building on its track record and expertise, Keppel is well-placed to capitalise on the increasing demand for sustainable water and waste management solutions, especially in the Asia-Pacific and Middle East regions. The Group is also exploring investments in decarbonisation and circular economy solutions, including CCUS, smart distributed energy resources, and various environmental sustainability technologies.

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.
- SSTEC 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 million[1]. 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 also 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.

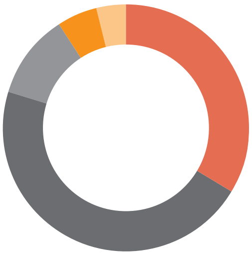
Keppel Land has committed to reducing its absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 100% by 2030 from the base level in 2020. It has also committed to reducing Scope 3 GHG emissions from purchased goods and services by 20% per square metre by 2030 from a 2020 base year.

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.

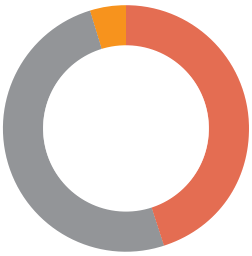
Located within the mature Start-Up Area of the Eco-City, the retail mall of Seasons City is a well-curated lifestyle haven, and home to popular dining establishments, high fashion brands, total wellness and experiential entertainment.

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, SSTEC, 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 people[1] living and working there and 14,000 registered companies[1]. 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 SSTEC. SSTEC 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, SSTEC 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. SSTEC 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.

CONNECTIVITY

WE CONNECT PEOPLE AND BUSINESSES IN THE DIGITAL ECONOMY.

EARNINGS HIGHLIGHTS ($ million)

	2021	2020	2019
Revenue	**1,260**	1,220	1,128
EBITDA	**288**	259	385
Operating Profit	**86**	46	210
Profit before Tax	**86**	29	196
Net Profit	**64**	13	136

PROGRESS IN 2021

- Keppel DC Fund II acquired a greenfield site in Shanghai, China for the development of a data centre, Fund II's first project since its establishment.
- Commenced manufacturing of the Bifrost Cable System.
- M1 launched 5G Standalone (SA) network for consumers and rolled out commercial-ready 5G SA solutions for enterprises.
- M1 was awarded the 2.1 GHz spectrum band by IMDA, boosting its coverage and performance for 5G in Singapore.
- Announced plans to divest logistics business in Southeast Asia and Australia, including UrbanFox.

FOCUS FOR 2022/2023

- Continue to expand Keppel's portfolio of quality data centre assets in Asia Pacific and Europe, grow subsea cable system business, and provide higher value services to customers.
- Work towards completing the divestment of the logistics business.
- Work towards achieving nationwide 5G outdoor coverage by end-2022.
- Continue to expand M1's enterprise business, and invest in 5G capabilities and digital services & solutions.
- Pursue and develop innovative solutions in collaboration with other Keppel business segments and drive value chain integration.

The Connectivity segment includes Keppel Telecommunications & Transportation (Keppel T&T) and M1, whose business activities span data centres and logistics, as well as telecommunications. In 2021, demand for Keppel's connectivity solutions continued to grow, backed by increasing digitalisation and demand for data around the world.

In line with Keppel's Vision 2030 strategy and the increasing demand for more sustainable data centres, Keppel Data Centres is actively exploring ways to reduce the carbon footprint of its assets, including sourcing for alternative sources of power.

In addition to fueling consumer demand for connectivity, the pandemic has also accelerated the adoption of digital technology. With our track record and capabilities in data centres and connectivity, Keppel is well positioned to contribute to and ride this megatrend.

In 2021, following the strategic review of the logistics business, Keppel announced the proposed divestment of the logistics business to a third party. Keppel T&T has received bids and aims to sign definitive agreements for the divestment of the logistics business in Southeast Asia and Australia, including UrbanFox, by the end of 1Q 2022.

During the year, Keppel T&T continued to streamline its business and completed the sales of several non-core assets, namely ARIP Thailand, Trisilco Radiance, Nanhai Distribution Centre and Wuhu Sanshan Port.

DATA CENTRES

Data centres have quickly risen to become critical infrastructure for everyday life, driven by increasing digitalisation and demand for data globally. This macrotrend has been further accentuated amid the COVID-19 pandemic, the transition to remote working, and increasing prevalence of e-commerce. Furthermore, with 5G expected to usher in the "Fourth Industrial Revolution", data centres will play a key role in enabling 5G in all applications and devices. To create a seamless wireless network connecting devices and applications, centres of data exchange will need to be located near the end-users.

In 2021, Keppel Data Centres continued to pursue expansion and seize opportunities in its target markets of Asia Pacific and Europe. In collaboration with Keppel Data Centre Fund II, it added a new greenfield data centre in China to its portfolio. Including this acquisition, Keppel Data Centres currently has six data centres under development across Singapore, China, Malaysia, Indonesia and Australia. As at end-2021, the Group's total portfolio comprised 28 quality data centres across 18 cities in Asia Pacific and Europe, including those under Keppel DC REIT.

With climate change and environmental sustainability high on the agenda of governments and businesses globally, the data centre industry continues to come under scrutiny for its carbon footprint. In line with Keppel's Vision 2030 strategy and the increasing demand for more sustainable data centres, Keppel Data Centres is actively exploring ways to reduce the carbon footprint of its assets, including sourcing for alternative sources of power. In addition to traditional sources of renewable energy such as wind, hydro and solar power, Keppel is also exploring the use of hydrogen to power its data centres.

Keppel is also examining ways to improve the energy efficiency of its new and existing data centres. Keppel Data Centres is working on developing energy-efficient floating data centres, which can utilise seawater for cooling, making it more cost efficient and environmentally sustainable when compared with traditional structures. Subject to obtaining the necessary regulatory approval, Keppel Data Centres plans to commence the development of the floating data centre in Singapore in 2022.

As part of the Group's efforts to integrate its business units and value chains in order to realise greater synergies, the OneKeppel Data Centre team was established during

Keppel plans to commence development of the innovative, energy-efficient floating data centre in Singapore in 2022, subject to regulatory approval.

the year, bringing together investment personnel and expertise from Keppel Data Centres and Keppel Capital. The OneKeppel Data Centre team adopts a cradle-to-maturity approach in evaluating opportunities across the development stages of a project, thus allowing the Group to deepen collaboration in its Vision 2030 focus areas and undertake more complex deals, drawing on the strengths of each business unit.

Keppel Data Centres will continue to collaborate with Keppel DC REIT and the private funds under Keppel Capital to proactively seek new development and acquisition opportunities in Asia Pacific and Europe. It will also work with various business units within the Keppel ecosystem to innovate and develop more energy-efficient and sustainable data centres, which can help customers reduce their carbon emissions. Through technology and innovation, Keppel Data Centres aims to reduce the power usage effectiveness of its data centres, improve design resiliency, while improving the latency for bandwidth-intensive requirements.

SUBSEA CABLE SYSTEMS

The increasing penetration of the internet together with the rising demand for wireless connectivity, especially with the rollout of 5G, have further driven global internet traffic. Over 97%[1] of the global internet traffic is dependent on submarine cables, and about half of the global internet traffic is coming out of Asia Pacific.

In March 2021, Keppel T&T entered into a joint build agreement with Facebook and PT Telekomunikasi Indonesia International (Telin) to jointly own and develop the Bifrost Cable System (Bifrost). Bifrost is the world's first subsea cable system that directly connects Singapore to the west coast of North America via Indonesia through the Java Sea and Celebes Sea, and is a complementary growth area identified under Keppel's Vision 2030.

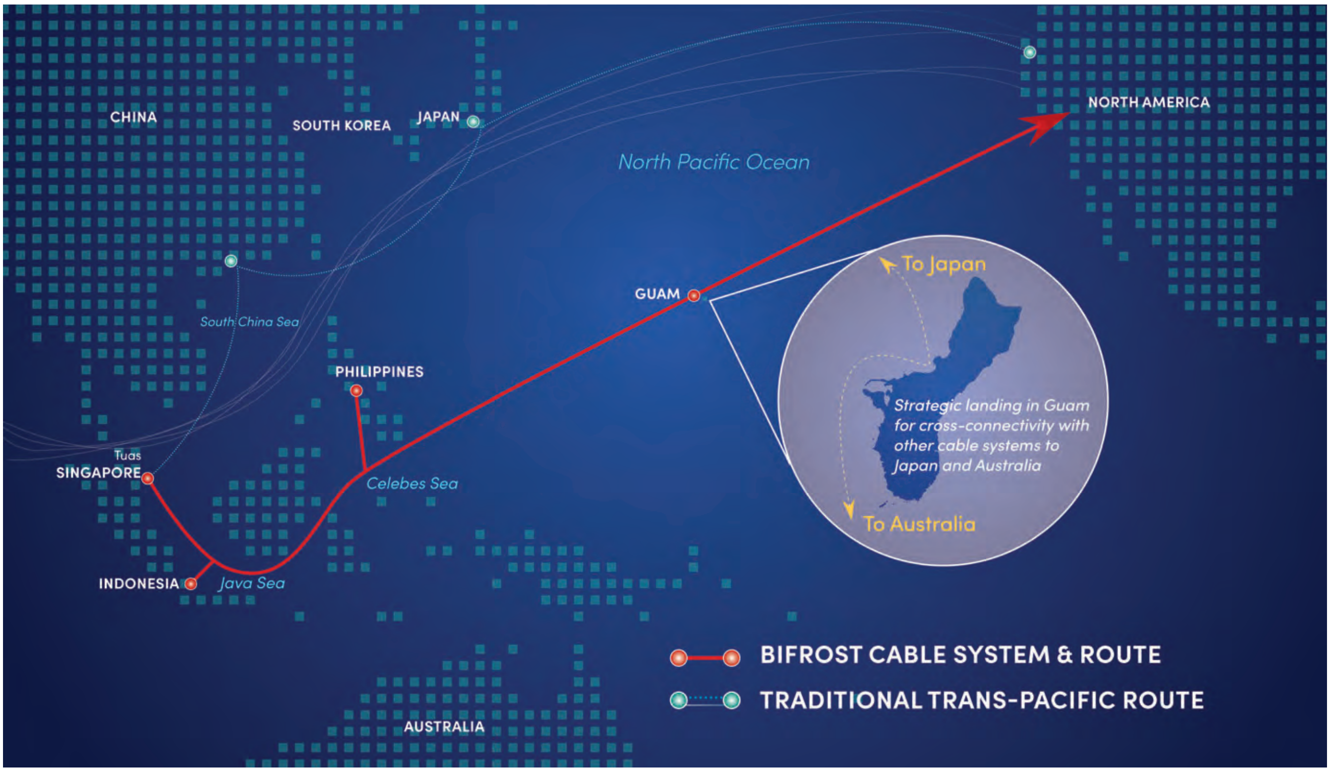
Bifrost presents many potential areas for synergy across Keppel's business units, including offering enhanced connectivity for Keppel Data Centres and M1. Keppel T&T is also working with Keppel Capital to secure funding from co-investors for Keppel's fibre pairs.

During the year, Keppel T&T made good progress on the Bifrost project, having secured leading Philippine internet service provider, Converge ICT Solutions, as its first customer, as well as commenced the manufacturing of the cable system. Keppel continues to see strong demand for its fibre pairs and is confident that most of them would be committed before the cable system is completed in 2024.

The global submarine cable systems market is projected to grow to US$23 billion by 2026, representing a CAGR of 10.5% from 2021 to 2026[1]. In particular, big cloud players such as Google, Apple, and Microsoft are increasingly investing in Asia Pacific as a hub for submarine cable infrastructure. To tap this burgeoning market, Keppel T&T is actively exploring

[1] Markets and Markets: Submarine Cable Systems Market Report – Global Forecast to 2026.

M1 is harnessing the low latency and network slicing attributes of 5G SA to provide next-generation 5G-powered solutions that have the ability to improve efficiency while meeting customers' needs.



In 2021, Keppel T&T entered into a joint build agreement with Facebook and Telin to jointly own and develop Bifrost, which directly connects Singapore to the west coast of North America via Indonesia through the Java Sea and Celebes Sea.

M1 is making good progress in the rollout of its 5G SA network coverage in Singapore, and expects to achieve nationwide outdoor coverage by end-2022.

opportunities to develop other submarine cable systems that will connect to other continents using Singapore as a hub.

DIGITAL CONNECTIVITY

In line with the Group's asset-light business model under Vision 2030, M1 unlocked value from $580 million worth of network assets in 2021. Capital freed through the transfer of network assets will be utilised for investments in 5G capabilities and digital solutions. M1 will continue to expand and offer its range of solutions and services to its enterprise customers, including small and medium-sized enterprises.

Today, consumers demand not just ease of connectivity and access to data, but also lower latency and higher speeds, which will drive the demand for 5G. According to Allied Market Research, the global 5G technology market, which was valued at US$5 billion in 2020, is projected to reach almost US$800 billion by 2030, growing at a CAGR of 65.8% from 2021 to 2030.

In 2021, M1 expanded its customer base to 2.2 million, up from 2.1 million in the previous year. The number of mobile customers grew 4% to 1.9 million as at end-2021. Notably, its postpaid customer base grew 6% yoy to 1.7 million as at end-2021, which is the second largest postpaid customer base in Singapore. Meanwhile, M1's fibre customer base increased 3% in 2021 to 235,000 customers.

In 2021, M1 continued to step up its efforts to power personalised experiences without limits, making significant headway in the rollout of its 5G SA network for all consumers.

M1's True 5G network was launched in an exclusive market trial in July 2021, which enabled all users to enjoy the revolutionary benefits of 5G SA. By adding the 5G Booster pack to their mobile plans, customers can experience faster speeds, close to real-time network responses and enhanced connectivity. M1, in partnership with Samsung, was also the first in the world to offer elevated call experiences via the Voice over 5G New Radio service on M1's 5G SA network. M1 has made good progress rolling out its 5G SA network where it achieved 50% outdoor coverage as at end-2021, and expects to achieve nationwide outdoor coverage by end-2022.

Following the consumer market trial, M1 was the first in Singapore to launch 5G SA commercialised enterprise solutions. As part of its rollout of 5G SA solutions for enterprises, M1 and Keppel Land unveiled a suite of intelligent solutions for Marina at Keppel Bay. Harnessing the low latency and network slicing attributes of 5G SA, the solutions demonstrated M1's readiness in providing next-generation 5G-powered solutions that have the ability to improve efficiency while meeting customers' needs.

To further M1's 5G ambition, M1 is partnering Workforce Singapore to upskill and train close to 10% of its entire workforce to build a pool of talent with up-to-date skills in 5G and emerging technologies through on-the-job training and relevant training courses.

M1 is also growing its Enterprise business and has embarked on regional expansion with the acquisition of Glocomp Systems, a digital solutions provider in Malaysia. Following the acquisition of AsiaPac Technology, which focuses on cloud services, the addition of Glocomp marks M1's continued expansion of its cloud and managed services business, providing strong synergies while further strengthening M1's enterprise digital service capabilities.

With the enhanced portfolio, M1 will drive opportunities and harness synergies within the Keppel Group to strengthen value propositions and create more business solutions to capture the B2B Connectivity and Information & Communication Technologies segments in the region.

With its wide range of end-to-end solutions for businesses and consumers, M1 will continue to work with technology companies and government agencies to drive 5G development. Some examples of the initiatives include the Infocomm Media Development Authority's open testbeds, where M1 is supporting businesses in developing, adopting and commercialising 5G solutions. M1 will also continue contributing towards enhancing Keppel's suite of solutions, as it explores more 5G-enabled business and collaboration opportunities across the Group.

ASSET MANAGEMENT

WE CREATE ENDURING VALUE WITH QUALITY INVESTMENT PRODUCTS AND PROVIDE A PLATFORM FOR RECYCLING CAPITAL AND TAPPING THIRD-PARTY FUNDS FOR GROWTH.

EARNINGS HIGHLIGHTS ($ million)

	2021	2020	2019
Revenue	**162**	135	145
EBITDA	**116**	276	123
Operating Profit	**113**	273	120
Profit before Tax	**327**	304	239
Net Profit	**301**	280	214

PROGRESS IN 2021

- Assets under management (AUM) grew by about 14% yoy to $42 billion[1].
- Raised total equity of about $3.5 billion and completed around $5.5 billion in acquisitions and divestments.
- Listed REITs and business trust continued to grow through strategic acquisitions, delivering sustainable returns and stable recurring income.
- Keppel Capital inked four separate managed accounts with global investors to invest in core infrastructure assets, high quality logistics assets and commercial real estate.

FOCUS FOR 2022/2023

- Grow the Group's AUM to $50 billion by end-2022, with target to further grow to $100 billion.
- Support Keppel's asset-light strategy by harnessing synergies across the Group to co-create quality solutions and deliver strong returns to investors.
- Facilitate the integration of Keppel's business units through OneKeppel Teams to build competitive advantage and tap third-party funds for growth.
- Pursue and develop innovative solutions in collaboration with other Keppel business segments and drive value chain integration.

The Asset Management segment comprises Keppel Capital, as well as the Group's holdings in the listed REITs and business trust, and private funds.

Looking ahead, Keppel Capital is on track to achieve its $50 billion AUM target by end-2022 and aims to further grow its AUM to $100 billion.

Despite gradual economic recovery, 2021 remained a challenging year for the global economy, with the emergence of new COVID-19 variants, continuing supply chain disruptions and geopolitical tensions. At the same time, volatility in global markets and inflation continued to fuel demand for real assets with long-term stable cash flows.

2021 was an active year for the Asset Management segment, which continued to create value for Keppel and investors. Keppel Capital grew its AUM[1] to $42 billion, an increase of about 14% from $37 billion a year ago. Looking ahead, Keppel Capital is on track to achieve its $50 billion AUM target by end-2022 and aims to further grow its AUM to $100 billion over time. Keppel Capital's asset management fees[2] rose steadily to $233 million in 2021, an increase of approximately 29% yoy.

Keppel continues to receive strong demand from investors for the funds under management, which are invested in real assets that can serve as effective hedges against rising inflation. During the year, Keppel Capital raised total equity of about $3.5 billion, and completed around $5.5 billion in acquisitions and divestments.

Value creation remained a key focus for the listed REITs and business trust, which continued to grow through acquisitions and portfolio optimisation efforts during the year. In the private funds space, Keppel Capital achieved final close for Keppel Asia Infrastructure Fund (KAIF) and Keppel Data Centre Fund II (KDCF II), while continuing to invest strategically and proactively manage its portfolios to create and extract value in a timely manner.

During the year, the OneKeppel Data Centre and OneKeppel Infrastructure teams, comprising talent and expertise from various business units and functions, were established to focus on investments in data centres and various infrastructure asset classes respectively, including renewables, decarbonisation and environmental solutions. OneKeppel Teams adopt a cradle-to-maturity approach in evaluating opportunities across the projects' development stages, whether they are investments by the Group's operating entities, private funds, and/or listed REITs and business trust, thereby encouraging the integration of Keppel's business units and value chains.

As part of Keppel's integrated ecosystem, Keppel Capital is uniquely positioned to meet the rising demand for high-quality real assets that the Group can develop and operate. As it works toward Vision 2030, Keppel Capital will harness synergies across the Group to identify emerging opportunities and capture new profit pools across the lifespan of its investments.

REAL ESTATE

During the year, Keppel REIT Management continued with its portfolio optimisation efforts with the aim of enhancing the REIT's income resilience and improving total returns to Unitholders.

In 2021, Keppel REIT grew its portfolio in Singapore and Australia with the acquisition of Keppel Bay Tower, Singapore's first Green Mark Platinum (Zero Energy) commercial building, and Blue & William, a sustainable Grade A office building currently under development in North Sydney.

The addition of these two high quality buildings reinforces the Manager's discipline to build a sustainable portfolio that supports climate action as businesses move towards a low-carbon future. During the year, Keppel REIT also unlocked value with the divestment of 275 George Street in Brisbane, Australia.

Keppel REIT's sustainable Grade A office building, Blue & William, which is under development in North Sydney, is designed to achieve the 5 Star Green Star Design and As Built Rating by the Green Building Council of Australia, as well as the 5.5 Stars National Australian Built Environment Rating System Base Building Energy Rating.

[1] Gross asset value of investments and uninvested capital commitments on a leveraged basis to project fully-invested AUM.

[2] Includes 100% fees from subsidiary managers, joint ventures and associated entities, as well as share of fees based on shareholding stake in an associate with whom Keppel has strategic alliance.

As it works toward Vision 2030, Keppel Capital will harness synergies across the Group to identify emerging opportunities and capture new profit pools across the lifespan of its investments, from cradle to maturity.

With COVID-19 becoming increasingly endemic, Grade A commercial buildings with strong safety and service levels remain well positioned to attract and retain tenants. With sustainability at the core of the Keppel Group's strategy, the Manager will continue to actively manage its portfolio of Grade A commercial buildings to ensure stable and sustainable distributions to Unitholders and achieve long-term growth.

Over in the United States (US), Keppel Pacific Oak US REIT (KORE) expanded and solidified its presence in the fast-growing 18-Hour cities of Nashville, Tennesse, and Denver, Colorado, with the acquisitions of Bridge Crossing and 105 Edgeview respectively. Both cities are key growth markets that demonstrate positive economic and office fundamentals, as well as benefit from significant technology investments.

Notwithstanding the continued challenges posed by COVID-19, KORE will continue to focus on its key growth markets in the US, seeking high-quality assets and accretive acquisitions in Super Sun Belts and 18-Hour Cities, where demand for quality office spaces has been increasing as more people move out of the densely populated cities.

Meanwhile, Prime US REIT, in which Keppel Capital is a strategic partner, completed the acquisitions of Sorrento Towers in San Diego, California, and One Town Center in Boca Raton, Florida.

In the private equity space, Alpha Investment Partners (Alpha) secured a $360 million separate managed account (SMA) from PGGM, a cooperative Dutch pension fund service provider to focus on core-plus opportunities in commercial real estate.

In January 2022, Keppel Vietnam Fund (KVF) and a co-investor of KVF, together with Keppel Land, entered into a binding heads of agreement with Phu Long Real Estate Joint Stock Company and its subsidiary to acquire an interest in three residential land plots in Mailand Hanoi City, Hoai Duc District, in Hanoi. This marks the first acquisition by KVF since it achieved first closing of US$400 million.

DATA CENTRES

Value creation remains a priority for Keppel DC REIT Management, which continued to deliver on acquisitions and portfolio optimisation efforts, in line with its aim to grow its portfolio with at least 90% of its AUM invested in data centres.

During the year, Keppel DC REIT acquired three assets across the Netherlands, China and the UK, as well as invested in the bonds and preference shares issued by M1 Network Private Limited. It also completed the divestment of iseek Data Centre in Brisbane, Australia, which is in line with Keppel DC REIT's strategy to continually review and selectively consider divestments to ensure an optimal portfolio mix.

Keppel DC REIT is well positioned to benefit from the acceleration of digitalisation. Its strong operational expertise, extensive industry network and healthy balance sheet enable it to capture strategic opportunities for growth. Keppel DC REIT will also leverage the Keppel ecosystem which provides end-to-end solutions from project development to facilities management and innovative carbon reduction solutions to grow sustainably.

Collectively, Keppel Data Centres and the private data centre funds under Keppel Capital have more than $2 billion worth of assets under management and development, which Keppel DC REIT can potentially acquire.

Meanwhile, Keppel's private data centre funds, which are managed by Alpha, work in close collaboration with Keppel Data Centres to capture investment opportunities in greenfield and brownfield data centre assets in Asia Pacific and Europe.

In 2021, KDCF II secured Asian Infrastructure Investment Bank as an investor and achieved a closing with US$1.1 billion in total commitments, including co-investment capital. During the year, KDCF II also acquired its first project to develop a greenfield data centre in Shanghai. Since its launch in December 2020, KDCF II has attracted a diverse group of investors from Asia and Europe,

KDCF II, in collaboration with Keppel Data Centres, is developing a greenfield data centre in Shanghai, China.

As part of the Group's plan to grow its renewable energy portfolio, Keppel announced the acquisition of a majority joint venture stake in leading solar platform, Cleantech.

including sovereign wealth funds, financial institutions, insurance funds and pension funds.

INFRASTRUCTURE

Keppel Infrastructure Fund Management (KIFM), the Trustee-Manager of Keppel Infrastructure Trust (KIT) delivered stable performance in 2021, and declared a higher Distribution per Unit (DPU) of 3.78 cents in FY 2021, a 1.6% increase yoy. This is KIT's first DPU increase since FY 2016, and was supported by the strong and stable performance by Ixom and resilient cashflow contribution from KIT's overall portfolio.

Following a strategic review, KIFM has identified its targeted sectors for growth, focusing on core and core plus infrastructure businesses and assets in the developed markets of Asia Pacific and Europe, the Middle East and Africa. With a focus on evergreen, yield accretive businesses and assets that will benefit from secular growth trends, KIFM will continue to build a well-diversified portfolio of infrastructure businesses and assets that can generate long-term growth in distributions and contribute to building a sustainable future.

In February 2022, KIFM completed KIT's minority investment in Aramco Gas Pipelines Company, which holds a 20-year lease and lease back agreement over the usage rights of Aramco's gas pipelines network. KIT will receive quarterly payments backed by a minimum volume commitment from Aramco. Beyond income diversification, the investment also supports the energy transition of the Saudi economy through the use of gas.

On the private funds side, KAIF achieved its final close at the end of 2021, having received capital commitments of approximately US$1 billion from global institutional investors. In December 2021, Keppel Corporation, together with KAIF and a co-investor of KAIF, jointly acquired a majority joint venture stake in Cleantech Renewable Assets (Cleantech), a leading solar platform. The investment in Cleantech marks KAIF's first renewable energy investment and will form its beachhead into the burgeoning solar energy sector in Asia Pacific.

Seizing opportunities from the rising demand for infrastructure assets, Keppel Capital inked two SMAs for an aggregate of US$600 million from international financial institutions. Many investors see infrastructure as an attractive asset class that is less susceptible to major economic cycles and short-term fluctuations, and which also provides sustainable, stable and predictable income streams.

ALTERNATIVE ASSETS

In 2021, Keppel Capital partnered a global institutional investor to launch a China logistics property fund to invest in developing high-quality logistics assets in key logistics hubs in China. The inaugural China-focused logistics property fund has an initial total equity commitment of around RMB1.4 billion.

Meanwhile, Keppel-Pierfront Private Credit Fund achieved its second close of approximately US$500 million, including co-investment capital.

FINANCIAL REVIEW

WE WILL SUSTAIN VALUE CREATION THROUGH EXECUTION EXCELLENCE, AND STRONG FINANCIAL DISCIPLINE.

KEY PERFORMANCE INDICATORS

	2021 $ million	21 vs 20 % +/(-)	2020 $ million	20 vs 19 % +/(-)	2019 $ million
Revenue	**8,625**	31	6,574	(13)	7,580
Net Profit/(Loss)	**1,023**	n.m.f.	(506)	n.m.f.	707
Earnings/(Loss) per Share	**56.2 cts**	n.m.f.	(27.8) cts	n.m.f.	38.9 cts
Return on Equity	**9.1%**	n.m.f.	(4.6)%	n.m.f.	6.3%
Economic Value Added	**204**	n.m.f.	(1,368)	n.m.f.	188
Operating Cash Flow	**(275)**	n.m.f.	202	n.m.f.	(825)
Free Cash Flow	**1,750**	n.m.f.	(72)	n.m.f.	(653)
Total Cash Dividend per Share	**33.0 cts**	230	10.0 cts	(50)	20.0 cts

n.m.f. denotes no meaningful figure

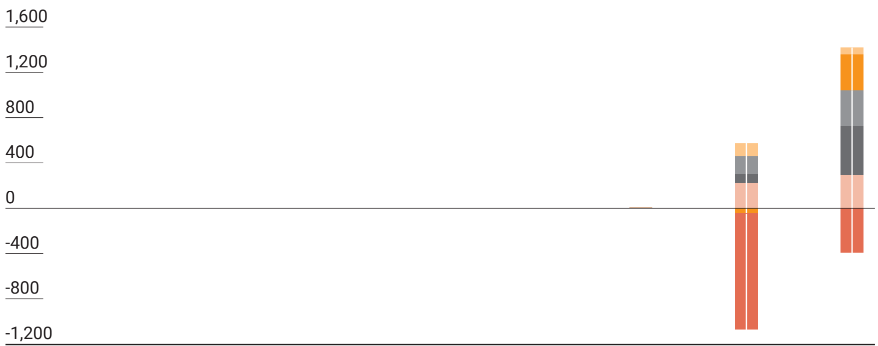
GROUP OVERVIEW

The Group achieved a net profit of $1.02 billion for 2021, reversing the net loss of $506 million a year ago. All segments registered improved year-on-year (yoy) performance. Urban Development continues to be the biggest contributor to the Group's bottom-line, earning $763 million in profits for the year. Connectivity also had a strong year with an almost fivefold increase in net profit. As the financial twin to other segments, the Asset Management business remains a major contributor, accounting for close to 30% of the Group's profits. In 2021, the Group recorded strong returns from our investments in start-ups and venture capital funds which are reported under Corporate & Others. Although Energy & Environment reported a net loss, the loss was significantly lower than the prior year's, and was largely attributable to the impairment provision for the Group's exposure to KrisEnergy.

The strong performance translated to earnings per share of 56.2 cents, as compared to loss per share of 27.8 cents in 2020. Correspondingly, Return on Equity (ROE) was positive 9.1%, compared to negative 4.6% for 2020. Economic Value

Recurring income grew 33% to $292 million in 2021 with stronger contributions from asset management and the REITs and business trust.

MULTIPLE INCOME STREAMS ($ million)



	2020	**2021**
Profit from Capital Recycling	111	**61**
FV Gain/(Loss) on Investments	(51)	**315**
Revaluation	163	**317**
EPC/Development for Sale	79	**436**
Recurring Income	220	**292**
Corporate Costs, Impairments and Others	(1,028)	**(398)**
Total	(506)	**1,023**

Added (EVA) was positive $204 million for 2021, compared to negative $1,368 million for 2020.

Free cash inflow of $1.75 billion was an improvement over the free cash outflow of $72 million in 2020. This was mainly due to proceeds from enbloc sales of certain China and Vietnam property trading projects, completion of the divestment of Keppel Bay Tower, as well as the disposal of M1's network assets, all of which are part of the Group's asset monetisation programme. In addition, higher dividend income, as well as lower investments and capital expenditure, partly offset by higher working capital requirements, further contributed to the improvement in free cash flow. Net gearing decreased from 0.91 times a year ago to 0.68 times at the end of 2021 on the back of reduced net debt as well as a higher equity base.

Total cash dividend for 2021 will be 33.0 cents per share, which is more than triple the total dividend for 2020. This comprises a proposed final cash dividend of 21.0 cents per share as well as an interim cash dividend of 12.0 cents per share paid in the third quarter of 2021.

In summary, the Group has delivered strong financial performance for 2021 with all segments performing better yoy, evidenced by the sharp improvement in ROE, healthy net gearing, and positive free cash flow. Guided by Vision 2030, the Group is committed to improving earnings quality, maintaining financial discipline, and building a sustainable future.

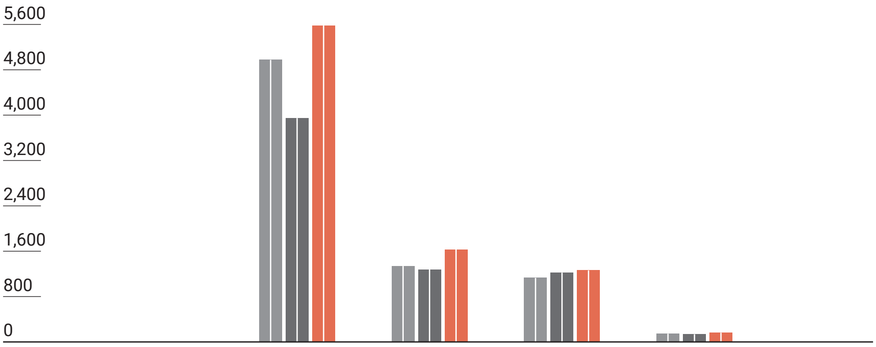
MULTIPLE INCOME STREAMS

As part of Vision 2030, the Group remains focused on improving earnings quality with multiple income streams. In addition to the increase in recurring income, most of the other income streams also performed better yoy. Recurring income increased 33% to $292 million in 2021, underpinned by higher contributions from the stakes in the Group's REITs and business trust, and asset management business, as well as lower share of losses from offshore & marine associates. Earnings from EPC/Development for Sale were much higher yoy on the back of several enbloc sales by the Urban Development segment in 2021. With the gradual recovery of the global economy from the COVID-19 crisis, the Group also recorded higher revaluation gains from investment properties and data centres, as well as fair value gains on investments, as compared to losses in the previous year. Impairments in 2021 of $514 million were much lower than in 2020, which had seen significant impairments largely from the offshore & marine business.

SEGMENT OPERATIONS

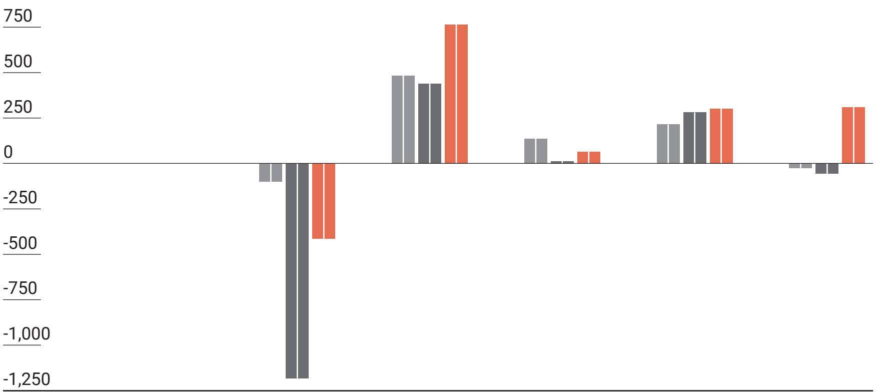
Group revenue of $8,625 million was $2,051 million or 31% higher than the preceding year. Revenue from Energy & Environment increased by $1,631 million or 41% to $5,574 million, led by higher electricity and gas sales, higher progressive revenue recognition from the Tuas Nexus Integrated Waste Management Facility project in Singapore which was secured in April 2020, higher progressive revenue recognition from the Hong Kong Integrated Waste Management Facility project, as well as higher revenue from the offshore & marine business. These were partially offset by the completion of the Keppel Marina East Desalination Plant project in June 2020, as well as the absence of revenue from the Doha North Sewage Treatment Works due to the cessation of the operation and maintenance contract in July 2020. The higher revenue in the offshore & marine business was mainly due to higher revenue recognition from certain ongoing projects and revenue from new projects in 2021, which were partly offset by cessation of revenue recognition on Awilco contracts and deferment of some projects. Major jobs delivered by the offshore & marine business in 2021 included two LNG bunker vessels, an LNG carrier, an FLNG turret, four Floating Production Storage and Offloading vessel modification and upgrading projects, and a Floating Storage Regasification Unit conversion project. Revenue from Urban Development increased by $354 million to $1,629 million mainly due to higher revenue from property trading projects in China and Singapore. Revenue for Connectivity of $1,260 million was marginally above that of 2020. Higher revenues from the logistics and data centre businesses, and higher handset and equipment sales by M1, were partly offset by the lower service revenue from M1. Revenue from Asset Management increased by $27 million to $162 million mainly due to higher fees resulting from increased acquisition and divestment activities, and from additional fund commitments secured during the year.

REVENUE ($ million)



	Energy & Environment	Urban Development	Connectivity	Asset Management	Corporate & Others
2019	4,969	1,336	1,128	145	2
2020	3,943	1,275	1,220	135	1
2021	**5,574**	**1,629**	**1,260**	**162**	**0**

NET PROFIT/(LOSS) ($ million)



	Energy & Environment	Urban Development	Connectivity	Asset Management	Corporate & Others
2019	(101)	483	136	214	(25)
2020	(1,181)	438	13	280	(56)
2021	**(414)**	**763**	**64**	**301**	**309**

Group net profit was $1,023 million, as compared to a net loss of $506 million in 2020. All segments recorded improved performance.

Energy & Environment's net loss was $414 million as compared to net loss of $1,181 million in 2020. Excluding impairments related to KrisEnergy in both years, the segment's net loss for 2021 was $96 million, a marked improvement from the prior year's net loss of $1,142 million. On the same basis, net loss from the offshore & marine business of $77 million was substantially lower than the $1,194 million net loss in the preceding year. This was mainly due to the larger impairments recognised in 2020, while 2021 benefitted from the share of Floatel's restructuring gain. Excluding revaluations, impairments and divestments in both years, net loss from offshore & marine decreased from $301 million to $181 million. The better results, despite much lower government relief measures related to the COVID-19 pandemic, were largely due to the focus on overheads reduction, as well as the lower share of losses from associated companies, partly offset by higher net interest expense. The contribution from our infrastructure business was resilient despite volatile global energy prices as well as COVID-19's impact on ongoing operations and projects, due to strong execution and risk management. The 2021 results included $23 million of closure costs on interest rate swaps following the refinancing plan for an asset.

Net profit from Urban Development increased by 74% or $325 million to $763 million. The strong results were driven by higher contributions from property trading projects in China and Vietnam, as well as gains from the disposal of interests in the Dong Nai project in Vietnam, Serenity Villas project in Chengdu, and China Chic project in Nanjing, and divestment of a partial interest in Tianjin Fushi Real Estate

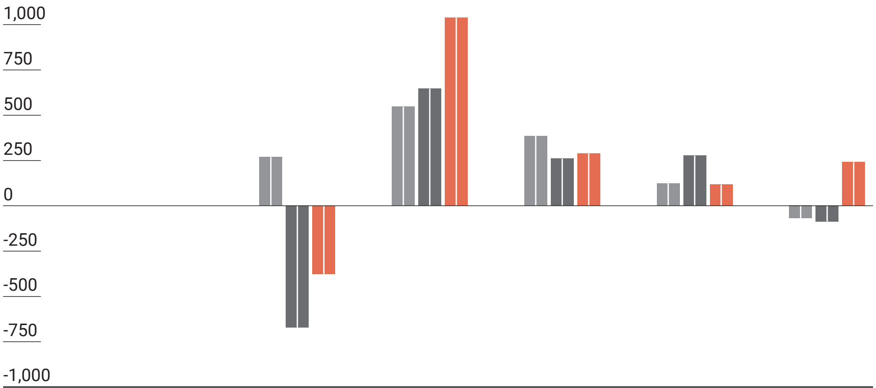
Development Co., Ltd. These were partly offset by lower fair value gains from investment properties, impairment provision for a hotel in Myanmar, as well as lower contribution from the Sino-Singapore Tianjin Eco-City which saw lower profits from the sale of one commercial & residential land plot in 2021 as compared to two residential land plots in the prior year.

Connectivity's net profit of $64 million was $51 million higher than 2020. Our data centre business saw an improvement in bottom-line by $11 million, largely supported by gains from the disposals of a data centre in Frankfurt and Keppel's stake in Cloud Engine (Beijing) Network Technology. Net profit from M1 was $57 million in 2021 compared to $65 million in the preceding year. Excluding COVID-19-related government grants in both years, M1's net profit would have been $7 million higher yoy. Despite lower service revenue, M1's profit contribution remained strong through cost and overheads management. Logistics' net profit of $26 million was a reversal from the prior year's net loss of $22 million. This was led by lower operating loss, as well as gains from divestment of interests in Wuhu Sanshan Port Company Limited and in Keppel Logistics (Foshan), following an agreement reached with local authorities on the compensation for the closure of the Lanshi port.

Net profit from Asset Management increased by $21 million to $301 million. In 2020, there was a mark-to-market gain recognised from the reclassification of the Group's interest in Keppel Infrastructure Trust (KIT) from an associated company to an investment following the loss of significant influence over KIT. Excluding the reclassification gain, net profit was $152 million higher than 2020. For 2021, the segment recorded higher fee income arising from acquisitions and divestments completed, and from additional fund commitments secured during the year. In addition, there was recognition of mark-to-market gains from investments, higher dividend income from KIT, as well as fair value gains on investment properties and data centres from Keppel REIT, Keppel DC REIT, Alpha Data Centre Fund and Keppel Data Centre Fund II. In 2020, there was the recognition of gains from the sale of units in Keppel DC REIT, divestment of interest in Gimi MS Corporation, and mark-to-market losses from investments.

Corporate & Others recorded net profit of $309 million in 2021 as compared to net loss of $56 million in the prior year.

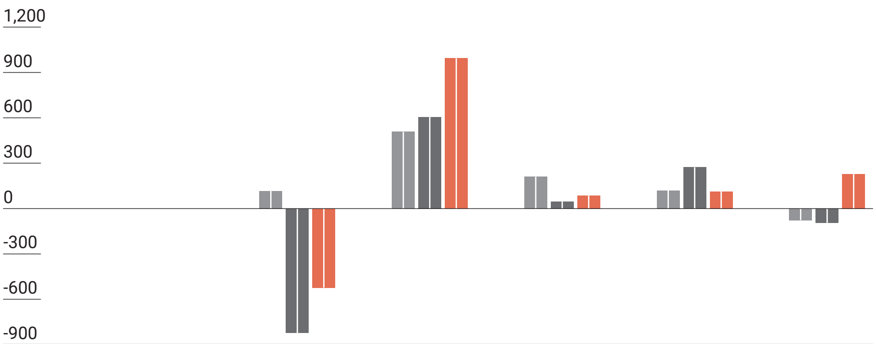
EBITDA ($ million)



	Energy & Environment	Urban Development	Connectivity	Asset Management	Corporate & Others
2019	268	545	385	123	(69)
2020	(671)	645	259	276	(87)
2021	**(376)**	**1,036**	**288**	**116**	**241**

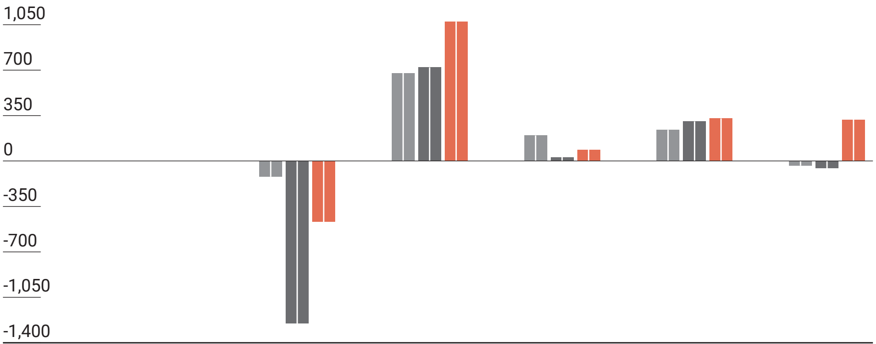
All business segments recorded higher revenues, contributing collectively to a 31% increase in Group revenue at $8.62 billion in FY 2021.

OPERATING PROFIT/(LOSS) ($ million)



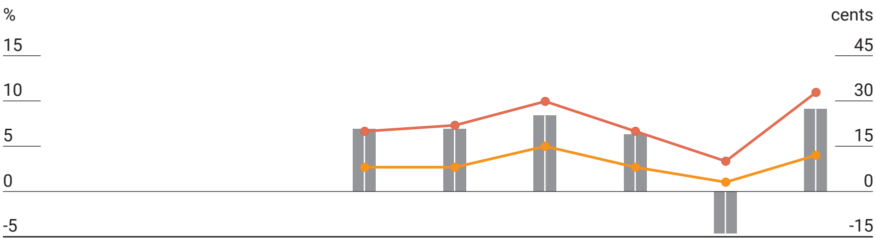
	Energy & Environment	Urban Development	Connectivity	Asset Management	Corporate & Others
2019	116	507	210	120	(76)
2020	(822)	605	46	273	(94)
2021	**(522)**	**993**	**86**	**113**	**228**

PROFIT/(LOSS) BEFORE TAX ($ million)



	Energy & Environment	Urban Development	Connectivity	Asset Management	Corporate & Others
2019	(121)	676	196	239	(36)
2020	(1,251)	720	29	304	(57)
2021	**(469)**	**1,072**	**86**	**327**	**319**

ROE & DIVIDEND



	2016	2017	2018	2019	2020	**2021**
ROE (%)	6.9	6.9[1]	8.4	6.3	(4.6)	**9.1**
Full Year Dividend (cts)	20	22	30	20	10	**33**
Interim Dividend (cts)	8	8	15[2]	8	3	**12**

1 Excludes one-off financial penalty from global resolution & related costs.
2 Includes special cash dividend of 5.0 cents/share.

This was mainly due to fair value gains instead of losses on investments, and higher investment income. The fair value gains were largely from investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P..

SHAREHOLDER RETURNS

ROE was positive 9.1%, compared to negative 4.6% in the previous year, backed by the strong growth in profitability.

Taking into account the strong performance of the Group, and to reward shareholders for their confidence in the Company, the Company will be distributing a total cash dividend of 33.0 cents per share for 2021, comprising a proposed final cash dividend of 21.0 cents per share as well as the interim cash dividend of 12.0 cents per share distributed in the third quarter of 2021. On a per share basis, it translates into a gross yield of 6.4% on the Company's last transacted share price of $5.12 as at 31 December 2021.

ECONOMIC VALUE ADDED

In 2021, EVA was positive $204 million as compared to negative $1,368 million in the previous year. This was attributable to a net operating profit after tax in 2021 as compared to net operating loss after tax in 2020, as well as lower capital charge.

Capital charge decreased by $143 million as a result of lower Weighted Average Cost of Capital (WACC), partly offset by higher Average EVA Capital Employed.

EVA

	2021 $ million	**21 vs 20 +/(-)**	**2020 $ million**	**20 vs 19 +/(-)**	**2019 $ million**
Profit/(loss) after tax (Note 1)	**735**	1,467	(732)	(1,526)	794
Adjustment for:					
Interest expense	**251**	(41)	292	(21)	313
Tax effect on interest expense adjustments (Note 2)	**(43)**	7	(50)	3	(53)
Provisions, deferred tax, amortisation & other adjustments	**121**	(4)	125	3	122
Net Operating Profit After Tax (NOPAT)	**1,064**	1,429	(365)	(1,541)	1,176
Average EVA Capital Employed (Note 3)	**20,283**	29	20,254	2,188	18,066
Weighted Average Cost of Capital (Note 4)	**4.24%**	(0.71)%	4.95%	(0.52)%	5.47%
Capital Charge	**(860)**	143	(1,003)	(15)	(988)
Economic Value Added	**204**	1,572	(1,368)	(1,556)	188

Notes:
1. Profit/(loss) after tax excludes net revaluation gain on investment properties.
2. The reported current tax is adjusted for statutory tax impact on interest expenses.
3. Average EVA Capital Employed is derived from the averages of net assets, interest-bearing liabilities, timing of provisions, and other adjustments.
4. WACC is calculated in accordance with the Keppel Group EVA Policy as follows:
   a. Cost of Equity using Capital Asset Pricing Model with market risk premium set at 5.0% (2020: 5.0%);
   b. Risk-free rate of 0.90% (2020: 1.75%) based on yield-to-maturity of Singapore Government 10-year Bonds;
   c. Unlevered beta at 0.72 (2020: 0.72); and
   d. Pre-tax Cost of Debt at 0.49% (2020: 1.48%) using 5-year Singapore Dollar Swap Offer Rate plus 85 basis points (2020: 60 basis points).

Net gearing decreased to 0.68x as at end-2021 from 0.91x as at end-2020, supported by Keppel's asset-light business model and proactive asset monetisation.

WACC decreased from 4.95% to 4.24% mainly due to a decrease in risk-free rate and lower cost of debt. Average EVA Capital Employed increased by $29 million from $20.25 billion to $20.28 billion mainly due to higher equity.

FINANCIAL POSITION

Group shareholders' funds increased by $0.93 billion to $11.66 billion as at 31 December 2021. The increase was mainly attributable to retained profits, an increase in fair value on cash flow hedges and foreign exchange translation gains, partly offset by the final dividend payment of 7.0 cents per share in respect of financial year 2020, the interim dividend payment of 12.0 cents per share in respect of the half year ended 30 June 2021, and fair value losses from investments held at fair value through other comprehensive income.

Group total assets were $32.32 billion as at 31 December 2021, $0.22 billion higher than the previous year end. Non-current assets decreased mainly due to depreciation and disposal of fixed assets, partly offset by fair value gains in investment properties and fair value gains of investments. There was also the reclassification of long-term assets, fixed assets, investments in associated companies and right-of-use assets to assets classified as held for sale. The increase in current assets was mainly due to an increase in bank balances, deposits & cash and contract assets, partly offset by a decrease in debtors and stocks, as well as a lower amount of assets classified as held for sale.

Group total liabilities of $19.88 billion as at 31 December 2021 were $1.07 billion lower than the previous year end. This was largely attributable to the decrease in contract liabilities and net repayment of term loans, partly offset by the increase in creditors.

Group net debt decreased by $1.72 billion to $8.40 billion as at 31 December 2021, driven largely by proceeds from divestments, partly offset by working capital requirements and dividend payments. Total equity increased by $1.29 billion, mainly due to increase in shareholders' funds as explained above and the issuance of perpetual securities during the year. As a result, group net gearing ratio decreased from 91% as at 31 December 2020 to 68% as at 31 December 2021.

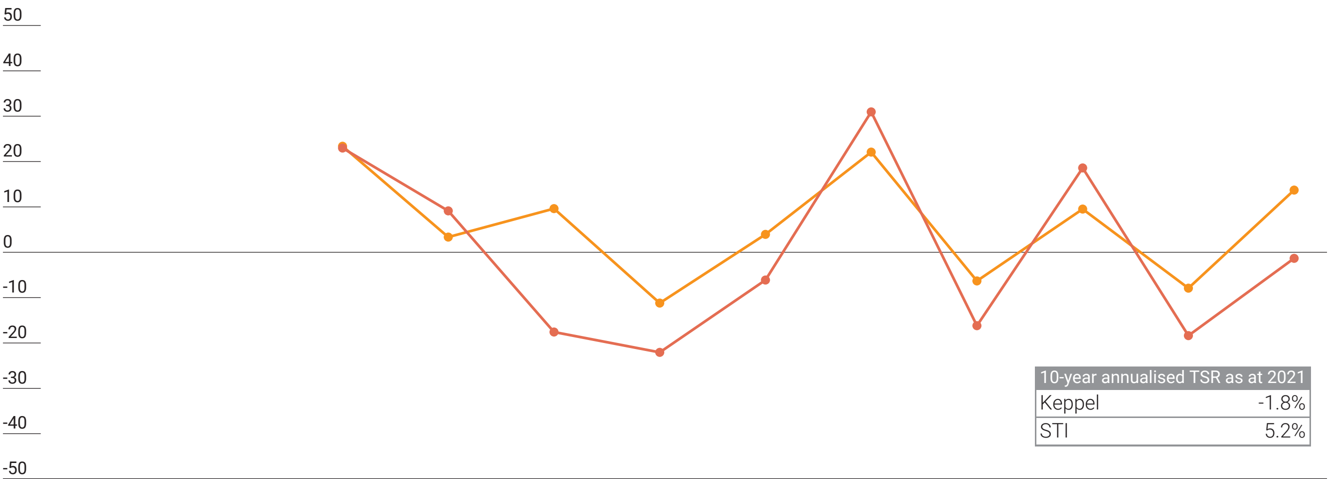
TOTAL ASSETS OWNED ($ million)

	2019	2020	**2021**
Fixed assets	2,902	2,716	**2,044**
Properties	3,022	3,674	**4,256**
Right-of-use assets	760	583	**529**
Associated companies, joint ventures & investments	7,121	7,355	**7,525**
Stocks	5,543	4,959	**4,604**
Contract assets	3,497	2,657	**3,170**
Debtors & others	6,693	7,682	**6,578**
Bank balances, deposits & cash	1,784	2,480	**3,617**
Total	31,322	32,106	**32,323**

TOTAL LIABILITIES OWED AND CAPITAL INVESTED ($ million)

	2019	2020	**2021**
Shareholders' funds	11,211	10,728	**11,655**
Perpetual securities	–	–	**401**
Non-controlling interests	435	428	**385**
Creditors	5,795	5,831	**6,436**
Contract liabilities	1,825	2,072	**1,002**
Term loans & bank overdrafts	11,060	12,039	**11,455**
Lease liabilities	597	564	**562**
Other liabilities	399	444	**427**
Total	31,322	32,106	**32,323**

TOTAL SHAREHOLDER RETURN (%)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Keppel	22.9	9.0	(17.8)	(22.3)	(6.3)	30.9	(16.4)	18.5	(18.6)	**(1.5)**
STI	23.3	3.2	9.5	(11.4)	3.8	22.0	(6.5)	9.4	(8.1)	**13.6**

Source: Bloomberg

TOTAL SHAREHOLDER RETURN

Our 2021 Total Shareholder Return (TSR) of negative 1.5% was 15.1 percentage points below the benchmark Straits Times Index's (STI) TSR of positive 13.6%. Our 10-year annualised TSR growth rate was negative 1.8% as compared to STI's positive 5.2%.

CASH FLOW

Free cash inflow was $1.75 billion in 2021 as compared to free cash outflow of $72 million in 2020. The improved free cash flow over the preceding year was mainly due to proceeds from enbloc sales of certain China and Vietnam property trading projects, the completion of the divestment of Keppel Bay Tower, as well as the disposal of M1's network assets, all of which were part of the Group's asset monetisation programme.

Total distribution to shareholders of the Company and non-controlling shareholders of subsidiaries for the year amounted to $357 million.

BORROWINGS[1]

The Group borrows from local and foreign banks in the form of short-term and long-term loans and project loans. The Group also taps the debt capital market via issuance of primarily Singapore dollar bonds. Total Group borrowings excluding lease liabilities as at the end of 2021 were $11.5 billion (2020: $12.0 billion and 2019: $11.1 billion). At the end of 2021, 41% (2020: 37% and 2019: 41%) of Group borrowings were repayable within one year with the balance largely repayable more than two years later.

Unsecured borrowings constituted 94% (2020: 94% and 2019: 96%) of total

CASH FLOW

	2021 $ million	**21 vs 20 +/(-)**	**2020 $ million**	**20 vs 19 +/(-)**	**2019 $ million**
Operating profit	**898**	890	8	(869)	877
Depreciation, amortisation & other non-cash items	**(570)**	(661)	91	(36)	127
Cash flow provided by operations before changes in working capital	**328**	229	99	(905)	1,004
Provisions made for stocks, contract assets and doubtful debts	**246**	(455)	701	662	39
Working capital changes	**(432)**	(264)	(168)	1,318	(1,486)
Interest receipt and payment & tax paid	**(417)**	13	(430)	(48)	(382)
Net cash from/(used in) operating activities	**(275)**	(477)	202	1,027	(825)
Investments & capital expenditure	**(695)**	536	(1,231)	1,082	(2,313)
Divestments & dividend income	**2,718**	1,820	898	370	528
Advances from/(to) associated companies & joint ventures	**2**	(57)	59	(38)	97
Net cash from/(used in) investing activities	**2,025**	2,299	(274)	1,414	(1,688)
Free cash flow	**1,750**	1,822	(72)	2,441	(2,513)
Dividend paid to shareholders of the Company & subsidiaries	**(357)**	(60)	(297)	133	(430)

borrowings with the balance secured by properties and other assets. Secured borrowings are mainly for financing of investment properties and project finance loans for property development projects. The net book value of properties and assets pledged/mortgaged to financial institutions amounted to $2.22 billion (2020: $2.22 billion and 2019: $0.96 billion).

Fixed rate borrowings constituted 70% (2020: 62% and 2019: 63%) of total borrowings after taking into account the effect of derivative financial instruments with the balance at floating rates. Excluding notional hedge amount relating to highly probable future borrowings, the Group has cross currency swap and interest rate swap agreements with notional amount totalling $4,643 million whereby it receives foreign currency fixed rates and variable rates equal to EURIBOR and AUD BBSY (in the case of the cross currency swaps) and variable rates equal to SOR, SORA and USD-LIBOR (in the case of interest rate swaps) and pays fixed rates of between 0.19% and 3.62% on the notional amount. Details of these derivative financial instruments are disclosed in the notes to the financial statements.

Singapore dollar borrowings represented 64% (2020: 73% and 2019: 78%) of total borrowings after taking into account the effect of derivative financial instruments. The balance was mainly in US dollars. Foreign currency borrowings were drawn to hedge against the Group's overseas investments and receivables that were denominated in foreign currencies.

The weighted average tenor of the Group's debt was about three years at end-2021 and at end-2020, with an increase in average cost of funds as compared to end-2020.

CAPITAL STRUCTURE & FINANCIAL RESOURCES

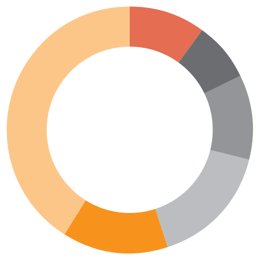
The Group maintains a strong balance sheet and an efficient capital structure to maximise return for shareholders.

Total equity as at end-2021 was $12.44 billion as compared to $11.16 billion as at end-2020 and $11.65 billion as at end-2019. The Group was in a net debt (including lease liabilities) position of $8,400 million as at end-2021, which was below the $10,123 million as at end-2020 and the $9,874 million as at end-2019. The Group's net gearing ratio was 0.68 times as at end-2021, compared to 0.91 times as at end-2020.

At the Annual General Meeting in 2021, shareholders gave their approval for the mandate to buy back shares. During the year, 2,560,000 shares were bought back and held as treasury shares. The Company also transferred 4,668,215 treasury shares to employees upon vesting of shares released under the KCL Share Plans. As at the end of the year, the Company had 943,259 treasury shares. Except for the transfer, there was no other sale, transfer, disposal, cancellation and/or use of treasury shares during the year.

Free cash inflow surged to $1.75 billion in FY 2021 from a $72 million outflow in FY 2020, backed by strong progress in Keppel's asset monetisation programme.

DEBT MATURITY[1] ($ million)

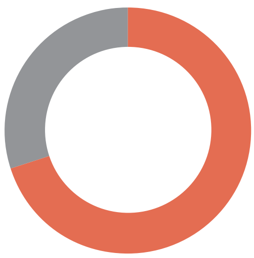


> 5 Years	1,213	10%
4-5 Years	894	8%
3-4 Years	1,242	11%
2-3 Years	1,794	16%
1-2 Years	1,653	14%
< 1 Year	4,659	41%
Total	**11,455**	**100%**

SECURED/UNSECURED BORROWINGS[1] (%)

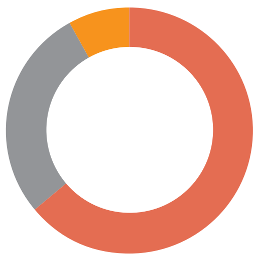
Secured	6
Unsecured	94
Total	**100**

FIXED/FLOATING BORROWINGS[1] (%)



Fixed	70
Floating	30
Total	**100**

BORROWINGS BY CURRENCY[1] (%)



SGD	64
USD	28
Others	8
Total	**100**

[1] Borrowings exclude lease liabilities.

The Group's strong financial capacity allows us to both pursue growth opportunities in line with Vision 2030 and reward shareholders.

The Group continues to be able to tap into the debt capital market at competitive terms.

As part of its liquidity management, the Group has built up adequate cash reserves as well as sufficient undrawn banking facilities and capital market programmes. Funding of working capital requirements, capital expenditure and investment needs was made through a mix of short-term money market borrowings, commercial papers, bank loans as well as medium/long-term bonds via the debt capital market.

As at end-2021, total available credit facilities, including cash at Corporate Treasury and bank guarantee facilities, amounted to $8.08 billion (2020: $6.53 billion).

CRITICAL ACCOUNTING JUDGMENTS & ESTIMATES

The Group's significant accounting policies are discussed in more detail in the notes to the financial statements. The preparation of financial statements requires management to exercise its judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions which affect the reported amounts of assets, liabilities, income and expenses. Critical accounting judgments and estimates are described in Note 2.28 to the financial statements.

NET DEBT/(GEARING)

$$\text{Net Gearing} = \frac{\text{Borrowings} + \text{Lease Liabilities} - \text{Cash}}{\text{Total Equity}}$$

	2019	2020	**2021**
Net Debt	(9,874)	(10,123)	**(8,400)**
Total Equity	11,646	11,156	**12,441**
Net Gearing	(0.85)	(0.91)	**(0.68)**

INTEREST COVERAGE

$$\text{Interest Coverage} = \frac{\text{EBIT}}{\text{Interest Cost}}$$

Note: EBIT = Profit before tax + Interest expense

	2019	2020	**2021**
EBIT	1,266	38	**1,586**
Total Interest Cost	336	337	**311**
Interest Cover	3.77	0.11	**5.10**

FINANCIAL CAPACITY

	$ million	Remarks
Cash at Corporate Treasury	1,331	37% of total cash of $3.62 billion
Available credit facilities to the Group	6,751	Credit facilities of $11.96 billion, of which $5.21 billion was utilised
Total	**8,082**	

GROUP STRUCTURE

KEPPEL CORPORATION LIMITED

ENERGY & ENVIRONMENT

- Offshore & Marine
- Power & Renewables
- Environment
- New Energy

KEPPEL OFFSHORE & MARINE LTD	100%
KEPPEL INFRASTRUCTURE HOLDINGS PTE LTD	100%
KEPPEL RENEWABLE ENERGY PTE LTD	100%

URBAN DEVELOPMENT

- Urban Space Solutions
- End-to-End Master Development

KEPPEL LAND LIMITED	100%
KEPPEL URBAN SOLUTIONS PTE LTD	100%
SINO-SINGAPORE TIANJIN ECO-CITY INVESTMENT AND DEVELOPMENT CO., LTD[1] *China*	50%

CONNECTIVITY

- Data Centres
- Subsea Cable Systems
- Digital Connectivity
- Logistics

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD[2]	100%
M1 LIMITED[3]	100%

ASSET MANAGEMENT

- Asset Management
- REITs & Business Trust
- Private Funds

KEPPEL CAPITAL HOLDINGS PTE LTD	100%
KEPPEL REIT[4,6]	47%
KEPPEL DC REIT[5,6]	20%
KEPPEL PACIFIC OAK US REIT[6]	7%

GROUP CORPORATE SERVICES

Control & Accounts	Human Resources	Risk & Compliance
Corporate Communications	Information Technology	Strategy & Development
Cyber Security	Internal Audit	Sustainability
Digital Office	Legal	Tax
Health, Safety & Environment	Mergers & Acquisitions	Treasury

Notes:

1 Owned by a Singapore Consortium, which is in turn 90%-owned by the Keppel Group.
2 Owns 70% of Keppel Data Centres Holding Pte Ltd, with Keppel Land Limited owning the remaining 30%.
3 Owned by Keppel Telecommunications & Transportation Ltd (19%), and Konnectivity Pte Ltd (81%), which is in turn 80%-owned by the Keppel Group.
4 Owned by Keppel Land Limited (40%) and Keppel Capital Holdings Pte Ltd (7%).
5 Owned by Keppel Telecommunications & Transportation Ltd (19.6%) and Keppel DC REIT Management Pte Ltd (0.4%).
6 Public listed company.

Updated as at 25 February 2022. This Group Structure illustrates the key business units of Keppel Corporation Limited. A complete list of significant subsidiaries, associated companies and joint ventures is available in Note 40 of the Notes to Financial Statements in this Report.

CORPORATE GOVERNANCE

The Board and management of Keppel Corporation Limited ("KCL", or the "Company") firmly believe that a genuine commitment to good corporate governance is essential to the sustainability of the Company's businesses and performance, and directors must at all times act objectively in the best interests of the Company.

This report sets out an overview of our corporate governance practices and adheres to the principles of the Code of Corporate Governance 2018 (the "2018 CG Code"), with references to the accompanying Practice Guidance.

BOARD'S CONDUCT OF AFFAIRS

PRINCIPLE 1:

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

PRINCIPLE 3:

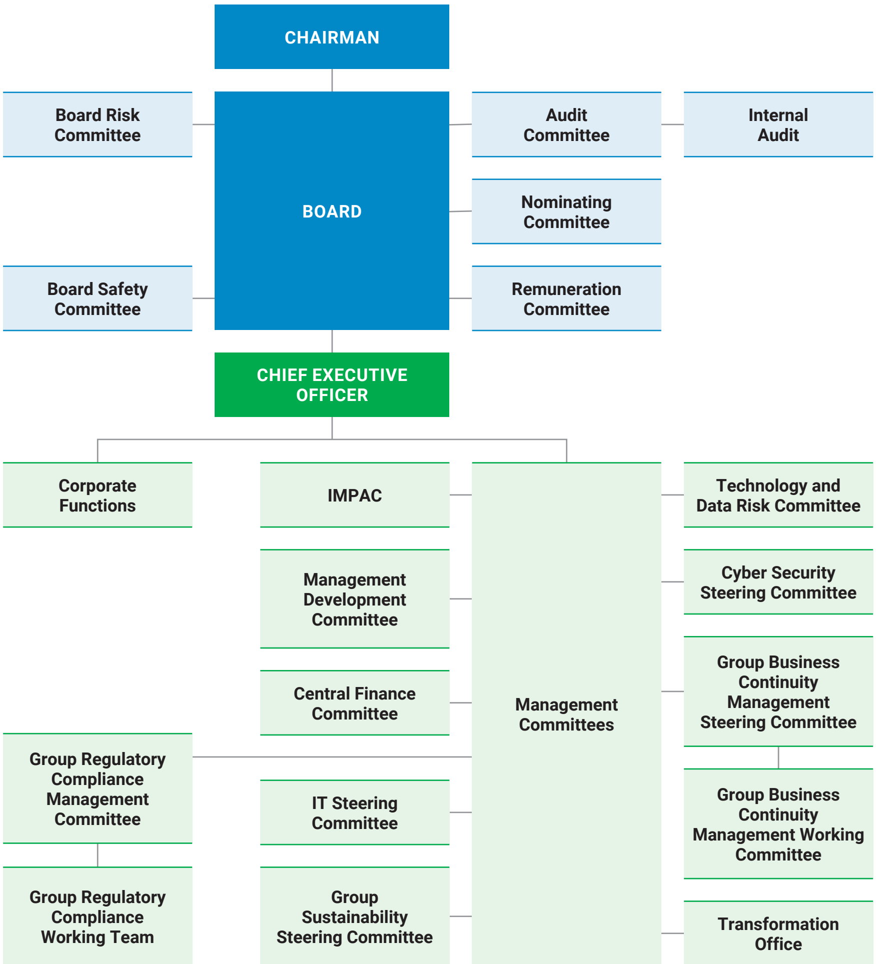
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Mr Danny Teoh is the Chairman of the Company. He was appointed as a non-executive and independent Chairman with effect from 23 April 2021 and was re-designated as non-executive and non-independent Chairman with effect from 1 January 2022 in view of him having served for more than 9 years on the Board pursuant to Rule 210(5)(d)(iii) of the SGX Listing Manual ("9-Year Rule")[1].

The Chairman, with the assistance of the Company Secretaries, schedules meetings and prepares meeting agenda to enable the Board to perform its duties responsibly, having regard to the flow of the Company's operations. He further sets guidelines on and monitors the flow of information from management to the Board to ensure that all material information is provided in a timely manner to the Board for the Board to make good decisions. He also encourages constructive relations between the Board and management, and between the executive and non-executive directors ("NEDs"). At board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting. At general meetings, the Chairman ensures constructive dialogue between shareholders, the Board and management. The Chairman sets the right ethical and behavioural tone and takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the directors, Company Secretaries and management.

KCL's governance structure is as follows:

GOVERNANCE FRAMEWORK 2021



Mr Till Vestring is the Lead Independent Director of the Company. He was appointed Lead Independent Director with effect from 1 November 2021 in view of Mr Teoh's re-designation. As Lead Independent Director, Mr Vestring supports the Chairman and the Board to ensure effective corporate governance in managing the affairs of the and the Company, provides leadership in situations where the Chairman is conflicted and facilitates communication between the Board and shareholders or other stakeholders of the Company as necessary. He is also available to shareholders and other stakeholders of the Company where they have concerns and for which their previous contact through the normal channel of the Chairman and management has failed to resolve the matter or has been inadequate or inappropriate. He is also the Chairman of Remuneration Committee and a member of Nominating Committee ("NC").

To assist the Board in the discharge of its oversight function, various board committees, namely the Audit, Board Risk, Nominating, Remuneration, and Board Safety Committees, have been constituted with clear written terms of reference. All the board committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group,

[1] The SGX Listing Manual provides that, with effect from 1 January 2022, a director will not be independent if he has been a director for an aggregate period of more than 9 years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the issuer, and associates of such directors and chief executive officer.

and the Board is kept updated on discussions of the committees via circulation of minutes and regular updates by the respective chairmen of the committees at board meetings. The terms of reference are reviewed on an annual basis, along with the board committees' structures and membership, to ensure their continued relevance and effectiveness. The composition and terms of reference of the respective board committees setting out their responsibilities and authority are in Appendix 1.

Mr Loh Chin Hua is the Chief Executive Officer ("CEO") of the Company. He, assisted by the management team, makes strategic proposals to the Board and after robust and constructive board discussion, executes the agreed strategy, manages and develops the Group's businesses and implements the Board's decisions. He is supported by management committees that direct and guide management on operational policies and activities, which include:

1. *Investments & Major Projects Action Committee ("IMPAC")*, which guides the Group in exercising a spirit of enterprise as well as prudence to earn optimal risk adjusted returns on invested capital for its chosen lines of business, taking into consideration the relevant risks in a controlled manner;

2. *Management Development Committee ("MDC")*, which nominates candidates as nominee directors to the boards of each unlisted company or entity that the Company is invested in ("Investee Company") so as to safeguard the Company's investment. In respect of Investee Companies that are (a) listed on a stock exchange, (b) managers or trustee managers of any collective investment schemes, business trusts or any other trusts which are listed on a stock exchange, or (c) parent companies of the Company's core businesses, the Committee recommends the candidates for the approval of the NC. The MDC also provides inputs, guidance and direction on operational policies and human resources/organisational matters;

3. *Central Finance Committee*, which reviews, guides and monitors financial policies and activities of Group companies;

4. *Group Regulatory Compliance Management Committee ("Group RCMC")*, which articulates the Group's commitment to regulatory compliance, directs and supports the development of overarching compliance policies and guidelines, and facilitates the implementation and sharing of policies and procedures across the Group;

5. *Group Regulatory Compliance Working Team ("Group RCWT")*, which supports the Group RCMC and oversees the development and review of overarching compliance policies and guidelines for the Group, as well as reviews training and communication programmes;

6. *Keppel IT Steering Committee*, which provides strategic information technology ("IT") leadership and ensures IT strategy alignment in achieving business strategies;

7. *Group Sustainability Steering Committee*, which sets sustainability strategy and leads performance in key focus areas;

8. *Technology and Data Risk Committee*, which operationalises the Technology and Data Risk Management operating standards programme that enhances the Group's safeguards, resilience and responses to cyber threats;

9. *Cyber Security Steering Committee* which guides the Group's overall cyber security vision and strategy and provides oversight on cyber security risks and initiatives to safeguard information assets and interests across the Group;

10. *Group Business Continuity Management Steering Committee ("Group BCM SC")*, which guides the effective development and implementation of a robust business continuity plan and ensures continuous improvement to enhance the Group's operational readiness through the review of Business Continuity Management ("BCM") plans and exercises.

11. *Group Business Continuity Management Working Committee ("Group BCM WC")*, which supports the Group BCM SC and coordinates with respective business units and department BCM Coordinators in developing detailed plans in the prevention, preparedness, response, continuity, and recovery of critical business functions; and

12. *Transformation Office*, which was established to drive the implementation of the Group's Vision 2030, to develop the strategic roadmap of the transformation into an integrated business providing solutions for sustainable urbanisation, and to coordinate the set of projects and initiatives across the Group.

CORPORATE GOVERNANCE

BOARD MATTERS

Each Board member has equal responsibility to oversee the business and affairs of the Company. Management on the other hand is responsible for the day-to-day operation and administration of the Company in accordance with the policies and strategy set by the Board.

In FY 2021, the Board approved changes to the composition of the boards of major business units, taking into account that, as the Group executes Vision 2030, agility and speed of execution while maintaining appropriate level of oversight is crucial. Each major business unit's board now comprises at least five directors, including the CEO and CFO of the Company, the CEO of the business unit, one or two next generation leaders of the Group and one independent director of the Company. This allows for more efficient and coordinated decision making by reducing the layers of reporting and approvals, while enabling the Board to maintain appropriate oversight through the independent director on the business unit's board and the adoption of a risk-based approach for escalation of material or significant matters, leveraging the existing risk management framework for high risk matters to be reported at the Company's board committees' meetings, and where applicable, board meetings. The appointment of next generation leaders as directors of major business units is part of succession planning and to provide them with greater exposure. Matters discussed at the quarterly board meetings of the business units include safety, risk and compliance, audit, controls, financial-related matters, and business and operations.

The Company has also adopted internal guidelines setting forth matters that require board approval. Material items that require board approval include strategic directions, annual budget, financial results and dividend declaration. Further, all transactions exceeding $150 million by any Group company (not separately listed) require the approval of the Board. For transactions between $30 million and $150 million, IMPAC will determine if Board approval is required, depending on the individual considerations for each case.

Role: The principal functions of the Board are to:

- provide entrepreneurial leadership and decide on matters in relation to the Group activities which are of a significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
- oversee the business and affairs of the Company, establish, with management, the strategies and financial objectives to be implemented by management (including appropriate focus on value creation, innovation and sustainability), monitor the performance of management and ensure that the Company has the necessary resources to meet its strategic objectives;
- set the Company's values, standards (including ethical standards), appropriate tone from the top and desired organisational culture, and put in place policies, structures and mechanism to ensure such values, standards and culture are complied with;
- constructively challenge management and hold them accountable for performance and ensure proper accountability within the Group;
- oversee processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy and effectiveness of such processes;
- be responsible for the governance of risk and ensure that management maintains a sound system of risk management and internal controls, to effectively monitor and manage risks so as to safeguard the interests of the Company and its stakeholders, and achieve an appropriate balance between risks and company performance; and
- assume responsibility for corporate governance and, ensure transparency and accountability to key stakeholder groups.

Independent Judgment: All directors are expected to exercise independent judgment in the best interests of the Company. Based on the result of the peer assessment carried out by the directors for FY 2021, all directors have discharged this duty well.

Conflicts of Interest: Each director must promptly disclose conflicts of interest, whether direct or indirect, in relation to any transaction or proposed transaction. In this connection, the Company has in place a "Keppel Group – Directors' Conflict of Interest Policy" to guide directors in identifying, disclosing and managing situations of actual or potential conflicts, as well as situations which may be perceived to be conflicts of interest. Every director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his/her knowledge, and recuse himself/herself when the conflict-related matter is discussed unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion, and abstain from voting in relation to conflict-related matters. On an annual basis, each director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions.

Board Strategic Review: The Board periodically reviews and approves the Group's strategic plans. A two-day off-site Board strategy meeting is organised annually for in-depth discussions on the Group's strategy. The offsite, which includes directors as well as senior management, includes a review of the progress made, deep-dive discussions on key strategic issues, and alignment on the strategic direction going forward. It also provides a good platform for NEDs to further build their understanding of the Group and its businesses.

For FY 2021, the focus of the strategy meeting was on the progress and execution of Vision 2030, including an in-depth review of each of the four business segments (Energy & Environment, Urban Development, Connectivity and Asset Management) and the related key projects; a review of the Group's Sustainability, Technology/Digital, and People roadmap, and alignment on key priorities to deliver Vision 2030.

Meetings: The Board meets six times a year and as warranted by particular circumstances. Board meetings are scheduled, and the schedule is circulated to the directors prior to the start of the financial year to allow directors to plan ahead to attend such meetings, so as to maximise participation. Telephonic attendance and conference via audio-visual communication at board meetings are allowed under the Company's constitution ("Constitution"). The attendance of each Board member at the annual general meeting ("AGM") and the board and board committee meetings held in FY 2021, are disclosed in the table below:

ATTENDANCE

				Board Committee Meetings				
	2021 Annual General Meeting	Extraordinary General Meeting	Board Meetings	Audit	Nominating	Remuneration	Safety	Risk
Lee Boon Yang[1]	1	–	6 out of 6	–	3 out of 3	3 out of 3	2 out of 2	–
Loh Chin Hua	1	1	13	–	–	–	4	–
Alvin Yeo Khirn Hai[2]	1	–	6 out of 6	3 out of 3	3 out of 3	–	–	–
Tan Ek Kia[3]	1	–	5 out of 6	3 out of 3	–	–	2 out of 2	2 out of 2
Danny Teoh[4]	1	1	13	3 out of 3	3 out of 3	7	2 out of 2	–
Till Vestring	1	1	13	–	6	7	–	–
Veronica Eng	1	1	13	5	–	–	–	4
Jean–François Manzoni[5]	1	–	12	–	6	4 out of 4	–	2 out of 2
Teo Siong Seng[6]	1	1	12	–	–	3 out of 3	4	–
Tham Sai Choy[7]	1	1	13	5	–	–	–	4
Penny Goh	1	1	13	5	–	–	–	4
Shirish Apte[8]	–	1	6 out of 6	2 out of 2	–	–	–	2 out of 2
No. of Meetings Held	**1**	**1**	**13**	**5**	**6**	**7**	**4**	**4**

Notes:
1 Dr Lee Boon Yang ceased to be non-executive and independent Chairman with effect from 23 April 2021, and concurrently ceased to be a member of the Nominating Committee, Remuneration Committee and Board Safety Committee.
2 Mr Alvin Yeo Khirn Hai ceased to be a non-executive and independent Director with effect from 23 April 2021, and concurrently ceased to be a member of the Audit Committee and Nominating Committee.
3 Mr Tan Ek Kia ceased to be a non-executive and independent Director with effect from 23 April 2021, and concurrently ceased to be the Chairman of the Board Safety Committee and a member of Board Risk Committee and Audit Committee.
4 Mr Danny Teoh was appointed as a member of the Nominating Committee and Board Safety Committee with effect from 23 April 2021, and concurrently ceased to be the Chairman of the Audit Committee and member of the Board Risk Committee.
5 Prof Jean-François Manzoni was appointed as a member of the Remuneration Committee with effect from 1 July 2021, and concurrently ceased to be a member of the Board Risk Committee.
6 Mr Teo Siong Seng was appointed as the Chairman of the Board Safety Committee and a member of the Audit Committee with effect from 23 April 2021. Mr Teo ceased to be a member of the Audit Committee and the Remuneration Committee with effect from 1 July 2021.
7 Mr Tham Sai Choy was appointed as the Chairman of the Audit Committee with effect from 23 April 2021.
8 Mr Shirish Apte was appointed as a member of the Audit Committee and Board Risk Committee with effect from 1 July 2021.

If a director were unable to attend a board or board committee meeting, he/she would still receive all the papers and materials for discussion at that meeting. He/she would review them and advise the Chairman or board committee chairman of his/her views and comments on the matters to be discussed so that they may be conveyed to other members at the meeting.

Non-executive Directors' Meetings: The NEDs meet on a need-be basis at the end of each scheduled quarterly meeting without the presence of management to discuss matters such as board processes, risk and compliance matters, succession planning and leadership development, and performance management and remuneration matters. Any relevant feedback would be shared and discussed with the executive director.

Independent Directors' Meetings: The independent directors meet on a need-be basis after the NEDs' meetings at the end of each scheduled quarterly meeting. Such meetings are chaired by the Lead Independent Director, without the presence of the Chairman and CEO. Any relevant feedback would be shared and discussed with the Chairman.

Company Secretaries: The Company Secretaries administer, attend and prepare minutes of board proceedings. They assist the Chairman to ensure that board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and board committees, and between senior management and the NEDs, and facilitating orientation and assisting in the professional development of the directors) are followed and regularly reviewed to ensure effective functioning of the Board, and that the Constitution and relevant rules and regulations, including requirements of the Companies Act, Securities & Futures Act and Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX") are complied with. They also assist the Chairman and the Board to implement and strengthen corporate governance practices and processes with a view to enhancing long-term shareholder value. They are also the primary channel of communication between the Company and the SGX.

The appointment and removal of the Company Secretaries are subject to the approval of the Board.

Access to Information: The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals, and that for this to happen, the Board must be kept well informed of the Company's businesses and affairs and be knowledgeable about the industry in which the businesses operate. The Company has therefore adopted initiatives to put in place processes to ensure that the NEDs are well supported by accurate, complete and timely information, have unrestricted access to management and the Company Secretaries, and have sufficient time and resources to discharge their oversight function effectively. Subject to the approval of the Chairman, the directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

As a general rule, board papers are required to be distributed to the directors at least seven days before the board meeting so that the members may better understand the matters prior to the board meeting and discussion may be focused on questions that the directors may have. Directors are provided with tablet devices to facilitate their access to and review of board materials. However, sensitive matters may be tabled at the meeting itself and discussed. Managers who can provide additional insights into the matters at hand would be present at the relevant time during the board meeting. The directors are also provided with the names and contact details of the Company's senior management and the Company Secretaries to facilitate direct access.

Regular informal meetings are held for management to brief the directors on prospective deals and potential developments at an early stage before formal board approval is sought, and relevant information on business initiatives, industry developments and analyst and press commentaries on matters in relation to the Company or the industries in which it operates is circulated to the directors from time to time. Management is also expected to provide the Board with accurate information in a timely manner concerning the Company's progress or shortcomings in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues facing the Company. In this aspect, the Board is regularly updated on new projects and the progress of the execution of Vision 2030.

The Board also reviews the budget on an annual basis, and any material variance between the projections and actual results would be disclosed and explained. Management also provides the Board members with management accounts on a monthly basis and as the Board may require from time to time, to keep the Board informed, on a balanced and understandable basis, of the Group's performance, financial position and prospects.

Orientation: A formal letter is sent to newly-appointed directors upon their appointment explaining their roles, duties, obligations and responsibilities as a board director. All newly-appointed directors receive a director tool-kit and undergo a comprehensive orientation programme which includes site visits and management presentations on the Group's businesses, strategic plans and objectives.

Training: Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, changes in the Companies Act, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as board or board committee members. Site visits are also conducted periodically for directors to familiarise them with the operations of the various businesses so as to enhance their performance as board or board committee members. All induction, training and development costs are at the Company's expense.

In FY 2021, some KCL directors attended talks on topics relating to challenges presented by the disruption of the COVID-19, clean energy, sustainability, the renewables industry, US-China relations, digital and innovation economy, technology foresight, cyber security, China's business environment, risk management, board diversity, governance and macroeconomic trends. E-training was also conducted on the Group's policies on anti-bribery, conflict of interest, health, safety & environment, whistle-blowing, sanction, insider trading, and cyber security. Each director is also invited to participate in the annual Keppel Technology Advisory Panel conference. Over 30 distinguished speakers from across sectors, including academia and startups, presented on a wide range of topics at the 2021 conference, which focused on the latest technology and innovation topics relevant to Keppel's Vision 2030 growth areas. These included blue and green energy molecules for Singapore, renewables and energy storage, carbon capture, utilisation and storage, data centre innovations, as well as the use of blockchain in real estate and asset management, among other areas.

The NC also conducted a review of the directors' training and professional development programme, taking into account feedback from the board evaluation exercise and individual feedback from each director on his or her specific areas of interests. Such areas included evolving geopolitics landscape, sustainability, digital economy, and disruptive technologies, among others. The feedback from the review will be incorporated into tailored training programmes.

BOARD COMPOSITION AND SUCCESSION PLANNING

PRINCIPLE 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

PRINCIPLE 4:

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NOMINATING COMMITTEE

The NC comprises entirely NEDs, the majority of whom (including the Chairman) are independent, namely:

- Prof Jean-François Manzoni
  Independent Chairman
- Dr Lee Boon Yang
  (up to 23 April 2021)
  Independent Member
- Mr Danny Teoh
  (from 23 April 2021)
  Independent Member (re-designated as a non-executive and non-independent member with effect from 1 January 2022)
- Mr Alvin Yeo
  (up to 23 April 2021)
  Independent Member
- Mr Till Vestring
  Independent Member (appointed as Lead Independent Director with effect from 1 November 2021)

The NC is responsible for making recommendations to the Board on board appointments, overseeing the Board and senior management's succession and leadership development plans and conducting annual review of board diversity, board size, board independence, and directors' commitments.

The detailed terms of reference of this Committee are disclosed on page 101 herein.

Process for appointment of new directors	Process for re-nomination of retiring Directors
a. NC reviews annually the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, and the size of the Board which would facilitate decision making. In this review, the NC would also take into account the needs of the Group, the collective skills and competencies of the Board and service tenure spread of the directors.	a. Pursuant to the Constitution, one-third of the directors shall retire from office at the Company's AGM every year, and a director appointed after the last AGM shall only hold office until the next AGM. If eligible, these directors may submit themselves for re-election.
b. In the light of such review and in consultation with management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.	b. NC reviews each director's eligibility, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual director by his/her peers and his/her tenure.
c. The NC will in all cases take into consideration the following objective criteria identified as necessary for the Board and board committees to be effective: i. Integrity ii. Independent mindedness iii. Able to commit time and effort to carry out duties and responsibilities effectively iv. Track record of making good decisions v. Experience in high-performing companies vi. Financial literacy	c. NC makes recommendations to the Board for approval.
d. External help (for example, Singapore Institute of Directors and search consultants) may be used to source for potential candidates if need be. Directors and management may also make recommendations.	
e. NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.	
f. NC makes recommendations to the Board for approval.	

BOARD SUCCESSION PLANNING

The Board believes that orderly succession and renewal are achieved as a result of careful planning, where the appropriate composition of the Board is continually under review. In this regard, the Board has put in place a formal process for the renewal of the Board and the selection of new directors so that the experience of longer serving directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation. The NC leads the process and makes recommendation to the Board on the appointment of new director and re-nomination of directors.

ANNUAL REVIEW OF BOARD DIVERSITY

The Company recognises that diversity in relation to composition of the Board provides a range of perspectives, insights and challenge needed to support good decision making for the benefit of the Group, and is committed to ensuring that the Board comprises directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink and ensure that the Company has the opportunity to benefit from all available talent. The final decision on the appointment of directors would be based on the objective criteria set by the Board from time to time on the recommendation of the NC after having regards to the benefits of diversity and the needs of the Board.

The Company has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives. The annual assessment is led by the NC as part of the process for appointment of new directors and Board succession planning. To help the NC identify gaps (if any) in skills, knowledge, experience and other aspects of diversity in the board composition in any given year of assessment, each member of the Board is required to complete a Board and Skills Diversity Matrix to indicate which of the list of skills, talents, knowledge, experience and other aspects of diversity (identified by the NC, and set out in the Board and Skills Diversity Matrix, as being able to contribute to the Company's strategy and business) the Board member possesses. The returns from the Board members are then consolidated into a single Board and Skills Diversity Matrix to highlight the Board's current mix of skills, knowledge, experience and other aspects of diversity and gaps therein if any.

The Board will, taking into consideration the recommendations of the NC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board.

Achievement of Qualitative and measurable Quantitative Objectives identified under Board Diversity Policy for the period of FY 2019 to FY 2021

The objectives identified in FY 2019 to be fulfilled by the end of FY 2021, and the achievement of such objectives at the end of FY 2021, are set out below:

Objectives	Progress
Appoint at least two additional independent directors with some of the core competencies already present on the Board, by end-FY 2020 for succession planning purposes.	Mr Tham Sai Choy was appointed as a non-executive and independent director with effect from 1 November 2019. Mr Tham was Managing Partner of KPMG, and was appointed with a view of being the successor to Mr Danny Teoh in the roles of Audit Committee Chairman and Board Risk Committee member. Mr Tham was appointed Audit Committee Chairman on 23 April 2021 and member of the Board Risk Committee on 1 February 2020. Mrs Penny Goh was appointed as a non-executive and independent director with effect from 2 January 2020. Mrs Goh was Co-Chairman and Senior Partner of Allen & Gledhill LLP, where she had, for many years, headed the firm's corporate real estate practice. Mrs Goh was appointed with a view to succeeding Mr Alvin Yeo as a Board member with legal expertise and to enhance the gender diversity of the Board. Mrs Goh also succeeded Mr Alvin Yeo as a member of Audit Committee on 1 February 2020.
Broaden the skillset of directors on the Board by appointing at least one director with the relevant expertise and experience that would complement those already on the Board and which would help drive the Group's strategy.	Mr Teo Siong Seng was appointed as a non-executive and independent director with effect from 1 November 2019 (and subsequently re-designated as non-executive and non-independent director with effect from 3 February 2021). His strong background, knowledge and experience in the China market, experience in growing businesses in frontier countries such as East and West Africa, and his knowledge and experience from serving as Chairman of the Singapore Business Federation, Honorary President of the Singapore Chinese Chamber of Commerce & Industry and as director of Business China, have enhanced the balance and breadth of skills of the Board and help drive the Group's strategy.
Improve gender diversity over a 3-year period by ensuring that at least 20% of the Board will comprise female directors by the end of FY 2021.	The female representation on the Board is currently 22%.

Objectives identified by the NC in January 2021, and reviewed in January 2022, for the period up to FY 2024

The objectives identified by the NC in FY 2021, and reviewed in January 2022, and the progress towards achieving such objectives as at 11 March 2022, are set out below:

Objectives	Progress
Size: Appoint at least three to four additional independent directors by end-FY 2023, with relevant expertise and experience that would complement those already on the Board, and which would help drive the Group's Vision 2030 strategy, and for succession planning.	Mr Shirish Apte was appointed as an independent director to the Board with effect from 1 July 2021. Mr Apte is currently the non-executive Chairman of Pierfront Mezzanine Capital (Singapore) and Fullerton India Credit Company Limited. Prior to his retirement in 2014, Mr Apte had built up 32 years of financial services experience, holding various senior roles within Citigroup, including Chairman of Asia Pacific Banking, Regional CEO of Asia Pacific, Regional CEO of Europe, Middle East & Africa, and Country Head of Citibank Poland. His responsibilities included corporate banking, investment banking and risk management. The NC was of the view that the Board would benefit from Mr Apte's expertise and experience on several fronts, including his ability to analyse organisational strategies, expertise in deal making and risk analysis, international experience and knowledge of, and experience and network in, India.
Age and Gender: Improve age and gender diversity over a 3-year period by appointing at least one younger director (50 years old or below) and one female director by the end of FY 2024.	–
Skills and Experience: Improve skills and experience diversity by appointing directors with oversight and operational experience in driving (i) sustainability-as-a-business, (ii) digitalisation as a corporate strategy, (iii) private equity/asset management and/or (iv) infrastructure	–

The above objectives were approved by the Board, at the recommendation of the NC, following a review of the skills, knowledge, talents, experience and other aspects of diversity that had been identified to help drive the Group's Vision 2030 strategy and for succession planning purposes.

Vision 2030 is the Group's long-term roadmap to guide its transformation and growth as one integrated company, providing solutions for sustainable urbanisation, with sustainability at the core of the Company's strategy. Under this Vision, the Company aims to be a powerhouse of sustainable urbanisation solutions, leveraging the Company's track record and capabilities in Energy & Environment, Urban Development and Connectivity, with an Asset Management arm to fund the Group's growth, provide a platform for capital recycling, and pull the Group together to seize opportunities with an asset-light business model.

With the Vision in mind and taking into account feedback from Board members, the NC had identified the skills, knowledge, talents and experience that would help drive the strategy and assessed them against the current mix of skills, knowledge, talents and experience of the Board. Following the review, the NC was satisfied that the directors, as a group, possess core competencies required for the Board and the board committees to be effective, taking into account the Company's strategy and business. However, with the focus on sustainable urbanisation solutions, being asset light, and technology under Vision 2030, the NC was of the view that the diversity on the Board could be further enhanced with the appointment of directors with oversight and operational experience in driving (i) sustainability-as-a-business, (ii) digitalisation as a corporate strategy, (iii) private equity/asset management and/or (iv) infrastructure.

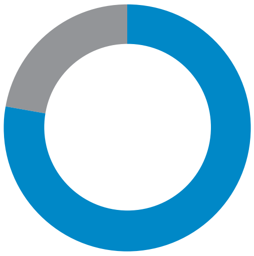
Aside from skill diversity, the NC also reviewed other aspects of diversity such as gender, tenure, age, race/ethnicity and country of origin/nationality/cultural background and was satisfied that the Board and the board committees comprise directors who as a group provide an appropriate balance and mix of skills, knowledge, talents, experience, and other aspects of diversity. Nevertheless, for succession planning and to further enhance the diversity on the Board, the NC was of the view that at least two to three more directors with relevant expertise and experience that would complement those already on the Board should be appointed by end-FY 2023, and in this respect, was committed to improve age and gender diversity over a 3-year period.

Skills, Knowledge, Talents and Experience

- Finance/Accounting
- Risk Management
- Sustainability
- Digital/Technology
- Mergers & Acquisitions
- Corporate Finance
- Management
- Human Resource
- Legal
- Strategic planning experience
- Customer-based experience or knowledge
- Industry Knowledge – Energy & Environment
- Industry Knowledge – Urban Development
- Industry Knowledge – Connectivity
- Industry Knowledge – Asset Management
- International Perspective
- Regional Experience

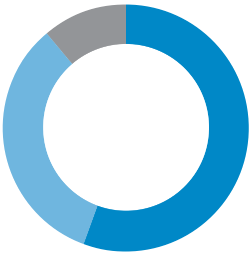
OTHER ASPECTS OF DIVERSITY

GENDER (%)



Male	78.0
Female	22.0
Total	**100.0**

TENURE (%)

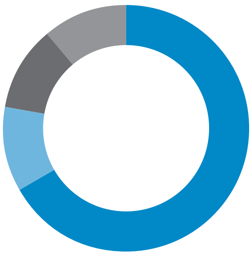


1–4 years	55.6
5–9 years	33.3
Above 9 years	11.1
Total	**100.0**

AGE (%)

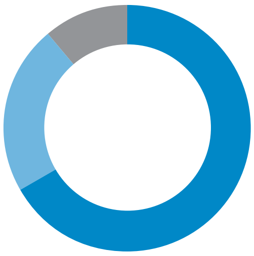
55–60	33.3
61–65	11.1
66–70	55.6
Total	**100.0**

COUNTRY OF ORIGIN, NATIONALITY OR CULTURAL BACKGROUND (%)



Singaporean	66.7
German	11.1
Canadian	11.1
British	11.1
Total	**100.0**

RACE OR ETHNICITY (%)



Chinese	66.7
Caucasian	22.2
Indian	11.1
Total	**100.0**

RETIREMENTS AND RE-NOMINATION

For the upcoming AGM, Mr Teo Siong Seng, Mr Tham Sai Choy and Mr Loh Chin Hua will be retiring by rotation pursuant to the Constitution, and being eligible, will be seeking re-election at the upcoming AGM. Mr Shirish Apte, having been appointed after the AGM held in FY 2021 ("2021 AGM"), will also be retiring at the upcoming AGM, and being eligible, will also be seeking re-election.

The NC has reviewed their eligibility, contribution and performance, and taking into account the results of their recent peer assessment, are of the view that all three directors have given sufficient time and attention to the affairs of the Company and have been able to discharge their duties as directors effectively. The Board, at the recommendation of NC, had therefore approved the re-nomination of Mr Teo Siong Seng, Mr Tham Sai Choy, Mr Loh Chin Hua and Mr Shirish Apte at the upcoming AGM.

SUCCESSION PLANNING FOR KEY MANAGEMENT PERSONNEL

The NC reviews the succession plans for key management personnel of the Group bi-annually, taking into account the Group's long-term strategy and objectives, the orderly succession of key management personnel, and contingency planning for preparedness against sudden and unforeseen changes.

In November 2020, the Company announced leadership changes at a few of its key business units, as part of the Group's succession planning and leadership renewal. The new generation leaders were part of the team that formulated Keppel's Vision 2030 and will lead the respective business units as they collaborate in pursuit of the Group's common vision. The leadership changes took effect from 15 February 2021, with the appointment of Mr Louis Lim as CEO of Keppel Land, Ms Cindy Lim as CEO of Keppel Infrastructure, Ms Bridget Lee as Chief Operating Officer (COO) of Keppel Capital, Mr Ben Lee as COO of Keppel Land and Mr Chua Hsien Yang as Director of Group Mergers & Acquisitions of the Company.

In this respect, a Board Mentorship framework was introduced in 2021 to support the development of new generation leaders. The objective was for Board members to act as a sounding board and provide seasoned counsel and feedback to enable the new leadership to perform their roles more effectively. A senior leadership development programme was also put in place as part of the Company's continuing efforts to widen the bench strength by developing senior leaders both individually and collectively as a group.

APPOINTMENT OF LEAD INDEPENDENT DIRECTOR AND ANNUAL REVIEW OF BOARD INDEPENDENCE

The NC determines on an annual basis whether or not a director is independent. In January 2022, the NC carried out the review on the independence of each director based on the respective directors' self-declaration in the Directors' Independence Checklist and their actual performance on the Board and board committees, taking into account the listing rules on the circumstances in which a director will not be deemed independent and guidance in the 2018 CG Code as to the circumstances in which a director should not be deemed independent.

In this connection, the NC noted that Mr Danny Teoh had served more than nine years on the Board, and pursuant to the 9-Year Rule, had deemed him as non-independent with effect from 1 January 2022. In anticipation of Mr Danny Teoh becoming a non-independent Chairman arising from the 9-Year Rule, the NC ran a rigorous process for the appointment of a Lead Independent Director. The NC Chairman had individual discussions with each of the independent directors on the appointment of a Lead Independent Director, and having considered among others, the attributes and performance of each director, the consensus was that Mr Till Vestring should be appointed as Lead Independent Director in view of his in-depth knowledge of the Company and its business and demonstration of leadership, independent judgment and commitment to his role as independent director. A charter setting out the roles and responsibilities of the Lead Independent Director was then prepared in consultation with Mr Till Vestring, taking into account the guidance set out in the SGX Listing Manual. Thereafter, the NC recommended the appointment and the charter for Board's approval, and Mr Till Vestring was appointed as Lead Independent Director with effect from 1 November 2021.

The NC further noted that Ms Veronica Eng had declared that she was a member of the Investment Committee of Temasek Trust, which was established by Temasek Holdings (Private) Limited ("Temasek") (a controlling shareholder of the Company) to provide financial oversight and governance of philanthropic endowments and gifts from Temasek and other donors. NC noted that Ms Veronica Eng did not hold any executive or management role in Temasek Trustee, which administered Temasek Trust, and would recuse herself in the event of a potential of conflict of interest. Taking these factors into consideration, along with her invaluable contributions on the Board and board committees, and the outcome of the recent peer Individual Director Performance assessment, the NC unanimously agreed that Ms Eng had at all times exercised independent judgment in the best interests of the Company in the discharge of her director's duties and should therefore continue to be deemed an independent director.

The NC also noted that Mr Teo Siong Seng had declared that he was an Executive Director of Pacific International Lines (Private) Limited ("PIL"), which was majority owned by Heliconia Capital Management Pte Ltd ("Heliconia"), a subsidiary of Temasek. Although all the NC members were confident that Mr Teo would be able to continue to exercise independent judgment in the best interests of the Company, market perception might be different, and the NC was therefore of the view that the prudent approach would be to deem Mr Teo as non-executive and non-independent director.

The NC noted that Mr Tham Sai Choy had declared his directorship on DBS Group Holdings and DBS Bank which provided services to the Group. The NC considered that such interests had already been declared to the Board, and that Mr Tham would abstain from voting whenever there was potential conflict of interest. The NC further considered that, as DBS was a leading bank in Singapore and Southeast Asia, it was not unexpected that its services would be sought by the Group from time to time. Taking these factors into consideration, along with his invaluable contributions to the Board and board committees, and the outcome of the recent peer Individual Director Performance assessment, the NC unanimously agreed that Mr Tham has at all times exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

The NC noted that Mrs Penny Goh is a Senior Advisor of Allen & Gledhill LLP ("A&G") which provided legal services to the Group. She had declared that she did not hold a partnership interest in A&G and was not involved in the selection and appointment of legal advisors of the Group and did not regard the business relationship with A&G as something that could affect her independent judgment. The NC further considered that, as A&G was one of the top law firms in Singapore, it was not unexpected that its services would be sought by the Group from time to time. Taking these factors into consideration, along with her invaluable contributions to the Board and board committees, and the outcome of the recent peer Individual Director Performance assessment, the NC unanimously agreed that Mrs Goh has at all times exercised independent judgment in the best interests of the Company in the discharge of her director's duties and should therefore continue to be deemed an independent director.

Following the review, the NC was of the view that Mr Till Vestring, Ms Veronica Eng, Prof Jean-François Manzoni, Mr Tham Sai Choy, Mrs Penny Goh and Mr Shirish Apte should be deemed independent, while Mr Danny Teoh and Mr Teo Siong Seng should be deemed non-executive and non-independent directors. The Board has reviewed the basis of the NC's recommendations and concurred with the assessment of independence in respect of the above-mentioned directors.

In view of the above, the Board currently comprises majority independent directors, with a total of nine directors of whom six are independent.

Taking into account the independence and diversity of the Board, the NC is of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. However, the NC also noted the need for appointment of additional directors with relevant expertise and experience that would complement those already on the Board and which would help drive the Group's Vision 2030 strategy, and for succession planning.

ANNUAL REVIEW OF BOARD SIZE

The Board, in concurrence with the NC, was of the view that a Board size of 11 directors would be appropriate to facilitate effective decision making, taking into account the nature and scope of the operations of the Company, the requirements of the Company's business and the need to avoid undue disruptions from changes to the composition of the Board and board committees. The NC will continue to search for additional directors to be appointed to enhance diversity and for succession planning purposes. No individual or small group of individuals dominate the Board's decision making.

ANNUAL REVIEW OF DIRECTORS' COMMITMENTS

The NC assesses annually whether a director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a director of the Company. Instead of fixing a maximum number of listed company board representations and/or other principal commitments that a director may have, the NC assesses holistically whether a director is able to and has been adequately carrying out his/her duties as a director of the Company, taking into account the results of the assessment of the effectiveness of the individual director, the level of commitment required of the director's listed company board representations and/or other principal commitments, and the director's actual conduct and participation on the Board and board committees, including availability and attendance at regular scheduled meetings and ad hoc meetings. The NC is of the view that such an assessment is sufficiently robust to detect and address, on a timely basis, any time commitment issues that may hinder the effectiveness of the directors.

The NC conducted an assessment in January 2022 and is of the view that each director has given sufficient time and attention to the affairs of the Company and has been able to discharge his/her duties as director effectively. The NC noted that based on the attendance of board and board committee meetings during the year, the directors were able to participate in at least a substantial number of such meetings to carry out their duties. The NC also noted that, based on the recent individual director assessment for FY 2021, all the directors performed well. The NC was therefore satisfied that in FY 2021, where a director had other listed company board representations and/or other principal commitments, the director was able and had been adequately carrying out his/her duties as director of the Company.

NOMINEE DIRECTOR POLICY

At the recommendation of the NC, the Board approved the adoption of the KCL Nominee Director Policy in January 2009. For the purposes of the policy, a "Nominee Director" is a person who, at the request of the Company, acts as director (whether executive or non-executive) on the board of another company or entity ("Investee Company") to oversee and monitor the activities of the relevant Investee Company so as to safeguard the Company's investment in the company.

The purpose of the policy is to highlight certain obligations of a person while acting in his/her capacity as a Nominee Director. The policy also sets out the internal process for the appointment and resignation of a Nominee Director. The policy would be reviewed and amended as required to take into account current best practices and changes in the law and stock exchange requirements.

ALTERNATE DIRECTOR

The Company has no alternate directors on the Board.

KEY INFORMATION REGARDING DIRECTORS

The following key information regarding directors is set out in the following pages of this Annual Report:

Pages 34 to 37: Academic and professional qualifications, board committees served on (as a member or Chairman), date of first appointment as director, date of last re-election as director, directorships or chairmanships both present and past held over the preceding five years in other listed companies and other major appointments, whether appointment is executive or non-executive, whether considered by the NC to be independent, and details of their membership on board committees; and

Page 119: Shareholding in the Company and its subsidiaries.

BOARD PERFORMANCE

PRINCIPLE 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole, each of its board committees, the contribution by the Chairman and peer assessment of the individual directors to the effectiveness of the Board. The evaluation for FY 2021 was conducted by the NC. The evaluation process is set out on page 103 of this Annual Report.

Formal Process and Performance Criteria: The evaluation processes and performance criteria are disclosed in the Appendix 1 to this report. The performance criteria were similar to that adopted in the previous years.

Objectives and Benefits: The board assessment exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes allowed him/her to discharge his/her duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or board committees. The assessment exercise also helped the directors to focus on their key responsibilities. The individual director assessment exercise allows for peer review with a view to raising the quality of Board members. It also assisted the NC in determining whether to re-nominate directors who are due for retirement at the next AGM, and in determining whether directors with multiple board representations were nevertheless able to and had adequately discharged their duties as directors of the Company.

REMUNERATION REPORT

PRINCIPLE 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

PRINCIPLE 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

PRINCIPLE 8:

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

REMUNERATION COMMITTEE

The Remuneration Committee ("RC") comprises entirely NEDs, the majority of which (including the Chairman) are independent, namely:

- Mr Till Vestring
  Independent Chairman
- Dr Lee Boon Yang
  (up to 23 April 2021)
  Independent Member
- Mr Danny Teoh
  Independent Member
  (re-designated as a non-executive and non-independent member with effect from 1 January 2022)
- Mr Teo Siong Seng
  (up to 1 July 2021)
  Non-executive and
  Non-independent Member
- Prof Jean-Francois Manzoni
  (from 1 July 2021)
  Independent Member

The RC is responsible for ensuring a formal and transparent procedure for developing policies on director and executive remuneration and for determining the remuneration packages of individual directors and senior management. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, thereby maximising shareholder value. The RC recommends to the Board, for endorsement, a framework of remuneration (which covers all aspects of remuneration including directors' fees, salaries, allowances, bonuses, share-based incentives and awards, benefits-in-kind and termination payments) and the specific remuneration packages for each director and the key management personnel. The RC also reviews the remuneration of senior management and administers the KCL Restricted Share Plan (the "KCL RSP"), the KCL Performance Share Plan (the "KCL PSP"), the KCL Restricted Share Plan 2020 (the "KCL RSP 2020") and the KCL Performance Share Plan 2020 (the "KCL PSP 2020"). The KCL RSP 2020 and the KCL PSP 2020 (collectively the "New Share Plans") were approved by shareholders at the AGM held on 2 June 2020. In addition, the RC reviews the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The detailed terms of reference of this Committee are disclosed on page 102 herein.

Access to Expert Advice: The RC has access to expert advice from external remuneration consultants where required. In FY 2021, the RC sought views from external remuneration consultants, Aon Hewitt and Willis Towers Watson, on market practice and trends, and benchmarks against comparable organisations. The RC undertook a review of the independence and objectivity of the external remuneration consultants through discussions with the external remuneration consultants and has confirmed that the external remuneration consultants had no relationships with the Company which would affect their independence and objectivity.

POLICY IN RESPECT OF NON-EXECUTIVE DIRECTORS' REMUNERATION

Each NED's remuneration comprises a basic fee and an additional fee for services performed on board committees. The Chairman of each board committee is also paid a higher fee compared with the members of the respective committees in view of the greater responsibility carried by that office. The directors' fee structure is regularly benchmarked with comparable listed companies to ensure that their remuneration is fair and appropriate.

The NEDs participated in additional ad hoc meetings with management during the year and are not paid for attending such meetings. Executive directors are not paid directors' fees.

In FY 2021, the RC, in consultation with Willis Towers Watson, conducted a review of the NED fee structure. The review took into account a variety of factors, including prevailing market practices and referencing the fees against comparable benchmarks, as well as the roles and responsibilities of the Board and board committees. The revised directors' fee structure, which will take effect from FY 2022 onwards, is set out in the table below. The Lead Independent Director fee will also be applied to the FY 2021 NED fee structure on a pro-rated basis given the appointment of the Lead Independent Director with effect from 1 November 2021.

Shareholders' approval for the payment of directors' fees will be sought at each AGM. If approved, each of the NED (including the Chairman) will receive 70% of his/her total directors' fees in cash ("Cash Component") and 30% in the form of shares in the Company ("Remuneration Shares") (both amounts subject to adjustment as described below). The Cash Component is paid half-yearly in arrears. The Remuneration Shares are paid after the next AGM has been held. The actual number of Remuneration Shares, to be purchased from the market on the first trading day immediately after

DIRECTORS' FEE STRUCTURE

	Basic Fee (per annum)
Board Chairman	$750,000 (all-in)
Board Member	$108,000
Lead Independent Director	$22,000

	Additional Fees for Membership in Board Committees (per annum)	
	Chairman	Member
Audit Committee	$67,000	$43,000
Board Risk Committee	$67,000	$38,000
Remuneration Committee	$47,000	$31,000
Board Safety Committee	$47,000	$31,000
Nominating Committee	$40,000	$28,000

the date of the next AGM provided that it does not fall within any applicable restricted period of trading ("Trading Day"), for delivery to the respective NEDs will be based on the market price of the Company's shares on the SGX on the Trading Day. In the event that the first trading day after the date of the next AGM falls within a restricted period of trading, the Remuneration Shares will be purchased on the first trading day immediately after the end of the restricted period of trading. The actual number of Remuneration Shares will be rounded down to the nearest thousand and any residual balance will be paid in cash. Such incorporation of an equity component in the total remuneration of the NEDs is intended to align the interests of the NEDs with those of the shareholders' and the long-term interests of the Company. A NED who steps down before the payment of the Remuneration Shares will receive all of his/her directors' fees for that year (calculated on a pro-rated basis, where applicable) in cash.

The aggregate directors' fees for NEDs for FY 2022 are subject to shareholders' approval at the forthcoming AGM. The amount of directors' fees has been computed taking into consideration the number of board committee representations by the NEDs and also caters for additional fees (if any) which may be payable due to the formation of additional board committees, or additional Board or board Committee members being appointed in the course of FY 2022. In the event that the amount proposed is insufficient, approval will be sought at the next AGM before payments are made to the NEDs for the shortfall amount. The Chairman and the NEDs will abstain from voting and will procure their respective associates to abstain from voting in respect of this resolution.

The RC is of the view that the remuneration of NEDs is appropriate to their level of contribution, taking into account factors such as effort, time spent and responsibilities, and to attract, retain and motivate the directors to provide good stewardship of the Company.

REMUNERATION POLICY IN RESPECT OF EXECUTIVE DIRECTOR AND OTHER KEY MANAGEMENT PERSONNEL

The Company advocates a performance-based remuneration system that is highly flexible and responsive to the external environment, Company's, business unit's and individual employee's performance, and is aligned with shareholders' and other stakeholders' interests.

The RC periodically reviews the Company's scorecard and remuneration structure to ensure that it supports the Group's vision and long-term strategy. In designing the remuneration structure, the RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term remuneration, and between cash versus equity incentive remuneration, and appropriate to attract, retain and motivate key management personnel to successfully manage the Company for the longer term.

The total remuneration structure reflects the following four key objectives:

a. Shareholder Alignment: To incorporate performance measures that are aligned to shareholders' interests;

b. Long-term Orientation: To motivate employees to drive sustainable long-term growth;

c. Simplicity: To ensure that the remuneration structure is easy to understand and communicate to stakeholders; and

d. Synergy: To facilitate talent mobility and enhance collaboration across businesses.

The total remuneration structure comprises three components; that is, annual fixed cash, annual performance bonus and the KCL Share Plans. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The size of the Company's annual performance bonus pot is determined by the Group's financial and non-financial performance and is distributed to employees based on their individual performance. For FY 2021, contingent shares were awarded under the New Share Plans. The KCL RSP 2020 and KCL PSP 2020 are long-term incentive plans which vest over a longer term horizon. A portion of the annual performance bonus is granted in the form of deferred shares that are awarded under the KCL RSP 2020. The KCL PSP 2020 comprises performance targets determined on an annual basis. Executives who have a greater ability to influence Group outcomes have a greater proportion of their overall remuneration at risk. The Company performs regular benchmarking reviews on employees' total remuneration to ensure market competitiveness.

The RC exercises broad discretion and independent judgment in ensuring that the amount and mix of remuneration is aligned with the interests of shareholders and promotes the long-term success of the Company. The mix of fixed and variable reward is considered appropriate for the Group and for each individual role.

The remuneration structure is directly linked to corporate and individual performance, both in terms of financial and non-financial performance. This link is achieved in the following ways:

a. by placing a significant portion of executives' remuneration at risk ("At Risk component") and subject to a vesting schedule;

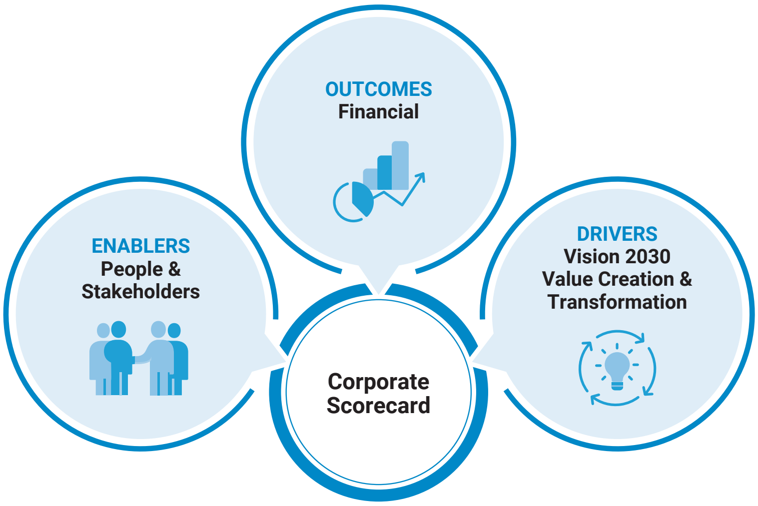
b. by incorporating appropriate key performance indicators ("KPIs") for awarding of annual performance bonus:

   i. For FY 2021, there are four scorecard areas that the Company has identified as key to measuring the performance of the Group – (i) Financial; (ii) Vision 2030 Value Creation and Transformation; (iii) Process and Stakeholders; and (iv) People. Some of the key sub-targets within each of the scorecard areas include key financial indicators, sustainability, safety, risk management, compliance and controls, employee engagement, talent development and succession planning.

   ii. For FY 2022, these four scorecard areas have been further refined into (i) Drivers – Vision 2030 Value Creation and Transformation, (ii) Outcomes – Financials, and (iii) Enablers – People and Stakeholders in the FY 2022 scorecard, which are aligned with the Company's FY 2022 strategic priorities cascaded down from the Vision 2030 goals.

   iii. The scorecard areas have been chosen because they support how the Group achieves its strategic objectives. The framework provides a link for employees to understand how they contribute to each area of the scorecard, and therefore to the Company's overall strategic goals. This is designed to achieve a consistent approach and understanding across the Group. The RC reviews and approves the scorecard each year and the annual performance bonus is determined thereafter based on the scorecard achievement. The annual performance bonus comprises both cash bonus and deferred shares awards that vest equally over three years, thereby aligning employees with shareholders' interests.

c. by selecting performance conditions for the KCL PSP 2020 awards, namely Total Shareholder Return, Return on Capital Employed and Net Profit that are aligned with shareholders' interests;



d. by requiring those conditions to be met in order for the At Risk components of remuneration to be awarded or vested; and

e. by forfeiting the At Risk components of remuneration when those conditions are not met at a satisfactory level.

The RC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in determining the remuneration structure, the RC takes into account the risk policies and risk tolerance of the Group as well as the time horizon of risks, and incorporates risk-adjustments into the remuneration structure through several initiatives, including but not limited to:

a. prudent funding of annual performance bonus;

b. granting a portion of the annual performance bonus in the form of deferred shares, to be awarded under the KCL RSP 2020;

c. vesting of contingent share awards under the KCL PSP and KCL PSP 2020 being subject to performance conditions being met;

d. potential forfeiture of variable incentives in any year due to misconduct;

e. requiring the executive director and key management personnel to hold a minimum number of shares under the share ownership guideline; and

f. exercising discretion to ensure that remuneration decisions are aligned to the Company's long-term strategy and performance and discourage excessive risk taking.

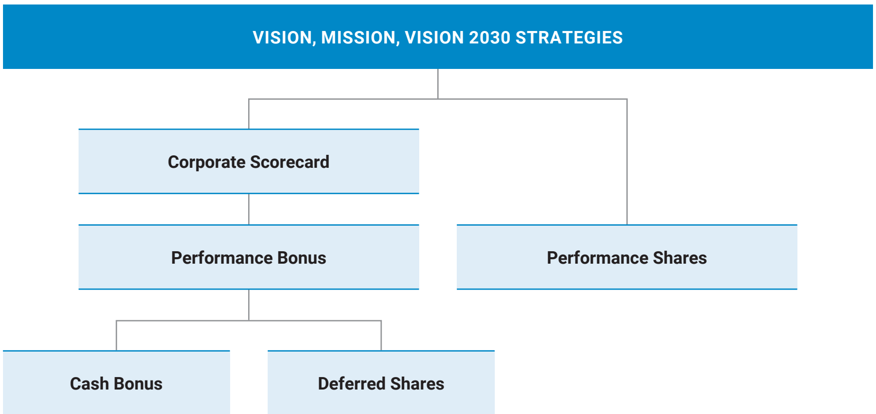
The RC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Group's risk profile.

In determining the actual quantum of variable component of remuneration, the RC had taken into account the extent to which the corporate and individual performance conditions, set forth above, have been met. Based on the outcome of the evaluation, the RC recommends the total remuneration for the key management for the Board's approval. The RC is of the view that the remuneration is aligned to performance during FY 2021.

In order to align the interests of the executive director and key management personnel with that of shareholders, the executive director and key management personnel are remunerated partially in the form of shares in the Company and are encouraged to hold such shares while they remain in the employment of the Company. The executive director and key management personnel are required to hold at least 2 times of their annual fixed pay in the form of shares in the Company, while other key senior management are required to hold at least 1.5 times of their annual fixed pay under the share ownership guideline so as to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

The directors, the CEO and the key management personnel (who are not directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post-employment benefits that are granted over and above what has been disclosed.

REMUNERATION STRUCTURE



LONG-TERM INCENTIVE PLANS

KCL Share Plans

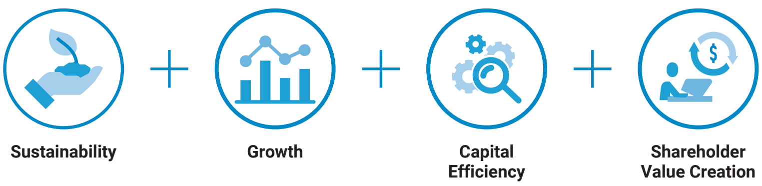
The KCL Share Plans are put in place to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for long-term shareholder value. The KCL Share Plans also aim to strengthen the Group's competitiveness in attracting and retaining talented key senior management and employees. The KCL RSP 2020 applies to a broader base of employees while the KCL PSP 2020 applies to a selected group of key management personnel. The range of performance targets to be set under the KCL PSP 2020 emphasise stretched or strategic targets aimed at sustaining longer-term growth.

Following the launch of the Company's Vision 2030 in FY 2020, the Board endorsed an additional remuneration component for selected senior management and key employees who will be contributing significantly towards the attainment of Vision 2030. The one-time Transformation Incentive Plan ("V2030 PSP-TIP"), which is awarded in the form of performance shares under the KCL PSP 2020 in July 2021, is a long-term incentive plan with a five-year performance period to incentivise the Group's executives to achieve the ambitious objectives of the Group's Vision 2030. Subject to meeting the ambitious performance conditions set, the vesting will take place in 2026. After taking into account the performance conditions, the Board had also allowed for a re-testing of the performance conditions at the end of 2026.

Executives will only benefit from the V2030 PSP-TIP if the Group meets a highly stretched total shareholder return target as well as the ambitious financial and non-financial targets linked to the Vision 2030 scorecard, and if the executives meet or exceed their individual performance targets over the five-year performance period.

Given the Group's strong focus on providing solutions for sustainable urbanisation, various aspects of the remuneration framework have been enhanced for a stronger alignment with this focus. Sustainability-related targets relating to the Group's own carbon footprint as well as commercialisable solutions have been either incorporated or further emphasised in various incentive programmes, including the annual scorecard that determines the annual performance bonus pool for all employees, the 3-year KCL PSP 2020 that will be awarded in FY 2022 to a selected group of key management personnel as well as the 5-year V2030 PSP-TIP that was awarded in 2021 to selected senior management and key employees who will be contributing significantly towards the attainment of Vision 2030.

TARGETS OF THE 3-YEAR KCL PERFORMANCE SHARE PLAN (FROM FY 2022 ONWARDS)



The weightages of the sustainability targets vary across the various programmes, weighing up to 25% for the 3-Year KCL PSP awards.

The RC has the discretion not to award variable incentives in any year if an executive is directly involved in a material restatement of financial statements, in misconduct resulting in restatement of financial statements, or in misconduct resulting in financial loss to the Company. Outstanding performance bonuses, and share awards under the New Share Plans are also subject to RC's discretion before further payment or vesting can occur. Under the terms of the New Share Plans, shares awarded pursuant to the New Share Plans may be clawed back in the event of among others, misconduct (including a breach of laws), or violation of policies and compliance standards which had or is likely to cause financial loss or reputational harm to the Group or which may be detrimental to the interests of the Group.

Details of the KCL Share Plans are set out on pages 120 and 162.

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL (WHO ARE NOT ALSO DIRECTORS OR THE CEO) FOR THE YEAR ENDED 31 DECEMBER 2021

The level and mix of each of the director's remuneration are set out below:

Remuneration & Name of Director	Base/Fixed Salary ($)	Performance-Related Cash Bonuses Earned[1] ($)	Directors' Total Fees[2] ($)		Benefits-in-Kind ($)	Contingent Awards of Shares[3,4] ($)		Total Remuneration ($)
			Cash component[5]	Shares component[5]		PSP	RSP	
Loh Chin Hua	1,201,120	2,103,002	–	–	n.m.[6]	1,525,700	2,099,998	6,929,820[7,8]
Danny Teoh[9]	–	–	414,910	177,819	–	–	–	592,729
Till Vestring[10]	–	–	127,874	54,803	–	–	–	182,677
Veronica Eng[11]	–	–	147,700	63,300	–	–	–	211,000
Jean-François Manzoni[12]	–	–	127,035	54,444	–	–	–	181,479
Teo Siong Seng[13]	–	–	120,488	51,638	–	–	–	172,126
Tham Sai Choy[14]	–	–	140,982	60,421	–	–	–	201,403
Penny Goh[15]	–	–	126,000	54,000	–	–	–	180,000
Shirish Apte[16]	–	–	63,518	27,222	–	–	–	90,740
Lee Boon Yang[17]	–	–	232,192	–	–	–	–	232,192
Alvin Yeo Khirn Hai[18]	–	–	52,011	–	–	–	–	52,011
Tan Ek Kia[19]	–	–	70,277	–	–	–	–	70,277

Notes:

1 The RC is satisfied that the quantum of performance-related cash bonuses earned by the executive director was fair and appropriate taking into account the extent to which his KPIs for FY 2021 were met.

2 Based on the NEDs' fee structure set out in the Annual Report 2020, the total fees amount to $2,166,634. This amount is within the sum of up to S$2,491,000 approved in the 2021 AGM.

3 Shares awarded under the KCL PSP 2020 are subject to pre-determined performance targets over a three-year performance period. As at 31 March 2021, being the grant date for the contingent awards under the KCL PSP 2020, the estimated value of each share was $4.18. For the KCL PSP 2020, the figures are based on the value of the PSP shares at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.

4 The contingent award of RSP deferred shares was granted for Mr Loh Chin Hua's performance and contributions in FY 2021. The Company's 2021 volume-weighted average share price of $5.29 was used to determine the number of contingent KCL RSP 2020 deferred shares to be awarded to him as well as his FY 2021 total remuneration. As at 15 February 2022, being the grant date for the contingent awards under the KCL RSP 2020, the estimated value of each share was $5.84.

5 The amounts stated may be adjusted as indicated on pages 86 and 87 of this report.

6 n.m. – not material

7 In addition to the remuneration disclosed above, Mr Loh Chin Hua was granted performance shares on a one-off basis under the five-year KCL PSP 2020-TIP on 30 July 2021. Shares awarded under the KCL PSP 2020-TIP are subject to pre-determined performance targets over a five-year performance period. As at 30 July 2021, being the grant date for the contingent award under the KCL PSP 2020-TIP, the estimated value of each share was $0.98. The total allocation value of the award is estimated at $950,600. For the KCL PSP 2020-TIP, the figures are based on the value of the PSP-TIP shares at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.

8 Total remuneration shown above for Mr Loh Chin Hua does not include vested share of carried interests for funds created during the time he was Managing Director at Alpha Investment Partners. These carried interests are only earned at the end of the fund life and depends entirely on the actual performance of the funds after they have been liquidated.

9 Mr Danny Teoh was appointed as Board Chairman and a member of the Nominating and Board Safety Committees with effect from 23 April 2021. He ceased to be the Chairman of the Audit Committee and member of the Board Risk Committee with effect from the same date. Fees are prorated accordingly.

10 Mr Till Vestring was appointed as the Lead Independent Director with effect from 1 November 2021. Fees are prorated accordingly. He was concurrently appointed as a member of the Board of Keppel Telecommunications & Transportation Limited with effect from 1 October 2021 and will receive a prorated fee of $11,342 for his services rendered in the year.

11 Ms Veronica Eng was concurrently a member of the Board of Keppel Capital Holdings Pte Ltd in FY 2021 and will receive a fee of $45,000 for her services rendered in the year.

12 Professor Jean-Francois Manzoni was appointed as a member of the Remuneration Committee with effect from 1 July 2021. He ceased to be a member of the Board Risk Committee with effect from the same date. Fees are prorated accordingly.

13 Mr Teo Siong Seng was appointed as the Chairman of the Board Safety Committee and a member of the Audit Committee with effect from 23 April 2021. He ceased to be a member of the Audit and Remuneration Committees with effect from 1 July 2021. Fees are prorated accordingly.

14 Mr Tham Sai Choy was appointed as the Chairman of the Audit Committee with effect from 23 April 2021. Fees are prorated accordingly. He was concurrently a member of the Board of Keppel Offshore and Marine Ltd in FY 2021 and will receive a fee of $56,219 for his services rendered in the year.

15 Mrs Penny Goh was concurrently Chairman of Keppel REIT Management Limited ("KRML") in FY 2021 and a member of the Board of Keppel Land Limited ("KLL") with effect from 1 October 2021. She will receive a fee of $150,000 for her services rendered to KRML in the year with 70% payable in the form of cash and 30% in the form of units in Keppel REIT and will receive a prorated fee of $11,250 for her services rendered to KLL in the year.

16 Mr Shirish Apte was appointed to the Board and as a member of the Audit and Board Risk Committees with effect from 1 July 2021. Fees are prorated accordingly. He was concurrently a member of the Board of Keppel Infrastructure Holdings Pte. Ltd. in FY 2021 and will receive a fee of $50,000 for his services rendered in the year.

17 Dr Lee Boon Yang retired from the Board with effect from 23 April 2021. Concurrently, he ceased to be the Board Chairman and a member of the Nominating, Remuneration and Board Safety Committees. Fees are prorated accordingly.

18 Mr Alvin Yeo retired from the Board with effect from 23 April 2021. Concurrently, he ceased to be a member of the Audit and Nominating Committees. Fees are prorated accordingly.

19 Mr Tan Ek Kia retired from the Board with effect from 23 April 2021. Concurrently, he ceased to be the Chairman of the Board Safety Committee and a member of the Audit and Board Risk Committees. Fees are prorated accordingly. He was concurrently a member of the Board of Keppel Offshore & Marine Ltd in FY 2021 and will receive a fee of $82,397 for his services rendered in the year.

PSP and RSP Shares granted and vested for the Executive Director are shown below:

Name of Executive Director	PSP Awards	Vesting Date	Contingent Awards of PSP Shares	Number of PSP Shares Vested	Value of PSP Shares Vested ($)[1]	RSP Awards	Vesting Date	Contingent Awards of RSP Shares	Number of RSP Shares Vested	Value of RSP Shares Vested ($)[1]
Loh Chin Hua	2016 Awards	28 Feb 2022	0 to 1,125,000[2]	–	–	2019 Awards	28 Feb 2019 28 Feb 2020	262,403	87,467 87,467	544,919 559,404
	2018 Awards[3]	28 Feb 2022	0 to 480,000	–	–		26 Feb 2021		87,469	449,591
	2019 Awards[3]	28 Feb 2022	0 to 547,500	–	–	2020 Awards	28 Feb 2020 26 Feb 2021	301,887	100,629 100,629	643,583 517,233
	2020 Awards	28 Feb 2023	0 to 547,500	–	–		28 Feb 2022		–	–
	2021 Awards	29 Feb 2024	0 to 547,500[4]	–	–	2021 Awards	26 Feb 2021 28 Feb 2022	260,870	86,956 –	446,954 –
		27 Feb 2026	0 to 1,455,000[5]	–	–		28 Feb 2023		–	–
				–	–	2022 Awards	28 Feb 2022 28 Feb 2023 29 Feb 2024	396,975	– – –	– – –

Notes:
1 The value of the shares vested under KCL PSP and RSP is computed based on the market price of the shares when the shares are credited to the employee's CDP account. The RC is satisfied that the value of the shares vested under the KCL PSP and RSP to the executive director was fair and appropriate taking into account the extent to which his KPIs and performance conditions for FY 2021 were met.
2 Refers to one-time contingent shares awarded under the KCL PSP-TIP.
3 As the targets of the 2018 and 2019 PSP awards were set before the onset of the COVID-19 pandemic, the RC decided to extend the performance period of the awards by 1 more year. The achievements in Year 2018, 2019 and 2021 will be used to determine the vesting level of the 2018 PSP award at the end of the extended performance period, while the achievements in Year 2019, 2021 and 2022 will be used to determine the vesting level of the 2019 PSP award at the end of the extended performance period.
4 Refers to contingent shares awarded under the KCL PSP 2020.
5 Refers to one-time contingent shares awarded under the KCL PSP 2020-TIP.

The total remuneration paid to the key management personnel (who are not directors or the CEO) in FY 2021 was $15,883,640. The level and mix of each of the key management personnel (who are not also directors or the CEO) in bands of $250,000 are set out below:

Remuneration Band & Name of Key Management Personnel	Base/Fixed Salary (%)	Performance-Related Cash Bonuses Earned[1] (%)	Benefits-in-Kind (%)	Contingent Awards of Shares PSP (%)	Contingent Awards of Shares RSP (%)
Above $3,500,000 to $3,750,000					
Chan Hon Chew	20	32	n.m.[6]	16	32
Above $3,000,000 to $3,250,000					
Tan Hua Mui, Christina[2]	20	32	n.m.[6]	16	32
Above $2,000,000 to $2,250,000					
Ong Leng Yeow, Chris	25	27	n.m.[6]	21	27
Lim Lu-Yi, Louis	26	29	n.m.[6]	16	29
Above $1,750,000 to $2,000,000					
Lim Joo Ling, Cindy	27	29	n.m.[6]	15	29
Above $1,500,000 to $1,750,000					
Pang Thieng Hwi, Thomas	27	29	n.m.[6]	15	29
Manjot Singh Mann	39	20	5	16	20

Notes:
1 The RC is satisfied that the quantum of performance-related bonuses earned by the key management personnel was fair and appropriate taking into account the extent to which their KPIs for FY 2021 were met.
2 Total remuneration shown above for Ms Christina Tan does not include vested share of carried interests for funds created during the time she was Managing Director at Alpha Investment Partners. These carried interests are only earned at the end of the fund life and depend entirely on the actual performance of the funds after they have been liquidated.
3 Dr Ong Tiong Guan retired from the Company with effect from 27 February 2021. He received a total remuneration of less than $250,000 for his period of employment with the Company. Subsequent to his retirement, Dr Ong was engaged as an Advisor and will receive a fee of not more than $250,000 per annum for his advisory services.
4 Mr Tan Swee Yiow stepped down as CEO of Keppel Land with effect from 15 February 2021 and was appointed as Senior Managing Director of Urban Development thereafter. His FY 2021 total remuneration was in the range of $1,500,000 to $1,750,000.
5 In addition to the remuneration disclosed above, all the key management were granted performance shares on a one-off basis under the five-year KCL PSP 2020-TIP on 30 July 2021. Shares awarded under the KCL PSP 2020-TIP are subject to pre-determined performance targets over a five-year performance period. As at 30 July 2021, being the grant date for the contingent awards under the KCL PSP 2020-TIP, the estimated value of each share was $0.98. The total allocation value of the awards is in the range of $250,000 to $500,000 for Mr Chan Hon Chew, Ms Christina Tan and Mr Chris Ong, and in the range of less than $250,000 for the remaining key management personnel. For the KCL PSP 2020-TIP, the figures are based on the value of the PSP-TIP shares at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.
6 n.m. – not material

REMUNERATION OF EMPLOYEES WHO ARE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY OR ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE CHIEF EXECUTIVE OFFICER OR A SUBSTANTIAL SHAREHOLDER OF THE COMPANY

No employee of the Company and its subsidiaries is a substantial shareholder of the Company or an immediate family member of a director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded $100,000 during the financial year ended 31 December 2021. "Immediate family member" means the spouse, child, adopted child, step-child, sibling and parent.

AUDIT COMMITTEE

PRINCIPLE 10:

The Board has an Audit Committee which discharges its duties objectively

The Audit Committee (AC) comprises entirely non-executive and independent directors, namely:

- Mr Tham Sai Choy (from 23 April 2021) Independent Chairman[1]
- Mr Danny Teoh (up to 23 April 2021) Independent Chairman
- Mr Alvin Yeo (up to 23 April 2021) Independent Member
- Ms Veronica Eng Independent Member
- Mr Tan Ek Kia (up to 23 April 2021) Independent Member
- Mr Teo Siong Seng (from 23 April 2021 to 1 July 2021) Non-executive and Non-independent Member
- Mrs Penny Goh Independent Member
- Mr Shirish Apte (from 1 July 2021) Independent Member

The AC's primary role is to assist the Board with ensuring the integrity of financial reporting and the adequacy and effectiveness of the system of internal controls and risk management. The AC has explicit authority to investigate any matter within its responsibilities, full access to and co-operation by management, full discretion to invite any director or executive officer to attend its meetings, and reasonable resources (including access to external consultants) to enable it to properly discharge its responsibilities.

Mr Tham Sai Choy, Ms Veronica Eng and Mr Shirish Apte have recent, relevant and in-depth experience in accounting and financial management. Mrs Penny Goh has extensive experience in advising on a broad range of corporate real estate transactions for commercial, industrial and logistics projects in Singapore and Asia Pacific, involving investment, joint development and profit participation structures, and has the practical knowledge of issues and considerations affecting the Committee to discharge her responsibilities as a member of the Committee. Mr Tham Sai Choy, Ms Veronica Eng, Mrs Penny Goh and Mr Shirish Apte are also members of the Board Risk Committee ("BRC"), with Ms Veronica Eng being the Chairperson. None of the members of the AC were partners or directors of the Company's current external auditors within the last two years and none of the members of the AC hold any financial interest in the auditing firm.

The detailed terms of reference of the Committee are set out on page 100 herein.

AUDIT

The AC met with the external auditors six times during the year and at least one of these meetings was without the presence of management and the internal auditors. The AC also met with the internal auditors five times during the year, and at least one of these meetings was conducted without the presence of management and the external auditors.

The AC reviewed and approved the Group external auditor's audit plan for the year and assessed the quality of the work carried out by the external auditors in accordance with the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority and is satisfied with the performance. Taking into account the requirements under the Accountants Act 2004 of Singapore, the AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the audit and non-audit fees awarded to them and has confirmed that the non-audit services performed by the external auditors would not affect their independence. For details of fees payable to the auditors in respect of audit and non-audit services, please refer to Note 27 of the Notes to the Financial Statements on page 186.

The Company has complied with Rule 712, and Rule 715 read with Rule 716 of the SGX Listing Manual in relation to its auditing firms.

The Company also has an in-house internal audit function ("Group Internal Audit"), which together with the external auditors, report their findings and recommendations to the AC independently. The role of Group Internal Audit is to provide independent assurance to the AC to ensure that the Company maintains a sound system of internal controls. In this aspect, Group Internal Audit conducts regular reviews of the adequacy and effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology ("IT") controls, and risk management. Any significant non-compliance or failures in internal controls together with recommendations for improvements are reported to the AC. Group Internal Audit also undertakes investigations as directed by the AC.

Group Internal Audit has direct access to the AC and unfettered access to all the documents, records, properties and personnel of the Group. The AC approves the hiring, removal, evaluation and compensation of the Head of Group Internal Audit, whose primary line of reporting is to the Chairman of the AC, with an administrative reporting line to the CEO of the Company. The AC reviewed the adequacy and effectiveness of Group Internal Audit and is satisfied that the team is independent, effective and adequately resourced with persons with relevant qualifications and experience and has appropriate standing within the Company. Group Internal Audit attends the Company's and the Group's key strategy sessions, and executive meetings, and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls, and other relevant disciplines. The AC also reviewed the training costs and programmes attended by Group Internal Audit to ensure that their technical knowledge and skill sets remain current and relevant.

As a member of the Institute of Internal Auditors ("IIA"), Group Internal Audit is guided by the International Professional Practices Framework set by the IIA. External quality assessment reviews are carried out at least once every five years by qualified professionals, with the last assessment conducted in 2021. The results re-affirmed that the internal audit activity generally conforms to the International Standards for the Professional Practice of Internal Auditing. Group Internal Audit staff perform a yearly declaration of independence and confirm their adherence to Keppel's Code of Conduct as well as the Code of Ethics established by the IIA, from which the principles of objectivity, competence, confidentiality and integrity are based.

[1] Mr Tham Sai Choy succeeded Mr Danny Teoh as Chairman of the Audit Committee on 23 April 2021. Prior to that, Mr Tham Sai Choy was a member of the Audit Committee.

The purpose, authority and responsibility of Group Internal Audit are formally defined in an internal audit charter, which is approved by the AC. The internal audit charter establishes Group Internal Audit's position within the organisation, including the nature of its functional reporting relationship with the AC; authorises access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. The Charter mandates Group Internal Audit to maintain a quality assurance and improvement program that covers all aspects of the internal audit activity, including the evaluation of its conformance with the Standards, and an evaluation of whether internal auditors apply the IIA's Code of Ethics.

During the year, Group Internal Audit adopted a risk-based auditing approach that focuses on key risks, including financial, operational, compliance and information technology risks. An annual audit plan is developed using a structured risk and control assessment framework, and this plan is reviewed and approved by the AC to ensure that the risk-based plan sufficiently covered the effectiveness of controls to mitigate the significant financial, operational, compliance and information technology risks of the Company. Audits are planned based on the results of the assessment, with priority given to auditing the areas of highest risk within the Company. All Group Internal Audit's reports are submitted to the AC for deliberation with copies of these reports extended to the Chairman, CEO and relevant senior management personnel. In addition, significant audit findings and recommendations put up by the internal and the external auditors are reported to the AC and discussed at AC meetings. To ensure timely and adequate closure of audit findings, the status of implementation of the actions agreed by management is tracked and discussed with the AC. The AC also reviews the effectiveness of the actions taken by management on the recommendations made by Group Internal Audit and the external auditors.

FINANCIAL MATTERS

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the external auditors in their quarterly meetings with the AC.

During the year, the AC performed independent review of the financial statements of the Company before the announcement of the Company's first half and full year results. In the process, the Committee reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials.

In its review of the financial statements of the Group and the Company for FY 2021, the AC reviewed the key areas of management's judgment and estimates applied for key financial issues, including valuation of investment properties and development properties held for sale, impairment assessment of exposure to KrisEnergy, recoverability of contract assets, material receivables and stocks, financial exposure in relation to contracts with Sete Brasil, global resolution with criminal authorities in relation to corrupt payments, revenue recognition and contract cost, and the impairment assessment of goodwill arising from the acquisition of M1, that might affect the integrity of the financial statements. The AC also considered the report from the external auditors, including their findings on the key audit matters as set out in the independent auditor's report for the financial year ended 31 December 2021.

In addition to the findings of the external auditors, the AC took into consideration the methodology applied in determining the valuation and value-in-use of different asset classes, including the reasonableness of the estimates and key assumptions used. The AC also reviewed management's assessment of recoverability of contract assets, material receivables and stocks, financial exposure in relation to contracts with Sete Brasil, including cash flow estimates relating to the settlement agreement between the Group and Sete Brasil as well as related developments, assessment on whether there was a potential for any additional provision in relation to the corrupt payments, and estimates of the total costs and physical proportion of work completed in determining the stage of completion. Furthermore, external independent valuations, work performed by independent professional firms and independent financial advisor, as well as opinions from internal and external legal counsel, where applicable, were considered when reviewing management's assessment.

The AC concurs with the methodology, accounting treatment and estimates adopted, as well as the disclosures made in the financial statements for each of the key audit matters set out by the external auditors in their report.

WHISTLE-BLOWER POLICY

The AC has reviewed the "Keppel Whistle-Blower Policy" (the "Policy") which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in business conduct, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. To facilitate the management of incidences of alleged fraud or other misconduct, the AC is guided by a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence. Significant matters raised through the whistle-blowing channel are reported to the Board.

The details of the Policy are set out on page 104 hereto. The AC reviews the Policy yearly to ensure that it remains current.

INTERESTED PERSON TRANSACTION

The Company has established policies and procedures for reviewing and approving interested person transactions ("IPTs") in accordance with the general mandate from shareholders that such transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. Management reported the IPTs to the AC in accordance with the mandate. These IPTs were reviewed by the internal auditors, and all findings were reported during AC meetings.

Details of IPTs entered into by the Group in FY 2021 are set out on page 215 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board Risk Committee (BRC) comprises entirely non-executive and independent directors, namely:

- Ms Veronica Eng
  Independent Chairperson
- Mr Danny Teoh
  (up to 23 April 2021)
  Independent Member
- Mr Tan Ek Kia
  (up to 23 April 2021)
  Independent Member
- Prof Jean-François Manzoni
  (up to 1 July 2021)
  Independent Member
- Mr Tham Sai Choy
  Independent Member
- Mrs Penny Goh
  Independent Member
- Mr Shirish Apte
  (from 1 July 2021)
  Independent Member

KEPPEL'S SYSTEM OF MANAGEMENT CONTROLS

BOARD OF DIRECTORS

MANAGEMENT ⟷ **INTERNAL AUDIT**

EXTERNAL ASSURANCE PROVIDERS

FIRST LINE
Business Governance
- Core Values
- Code of Conduct
- Financial Controls
- Operational Controls
- Compliance Controls
- Technology Controls

SECOND LINE
Management Assurance Framework
- Control Self-Assessment
- Enterprise Risk Management
- Regulatory Compliance
- Technology & Cyber Security Governance

THIRD LINE
Independent Assurance
- Independent & Objective Assurance

↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ⟷ Alignment, communication, coordination, collaboration

The BRC considers the nature and extent of the significant risks which the Company may take in achieving its strategic objectives and value creation; and reviews and guides management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, to safeguard shareholders' interests and the Group's assets, and ensure corporate sustainability. The Committee reports to the Board on critical risk issues, material matters, findings and recommendations.

The detailed terms of reference of this Committee are disclosed on page 100 herein.

The Group Risk & Compliance department, working in conjunction with the business teams, has supported management in applying the Enterprise Risk Management ("ERM") Framework to ensure significant risks across the Group are assessed and adequately mitigated. This is performed through the monitoring of risk matters across the Group, conduct of training, site visits, participation at IMPAC meetings, and implementation of risk-related policies and standards. The ERM Framework was established to guide Group entities in managing risks and also facilitate the Board's assessment of the adequacy and effectiveness of the Group's risk management system and processes in managing risk. It lays out the governance mechanisms and principles, policies and processes, and system pertaining to how Group entities should identify, assess, mitigate, communicate, and monitor or escalate significant risk matters.

Risk assessments are performed at each business unit and agreed with senior management before being consolidated to form the Group risk assessment. Further assessments are performed at the Group and articulation of each key risk area grouped by sub-groups within Strategic, Operational, Compliance and Financial risk, and the mitigation plans where applicable, are provided to the Board and BRC at quarterly meetings. This is complemented by education and awareness, resources and expertise, and assessment or feedback, which are ongoing in nature.

The Group's approach to risk management and the key risks of the Group are set out in the "Risk Management" section on pages 110 to 113 of this Annual Report. The Group is guided by a set of Risk Tolerance Guiding Principles, as disclosed on page 110.

The Group also has in place Keppel's System of Management Controls ("KSMC") outlining the Group's internal control and risk management processes and procedures. The KSMC comprises the Three-Lines Model to ensure the adequacy and effectiveness of the Group's system of internal controls and risk management.

Under the First Line of Business Governance, the Group and its business units' ("BUs") management, supported by their respective line functions and committees, are responsible for the identification and mitigation of risks (including financial, operational, compliance and technology risks) facing the Group and respective BUs in the course of running their business. Appropriate policies, procedures, and controls are implemented and operationalised in line with the Group's risk appetite to address such risks. Employees are also guided by the Group's Core Values and expected to comply strictly with Keppel's Code of Conduct.

Under the Second Line, Management Assurance Frameworks are established to enable oversight and governance over operations and activities undertaken by management under the First Line. Business units and entities scoped in for control self-assessment ("CSA") are required to conduct a self-assessment exercise to assess the status of their respective internal controls on an annual basis. The annual CSA exercise is overseen by Control Assurance. Remedial actions are implemented to address all control gaps identified during the CSA exercise. Group Risk & Compliance ("GRC"), working in conjunction with the Group and respective BUs' line functions and committees, oversees the implementation of the Group's Enterprise Risk Management Framework, under which the Group will identify, assess and mitigate risks facing the Group to ensure that risks fall within the established risk appetite and tolerance. In respect of regulatory compliance, the Group's and BU's line functions and committees support and work alongside GRC and the Group's and BU's management to help ensure relevant policies, processes and controls are effectively designed, implemented and managed to mitigate compliance risks that the Group and respective BUs face in the course of their business. The Technology Governance Framework overseen by Group Information Technology aims to align technology strategy to enterprise vision, whilst strengthening technology controls and security, and managing technology risks for the Group. This framework was further strengthened in January 2021 with the formalisation of an enhanced Group Cyber Security Governance structure which includes the repurposing of Keppel's existing IT Security Operations Centre into a Cyber Security Centre with enhanced capabilities to ensure that the baseline security posture of the Group is maintained, and is overseen by a dedicated Group Cyber Security function which drives the enterprise vision, strategy and programme to ensure that Keppel's technology assets are adequately protected. The Technology and Cyber Security Governance Frameworks balance strategic technology adoption, business resiliency and security outcomes towards effective business continuity and technology risk mitigations.

The Third Line comprises independent assurance, including internal and external audit. Internal audit provides the Board and the Group's senior management with independent assurance over the adequacy and effectiveness of the system of internal controls, risk management and governance, while external audit considers the internal controls relevant to the Company's preparation of financial statements and performs tests on such internal controls, where they are assessed to be necessary, in support of the audit opinion issued on the financial statements of the Company.

ENHANCEMENTS TO COMPLIANCE PROGRAMME IN FY 2021

At Keppel, accountability is a core value. As our Code of Conduct states, "we care how results are achieved, not just that they are attained." Implementing that core value through enhancing our regulatory compliance process and by reminding every Keppelite of that value is a focus of attention for us, our boards, and officers and line managers across the globe.

This section provides an overview of the improvements and enhancements that have been made to strengthen Keppel's compliance programme over the past year. Further details of our compliance initiatives are set out on pages 114 to 116 of this Annual Report. The Company is committed to a continuous review and, where necessary and appropriate, further improvements and enhancements to the Group's compliance programme will be made.

The Group has taken the following steps over the past year to further enhance its internal controls, policies and procedures:

a. In 2021, the Singapore entities of Keppel Infrastructure and overseas entities of Keppel Land (Vietnam, China and Indonesia) also achieved ISO 37001 certification. The three-year Deferred Prosecution Agreement (DPA) with the US Department of Justice was dismissed in 2021. Keppel O&M has complied with all obligations which includes the successful implementation of an enhanced compliance programme and procedures.

b. Enhancement of the Dealing with Third Party Associates ("TPA") policy to consolidate and streamline compliance due diligence requirements for TPA, Mergers & Acquisitions Compliance and Agents' fee policies.

c. Digitalisation of due diligence processes and conflict of interest declaration in key projects through a Group-wide application and centralised repository to improve efficiency and access to information across the Group.

THE GROUP'S COMPLIANCE PROGRAMME

The Group's compliance programme also includes the following:

a. a compliance governance structure that is overseen by a Regulatory Compliance Management Committee and Regulatory Compliance Working Team, bringing together senior management, compliance personnel, and other core function leads to discuss compliance enhancements and address compliance issues as they arise;

b. a Supplier Code of Conduct, to integrate Keppel's sustainability principles across our supply chain, and positively influence the environmental, social and governance performance of our suppliers. Suppliers of the Group are expected to abide by the Supplier Code of Conduct, which covers areas pertaining to business conduct (including specific anti-bribery provisions), labour practices, safety and health, and environmental management;

c. risk-based due diligence process for all third-party associates who represent the Group in business dealings, including our joint venture partners, to assess the compliance risk of the business partner; and

d. the dedicated independent Group-wide compliance function has reporting lines independent of business units. The Head of the Group's compliance function has a primary line of reporting to the Chairman of the BRC, with an administrative reporting line to the CFO of the Company.

The Group's compliance programme is and will be subjected to a periodic review to ensure it meets the following standards, i.e. that:

1. **Board and Senior Management Commitment**
   The Group's senior management, including members of the Board, provide continuous, clear and explicit support to the compliance programme.

2. **Policies and Procedures**
   The Group continuously implements and communicates its corporate policy against violations of any anti-corruption laws. This policy has been and will continue to be documented in writing, include appropriate measures to reduce the prospect of violations of anti-corruption laws, and encourage and support the observance of compliance policies and procedures by personnel at all levels of the Group. These anti-corruption policies and procedures apply to all directors, officers and employees and, where necessary and appropriate, outside parties acting on behalf of Keppel, including but not limited to, agents and intermediaries, consultants, representatives, partners and suppliers.

   Individuals at all levels of Keppel comply with Keppel's Code of Conduct and its compliance policies and procedures. Such policies and procedures address, among other areas:

   a. gifts;
   b. hospitality, entertainment, and expenses;
   c. dealing with third party associates – due diligence;
   d. political contributions;
   e. donations and sponsorships;
   f. facilitation payments; and
   g. solicitation and extortion.

   The Group ensures that:

   a. books, records and accounts are in reasonable detail, and accurately and fairly reflect the transactions and disposition of assets; and

   b. the Group develops and maintains a system of internal accounting controls, sufficient to provide reasonable assurance that:

      i. transactions are performed in accordance with the Group's general guidelines or specific authorisation;

      ii. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;

      iii. access to assets shall only be permitted in accordance with the Group's general guidelines or specific authorisation; and

      iv. the recorded accountability for assets shall be compared with the existing assets at reasonable intervals and appropriate action be taken with respect to any differences.

3. **Periodic Risk-based Review**
   The Group continues to enhance its compliance policies and procedures on the basis of a periodic risk assessment to ensure their continued effectiveness, taking into account relevant developments such as international and industry standards, and addressing the individual circumstances of the Group, and in particular corruption risks, including but not limited to its geographical organisation and sectors of industrial operation.

4. Training and Orientation
The Group continuously ensures that its compliance policies and procedures are communicated effectively to all employees, including officers, directors, and where necessary and appropriate agents, and business partners. These mechanisms include:

a. periodic focused 'gate-keeper' training for senior management members (including directors), employees in positions of leadership, and targeted training for employees in positions otherwise exposed to corruption risks, and where necessary and appropriate, compliance training for agents and business partners; and annual e-training for directors, officers and employees; and

b. corresponding certifications by such senior management members (including directors), employees, agents and business partners, acknowledging their understanding of policies and conformity with training requirements.

5. Internal Reporting, Communication and Investigation
The Group maintains a system for the internal reporting/communication of potential violations of compliance policies and procedures and applicable laws, that ensures as far as possible confidentiality to the whistle-blower and investigation subjects.

The Group maintains a process for receiving internal reports/communications with sufficient resources to respond and document allegations of violations of compliance policies and procedures and applicable law. When necessary, the Group undertakes independent investigations of the alleged violations. Due to travel restrictions imposed in light of COVID-19, in 2021, key investigations into whistle-blower complaints alleging misconduct (of any kind) have been conducted by local third-party forensic and investigations specialists.

6. Enforcement and Discipline
The Group maintains and, where necessary, improves its mechanisms designed to effectively enforce its compliance policies and procedures including, where appropriate, the imposition of disciplinary measures in the case of violations.

The Group institutes disciplinary measures with reference to, among other things, violations of compliance policies and procedures and applicable law by its senior management (including directors) and employees. Such procedures are applied consistently and fairly, regardless of the position held by, or the perceived importance of the senior management member (including directors) or employee. Where misconduct is discovered, measures are taken promptly to cease the misconduct or irregularities, and remedy the harm resulting from such misconduct.

7. Third-party Relationships
The Group continues to implement the following procedures with reference to its agents and business partners:

a. due diligence relating to the engagement of third parties;

b. appropriate oversight of third parties; and

c. seeking reciprocal commitments regarding ethical conduct from third-parties, associates and business partners.

When necessary, the Group includes in contracts with third-parties, agents and business partners, anti-corruption provisions, which may include the following:

a. commitment to act in accordance with applicable laws;

b. right to conduct audits of the books and records of third-parties, agents or business partners; and

c. right to terminate a contract due to violations of compliance policies and procedures or any applicable anti-corruption law by any third party, agent or business partner.

The Group also communicates its Sanctions Compliance Policy to all counterparties of the Group as relevant, to ensure that in all dealings with such counterparties, they are made aware of, and agree to comply with, all applicable sanctions and export control laws and regulations.

In addition, risk-based screening of counterparties to identify sanctions-related risks is also conducted. Where appropriate on a risk-based consideration, contracts with such counterparties would contain sanctions and export control compliance clauses.

8. Mergers, Acquisitions and Corporate Restructuring
The Group implemented a Mergers and Acquisitions Compliance Due Diligence process which gives guidance and sets out requirements for compliance due diligence checks and steps to be performed on potential mergers and acquisition target entities.

The Group applies its compliance codes, policies and procedures in a speedy and efficient manner to newly acquired businesses or entities, and conducts training for new employees, senior management (including directors), agents and business partners.

9. Monitoring and Developments
The Group conducts continuous monitoring of its compliance programme to enhance its effectiveness in preventing and detecting violations of its compliance policies.

ANNUAL ASSURANCE

The Board has received assurance:

a. from the CEOs and CFOs of each of the Group's business divisions and the CEO and CFO of the Company that, as of 31 December 2021, the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2021 give a true and fair view of the Group's operations and finances; and

b. from the CEO and CFO of the Company, CEOs and CFOs of each of the Group's business divisions, and other key management personnel responsible for risk management and internal control systems that, as of 31 December 2021, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which the Group considers relevant and material to its operations.

Based on the internal controls and enterprise-wide risk management framework established and maintained by the Group, work performed by internal and external auditors, and reviews performed by management, the AC and BRC, as well as the assurances set out above, the Board is of the view that, as of 31 December 2021, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud and other irregularities.

The AC and BRC concur with the Board's view that, as of 31 December 2021, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which the Group considers relevant and material to its operations.

SHAREHOLDER RIGHTS AND COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 11:

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

PRINCIPLE 12:

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

PRINCIPLE 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Board is responsible for providing a balanced and understandable assessment of the Company's and Group's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators (if required).

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial reports and other price sensitive information are disseminated to shareholders through announcements via SGXNet, press releases, the Company's website, public webcasts and media and analyst briefings. The Company's Annual Report is accessible on the Company's website, and can be viewed at or downloaded from https://www.kepcorp.com/en/investors/agm-egm, and shareholders are encouraged to read the Annual Report on the Company's website. Shareholders may, however, request for a physical copy at no cost.

The Company adopts a stakeholder engagement framework developed in accordance with the AA1000 Accountability Stakeholder Engagement Standard, whereby stakeholders are defined to be individuals, groups of individuals or organisations that affect and/or could be affected by Keppel's activities, products or services and associated performance.

The Company engages its stakeholders regularly in the determination of its material areas of focus. Materiality assessments are important components of the Company's sustainability strategy and reporting. The Company's materiality assessments

Keppel senior management engaged the media and investment community at the 2H & FY 2021 results webcast.

are based on the AA1000 Accountability Principles of Inclusivity and Materiality, as well as the Global Reporting Initiative ("GRI") Principles for Defining Report Content — stakeholder inclusiveness, sustainability context, materiality and completeness. Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation's significant economic, environmental and social impacts; and would substantively influence the assessments and decisions of stakeholders.

The Company has identified and prioritised its material environmental, social and governance issues. An overview of the Company's approach to sustainability management can be found on page 28 of this report. More details of the Company's management approach, priorities, targets and performance reviews in key areas will be made available through its externally audited Sustainability Report, prepared in accordance with the GRI Standards, published annually in May.

The Company's Corporate Communications department (with assistance from other departments as required) regularly communicates with shareholders and receives and attends to their queries and concerns.

The Company treats all its shareholders fairly and equitably and keeps all its shareholders and other stakeholders informed of its corporate activities, including changes in the Company or its business, which would be likely to materially affect the price or value of its shares, on a timely basis.

The Company has in place an Investor Relations Policy which sets out the principles and practices that the Company applies to provide shareholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field.

The Investor Relations Policy is published on the Company's website at www.kepcorp.com, and sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. This is to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company announces its financial statements on a half-yearly basis, but continues to provide voluntary business updates in between its half-yearly financial reports. The Company stands committed to engaging shareholders and the investment community through clear, timely and consistent communications.

The Company employs various platforms to effectively engage the investment community and other stakeholders, with an emphasis on timely, accurate, fair and transparent disclosure of information. Engagement with stakeholders takes many forms, including live webcasts of financial results and presentations, email communications, publications and content on the Company's corporate website, as well as through facility visits when possible, where shareholders may raise any queries or concerns that they may have. Presentation materials of the Company's half-yearly financial statements and voluntary business updates are made available on its website on the same day they are released on SGXNet, while a transcript of the questions and answers session held with media and analysts is also released on SGXNet and posted on the Company's website before the start of the next trading day.

The Company's mobile-responsive website is regularly updated with the latest information. These include latest updates on business and operations, half-yearly financial statements, voluntary business updates and dividend information, materials provided at analysts and media briefings, annual reports, as well as information on general meetings including presentations and minutes. Contact details of the Investor Relations personnel (email: investor.relations@kepcorp.com) are also set out on the website to facilitate any queries from investors.

In addition to shareholder meetings, senior management engages investors, analysts and the media, as well as attends roadshows and industry conferences organised by major brokerage firms to solicit and understand the views of the investment community. In 2021, most physical roadshows and meetings were replaced by virtual engagements due to COVID-19-related safe management measures. The Company hosted about 270 virtual meetings and conference calls with institutional investors from Singapore, Australia, Hong Kong, Japan, Malaysia, Thailand, the UK and the US, and also participated in a virtual investment conference organised by the Singapore Exchange (SGX) and Credit Suisse. In 2021, the Company organised briefings for media and analysts, as well as calls with investors, to help the media and investment community better understand Keppel's performance, strategy and progress towards achieving its Vision 2030 goals. The Company has, since 2017, been collaborating with the Securities Investors Association (Singapore) (SIAS) to hold briefings for retail shareholders. In 2021, the Company held its annual briefing on Keppel's performance, as well as a dialogue session with retail shareholders on the proposed acquisition of Singapore Press Holdings ex-Media (SPH). The two events, both of which were hosted by SIAS, drew a total of close to 200 participants. All materials presented on these occasions were also made available on the SGXNet and the Company's website in a timely manner, to ensure fair disclosure of information for the benefit of all shareholders.

ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

In 2021, the Company held its AGM, and separately convened an extraordinary general meeting (EGM) to seek shareholders' approval for the proposed acquisition of SPH by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 (Temporary Measures)"). Alternative arrangements relating to attendance at the general meetings via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the meetings in advance of the general meetings, addressing of substantial and relevant questions at, or prior to, the general meetings and voting by appointing the Chairman of the meetings as proxy at the general meetings, were put in place for the general meetings. The CEO of the Company gave presentations at the AGM and EGM, providing further elaboration to shareholders. In addition, real-time electronic communication for questions and answers was implemented at the EGM. The notices of meetings and documents relating to the businesses of the general meetings (which included the rules governing the AGM and EGM) were circulated to shareholders by electronic means via publication on SGXNet and the Company's website. Further, responses to questions submitted by shareholders prior to the meetings were uploaded to SGXNet and the Company's website prior to the events and addressed at the general meetings.

The COVID-19 (Temporary Measures) will continue to apply to the Company at the upcoming AGM to be held in respect of FY 2021. Prior to the pandemic and the COVID-19 (Temporary Measures) coming into effect, the Company's general meetings were generally held physically in central locations which are easily accessible by public transportation, ensuring that shareholders have the opportunity to participate effectively and vote at such meetings. Shareholders are informed of the meetings through notices published in the newspapers and via SGXNet, and reports or circulars sent or made available to all shareholders. If any shareholder is unable to participate at the physical meeting, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. Specified intermediaries, such as banks and capital markets services licence holders which provide custodial services, may appoint more than two proxies. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate in the physical meetings. Such indirect investors, where so appointed, will have the same rights as direct investors to vote at the physical meeting.

To ensure transparency, the Company conducts electronic poll voting for shareholders/proxies present at the physical meeting for all the resolutions proposed at the general meeting. Shareholders are also informed of the rules, including voting procedures, governing such general meetings. Votes cast for and against and the respective percentages, on each resolution will be displayed live to shareholders/proxies immediately after each poll conducted.

Regardless whether a general meeting is held physically or via electronic means, shareholders are invited to put forth any questions they may have on the motions to be debated and decided upon, and vote on the resolutions at general meetings. Each distinct issue is proposed as a separate resolution. Such resolutions include matters of significance to shareholders such as, where applicable, proposed amendments to the Constitution, the authorisation to issue additional shares, the transfer of significant assets, re-election of directors, and the remuneration of NEDs. The rationale for the resolutions to be proposed at the meeting is set out in the notices to the meeting or their accompanying appendices. However, where the issues are interdependent and linked so as to form one significant proposal, the Company may propose "bundled resolutions" and will set out the reasons and material implication in the notices to the meeting or its accompanying appendices. A scrutineer will be appointed to count and validate the votes cast at the meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXNet. Each share is entitled to one vote.

Where possible, all directors will attend the general meetings. The chairmen of the Board and each board committee are required to be present to address questions at general meetings. External auditors are also present at such meetings to assist the directors to address shareholders' queries, if necessary.

The Constitution of the Company allows for absentia voting at general meetings. However, the Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretaries prepare minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and management. These minutes are available to shareholders upon their requests. All minutes of general meetings will be published on the Company's website as soon as practicable. Minutes of the AGM and EGM held in 2021 were published on both the Company's website and SGXNet within one month from the meeting.

The Company is committed to rewarding shareholders fairly and sustainably, while balancing the payment of dividends with its capital requirements to ensure that the best interests of the Company are served. While it does not have a formal dividend policy, the Company has a consistent track record for distributing about 40 to 50% of its annual net profit as dividends. Any payment of interim dividend or, upon receipt of shareholders' approval at AGMs final dividend, will be paid to all shareholders in an equitable and timely manner. For FY 2021, the Company will be paying out a total cash dividend of 33 cents per share to shareholders.

SECURITIES TRANSACTIONS

INSIDER TRADING POLICY

The Company has a formal Insider Trading Policy and Guidelines on Disclosure of Dealings in Securities on dealings in the securities of the Company and its listed subsidiaries and associated companies, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations. The policy and guidelines have been distributed to the Group's directors and officers.

Pursuant to Rule 1207(19)(c) of the Listing Manual, the Company and its officers should not deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements), or one month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements) (the "Embargo Period(s)").

The Company had issued circulars to its directors and officers informing them that the Company and its officers must not deal in listed securities of the Company during the applicable Embargo Period(s), and if they are in possession of unpublished price-sensitive information. Directors and CEO are also required to report their dealings in the Company's securities within two business days.

APPENDIX 1 BOARD COMMITTEES – RESPONSIBILITIES

A. AUDIT COMMITTEE

1.1 Review financial statements and announcements relating to financial performance, and significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.

1.2 Review and report to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management in relation to financial reporting and other financial-related risks (such review can be carried out internally or with the assistance of any competent third parties).

1.3 a. Review 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.

b. Where there are material weaknesses identified in the Group's internal control systems, to consider and recommend the necessary steps to be taken to address them.

1.4 Review 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.

1.5 Review audit plans and reports of the external auditors and internal auditors and consider the effectiveness of actions taken by management on the recommendations and observations.

1.6 Review the adequacy, effectiveness and independence of the external audit function and internal audit function, at least annually and report the Audit Committee's assessment to the Board.

1.7 Review the scope and results of the external audit function and internal audit function, at least annually.

1.8 Review the nature and extent of non-audit services performed by the external auditors, to ensure their independence and objectivity.

1.9 Meet with external auditors (without the presence of management and internal auditors) and internal auditors (without the presence of management and external auditors), at least annually.

1.10 Make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors.

1.11 Ensure 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.

1.12 Decide on the appointment, termination, evaluation and remuneration of the Head of Internal Audit, or the accounting/auditing firm or corporation to which the internal audit function is outsourced.

1.13 Review 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.

1.14 Report significant matters raised through the whistle-blowing channel to the Board.

1.15 Review interested party transactions to ensure they are on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders and determine methods or procedures for assessing that the transaction prices are adequate for transactions to be carried out on normal commercial terms, and that they will not prejudice the company or its minority shareholders.

1.16 Investigate any matters within the Audit Committee's purview, whenever it deems necessary.

1.17 Report to the Board on material matters, findings and recommendations.

1.18 Review the Audit Committee's terms of reference annually and recommend any proposed changes to the Board for approval.

1.19 Perform such other functions as the Board may determine.

1.20 Ensure that the Head of Internal Audit and external auditors have direct and unrestricted access to the Chairman of the Audit Committee.

1.21 Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Audit Committee may deem fit.

B. BOARD RISK COMMITTEE

1.1 Obtain recommendations on risk tolerance and strategy from Management, and where appropriate, report and recommend to the Board for its determination the nature and extent of significant risks which the Group overall may take in achieving its strategic objectives and the overall Group's levels of risk tolerance, risk parameters and risk policies.

1.2 Review and discuss, as and when appropriate, with Management the Group's risk governance structure and framework including risk policies, risk strategy, risk culture, risk assessment, risk mitigation and monitoring processes and procedures.

1.3 Review the Information Technology ("IT") governance and cyber security framework to ascertain alignment with business strategy and Group risk tolerance including monitoring the adequacy of IT capability and capacity to ensure business objectives are well-supported with adequate measures to safeguard corporate information, operating assets, and effectively monitor the performance, quality and integrity of IT service delivery.

1.4 Receive and review quarterly reports from Management on the Group's risk profile and major risk exposures, and the steps taken to monitor, control and mitigate such risks to ensure that such risks are managed within acceptable levels.

1.5 Review the Group's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types.

1.6 Receive and review updates from management to assess the adequacy and effectiveness of the Group's compliance framework in line with relevant laws, regulations and best practices.

1.7 Through interactions with the Head of Group Risk & Compliance, review and oversee performance of the Group's implementation of compliance programmes.

1.8 Review and monitor the Group's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable.

1.9 Review the adequacy, effectiveness and independence of the Group's Risk and Compliance function, at least annually, and report the Committee's assessment to the Board.

1.10 Review and monitor management's responsiveness to the risks, matters identified and recommendations of the Group Risk & Compliance function.

1.11 Provide timely input to the Board on critical risk and compliance issues, material matters, findings and recommendations.

1.12 Review management's proposals in respect of strategic transactions and new risk focused products, focusing, in particular, on the risk and compliance aspects and implications of the proposed action for the risk tolerance of the Group, and make recommendations to the Board.

1.13 Review the assurance and steps taken by the CEO and other key management personnel for their relevant areas of responsibilities, regarding the adequacy and effectiveness of the Group's risk management system.

1.14 Review and report to the Board annually on the adequacy and effectiveness of the Group's risk management systems, including financial, operational, compliance and information technology controls.

1.15 a. Review the Board's comment on the adequacy and effectiveness of the Group's risk management systems and state whether it concurs with the Board's comments.

b. Where there are material weaknesses identified in the Group's risk management systems, to consider and recommend the necessary steps to be taken to address them.

1.16 Ensure that the Head of Group Risk & Compliance function have direct and unrestricted access to the Chairman of the Committee.

1.17 Perform such other functions as the Board may determine.

1.18 Review the Committee's terms of reference annually and recommend any proposed changes to the Board.

1.19 Sub-delegate of its powers within its terms of reference as listed above from time to time as the Committee may deem fit.

C. NOMINATING COMMITTEE

1.1 Recommend to the Board the appointment and re-appointment of directors (including alternate directors, if any).

1.2 Annual review of the structure and size of the Board and board committees, and the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age.

1.3 Recommend to the Board a Board Diversity Policy (including the qualitative, and measurable quantitative, objectives (as appropriate) for achieving board diversity), and conduct an annual review of the progress towards achieving these objectives.

1.4 Annual review of the independence of each director, and to ensure that the Board comprises (a) majority NEDs, and (b) at least one-third, or (if Chairman is not independent) a majority of independent directors.

1.5 Assess, where a director has other listed company board representation and/or other principal commitments, whether the director is able to and has been adequately carrying out his duties as director of the Company.

1.6 Recommend to the Board the process for the evaluation of the performance of the Board, the board committees and individual directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole, the board committees and the contribution of the Chairman and each director.

1.7 Annual assessment of the effectiveness of the Board as a whole, the board committees and the contribution of the Chairman and individual directors.

1.8 Review the succession plans for the Board (in particular, the Chairman), the CEO and other key management personnel.

1.9 Review talent development plans.

1.10 Review the training and professional development programmes for Board members.

1.11 Review and, if deemed fit, approve recommendations for nomination of candidates as nominee director (whether as chairman or member) to the board of directors of investee companies which are:

a. listed on the Singapore Exchange or any other stock exchange;

b. managers or trustee-managers of any collective investment schemes, business trusts, or any other trusts which are listed on the Singapore Exchange or any other stock exchange; and

c. parent companies of the Company's core businesses which are unlisted.

1.12 Report to the Board on material matters and recommendations.

1.13 Review the Nominating Committee's terms of reference annually and recommend any proposed changes to the Board for approval.

1.14 Perform such other functions as the Board may determine.

1.15 Sub-delegate any of its powers within its terms of reference as listed above, from time to time as this Committee may deem fit.

D. REMUNERATION COMMITTEE

1.1 Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each director as well as for the key management personnel, including review of all long-term and short-term incentive plans, with a view to aligning the level and structure of remuneration to the Group's long-term strategy and performance.

1.2 Consider all aspects of remuneration to ensure that they are fair, and review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous.

1.3 Consider whether directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme).

1.4 Review the ongoing appropriateness and relevance of the remuneration policy to ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Group.

1.5 Monitor the level and structure of remuneration for directors and key management personnel relative to the internal and external peers and competitors to ensure that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Group for the long term.

1.6 Set performance measures and determine targets for any performance-related pay schemes.

1.7 Administer the Company's Restricted Share Plan and Performance Share Plan (collectively, the "KCL Share Plans"), in accordance with the rules of the KCL Share Plans.

1.8 Report to the Board on material matters and recommendations.

1.9 Review the Remuneration Committee's terms of reference annually and recommend any proposed changes to the Board.

1.10 Perform such other functions as the Board may determine.

1.11 Sub-delegate any of its powers within its terms of reference as listed above, from time to time as the Remuneration Committee may deem fit.

Save that a member of this Committee shall not be involved in the deliberations in respect of any remuneration, compensation, award of shares or any form of benefits to be granted to him.

E. BOARD SAFETY COMMITTEE

1.1 Ensure there is a set of Group HSE policies and standards to guide HSE operation and performance across the Group.

1.2 Monitor HSE performance of the Group and the SBUs, analyse trends and accident root causes, and recommend or propose Group wide initiatives for improvement where appropriate to ensure a robust HSE management system is maintained.

1.3 Structure an audit programme of SBU HSE management programme to verify effectiveness and use its resources to lead the execution of such audits, drawing additional resources from the line where needed.

1.4 Ensure a process is in place to have fatalities and other major incidents investigated by an independent and competent team.

1.5 Review serious accident and near miss incident investigation reports in a timely manner to understand underlying root causes and introduce Group wide initiatives or remedial measures where appropriate.

1.6 Ensure that each Group company complies with HSE legislation in the country in which it operates as a minimum and review any emerging or new legislations that may potentially impact the Group company.

1.7 Keep abreast of developments in the HSE world, discuss such developments and best practices and consider the desirability of implementation in the Group.

1.8 Introduce actions to enhance safety awareness and culture within the Group.

1.9 Ensure that the safety functions in Group companies are adequately resourced (in terms of number, qualification and budget) and have appropriate standing within the organisation.

1.10 Review the major changes to HSE risk profile of each Group company that has changed or will change as a result of new business, new market, new product, etc. and the steps taken to monitor, control and mitigate such risks.

1.11 Consider management's proposals on safety-related matters.

1.12 Carry out such investigations into safety-related matters as the Committee deems fit.

1.13 Report to the Board on material matters, findings and recommendations.

1.14 Perform such other functions as the Board may determine.

1.15 Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Committee may deem fit.

NATURE OF DIRECTORS' APPOINTMENTS AND MEMBERSHIP ON BOARD COMMITTEES

The Board currently has nine members, the majority of whom are non-executive and independent and each board committee (except for Board Safety Committee) comprise at least three members, a majority of whom (including the chairman) are non-executive and independent. The current compositions of the board committees are as follows:

	Committee Membership				
Director	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**	**Board Risk Committee**	**Board Safety Committee**
Danny Teoh Chairman/Non-Executive and Non-Independent Director	–	Member	Member	–	Member
Loh Chin Hua Executive Director	–	–	–	–	Member
Till Vestring Lead Independent Director	–	Member	Chairman	–	–
Veronica Eng Independent Director	Member	–	–	Chairman	–
Jean-François Manzoni Independent Director	–	Chairman	Member	–	–
Teo Siong Seng Non-Executive and Non-Independent Director	–	–	–	–	Chairman
Tham Sai Choy Independent Director	Chairman	–	–	Member	–
Penny Goh Independent Director	Member	–	–	Member	–
Shirish Apte Independent Director	Member	–	–	Member	–

BOARD ASSESSMENT

EVALUATION PROCESSES FOR FY 2021

Each Board member was required to complete evaluation questionnaires on the performance of the Board, board committees and individual directors (including the Board Chairman). The Chairman of the Nominating Committee ("NC") also conducted one-on-one interviews with each director. Based on the feedback, the NC Chairman prepared a consolidated report and briefed the Board Chairman on the report. Thereafter, NC Chairman presented the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively. The NC Chairman will in consultation with the Board Chairman thereafter meet with the directors individually, where necessary, to provide feedback to their respective board performance with a view to improving their board performance and shareholder value.

Performance Criteria

The performance criteria for the Board were in respect of the board size, board and board committee composition, board independence, board processes, board information and accountability, standards of conduct, board performance in relation to discharging its principal functions and ensuring the integrity and quality of financial reporting to stakeholders.

The performance criteria for the board committee were in respect of the size, composition and performance in relation to discharging their responsibilities set out in their respective terms of reference.

The performance criteria of the executive director were categorised into four segments; namely, (1) interactive skills (under which factors as to whether the director works well with other directors, open to/welcomes comments/questions and responsive to comments/questions are taken into account); (2) knowledge (under which factors as to the director's industry and business knowledge, whether he provides valuable inputs, his understanding of finance and accounts, and his knowledge of the company and its strategies are taken into consideration); (3) director's duties (under which factors as to whether the director provides insights for the Company's day-to-day operation, whether the director takes his role of director seriously and works to further improve his/her own performance, whether the director listens and discusses objectively, whether the director provides management's view without undermining management accountability and whether he assists to inform NEDs of pertinent issues or developments are taken into consideration); and (4) availability (under which the director is available when needed, and his/her informal contribution via e-mail, telephone, written notes etc. are considered).

The performance criteria of each NED (including the Chairman) were categorised into four segments; namely, (1) interactive skills (under which factors as to whether the director works well with other directors, and participates actively are taken into account); (2) knowledge (under which factors as to the director's industry and business knowledge, functional expertise, whether he/she provides valuable inputs, his/her ability to analyse, communicate and contribute to the productivity of meetings, and his/her understanding of finance and accounts, are taken into consideration); (3) director's duties (under which factors as to the director's board committee work contribution, whether the director takes his/her role of director seriously and works to further improve his/her own performance, whether he/she listens and discusses objectively and exercises independent judgment, meeting preparation and whether he/she constructively challenges management and helps develop proposals on strategy are taken into consideration); and (4) availability (under which the director's attendance at board and board committee meetings, whether he/she is available when needed, and his/her informal contribution via e-mail, telephone, written notes etc. are considered).

KEPPEL WHISTLE-BLOWER POLICY

Keppel Whistle-Blower Policy (the "Policy") took effect on 1 September 2004 and was enhanced on 15 February 2017, 1 May 2019 and 1 November 2021 to encourage reporting in good faith of suspected Reportable Conduct (as defined below). The Policy clearly defines and centralises processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

Reportable Conduct refers to any act or omission by a Group company director, officer, employee, or a third party that provides services or engages in business activities on behalf of a Group company, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith, is:

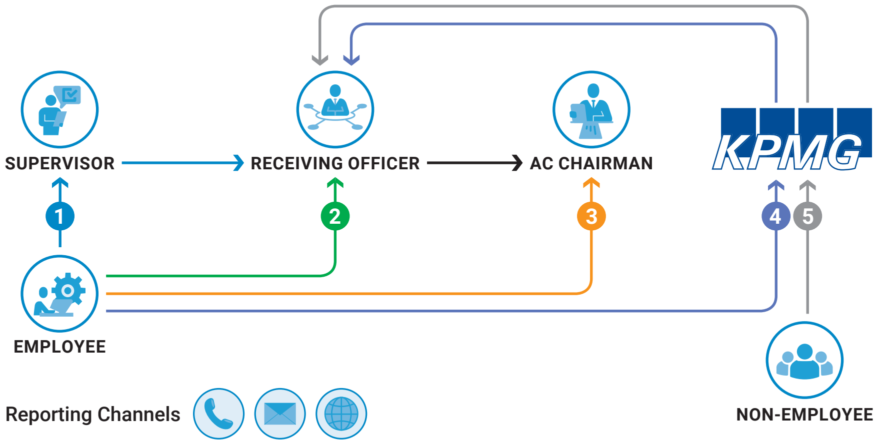
a. dishonest, including but not limited to theft or misuse of resources within the Group;
b. fraudulent;
c. corrupt;
d. illegal;
e. other serious improper conduct;
f. an unsafe work practice; or
g. any other conduct which may cause financial or non-financial loss to the Group or damage to the Group's reputation.

A person who files a report or provides evidence which he or she knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Policy and may be subject to administrative and/or disciplinary action including termination of employment or other contract, as the case may be.

Similar actions may be taken against any person who subjects (i) a person who has made or intends to make a report in accordance with the Policy, or (ii) a person who was called or may be called as a witness, to any form of reprisal which would not have occurred if he or she did not intend to or had not made the report or be a witness.

The General Manager (Group Internal Audit) is the Receiving Officer for the purposes of the Policy and is responsible for the administration, implementation and oversight of ongoing compliance with the Policy. She reports directly to the Audit Committee ("AC") Chairman.

WHISTLE-BLOWER REPORTING MECHANISM



REPORTING MECHANISM

Whistle-Blowers may report a suspected Reportable Conduct via the independently managed Whistle-blower reporting channels that the Group has established. There is an email hotline (kpmgethicsline@kpmg.com) and local toll-free numbers for Singapore, Brazil, China, USA, Vietnam, Indonesia, Philippines, Australia, the UK and Germany. Manning of the whistle-blower hotline has been outsourced to a third party (KPMG) and provides for reporting in the languages listed above. KPMG also maintains the aforementioned email hotline and an on-line portal, the link to which is available in the "Contact Us" section of the Company's website at www.kepcorp.com. Reports can also be made directly to the Receiving Officer or the AC Chairman.

The Policy emphasises that information disclosed should be as precise as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

INVESTIGATION

Every Protected Report (referring to a report made in good faith that discloses suspected Reportable Conduct) received will be assessed by the Receiving Officer, who will exercise her own discretion or in consultation with the Investigation Advisory Committee, make recommendations to the AC Chairman. Where the circumstances warrant an investigation, the AC Chairman or the AC (as the case may be) and the Investigation Advisory Committee (if consulted) will use their respective best endeavours to ensure that there is no conflict of interests on the part of any person involved in the investigations. The Investigation Advisory Committee (comprising representatives from each of the Group Human Resources, Group Legal and Group Risk & Compliance departments, or such other representatives as the AC may determine) assists the AC Chairman with overseeing the investigation process and any matters arising therefrom.

The Receiving Officer, in consultation with the Investigation Advisory Committee, will prepare a report on her findings including recommendations on any corrective or remedial actions to be taken, and such report shall be submitted to the AC Chairman upon the conclusion of the investigation into any Reportable Conduct. The AC Chairman (whether in the exercise of his own discretion or in consultation with the AC) shall determine the adequacy of corrective or remedial actions proposed (if any).

Identities of Whistle-Blowers, participants of the investigations and the Investigation Subject(s) will be kept confidential to the extent possible.

NO REPRISAL

No person will be subject to any reprisal (such as any detrimental or unfair treatment) for having made a report in good faith in accordance with the Policy or having participated in an investigation.

Any reprisal suffered may be reported to the Receiving Officer (who shall refer the matter to the AC Chairman) or directly to the AC Chairman. The AC Chairman shall review the matter and determine the appropriate actions to be taken.

APPENDIX 2

Rule 720(6) of the Listing Manual of the SGX-ST

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Director whom the Company is seeking re-election by shareholders at the upcoming AGM to be held in 2021 is set out below.

Name of Director	Teo Siong Seng	Tham Sai Choy	Shirish Apte	Loh Chin Hua
Date of Appointment	1 November 2019	1 November 2019	1 July 2021	1 January 2014
Date of last re-appointment (if applicable)	2 June 2020	2 June 2020	N.A.	23 April 2019
Age	67	62	69	60
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for the re-nomination of director to the Board, is set out in page 81 of this Annual Report	The process for the re-nomination of director to the Board, is set out in page 81 of this Annual Report	The process for the re-nomination of director to the Board, is set out in page 81 of this Annual Report	The process for the re-nomination of director to the Board, is set out in page 81 of this Annual Report
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive	Executive, Chief Executive Officer
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director; Board Safety Committee (Chairman)	Non-Executive and Independent Director; Audit Committee (Chairman); Board Risk Committee (Member)	Non-Executive and Independent Director; Audit Committee (Member); Board Risk Committee (Member)	Executive Director and Chief Executive Officer; Board Safety Committee (Member)
Professional qualifications	Degree in Naval Architecture and Ocean Engineering from the University of Glasgow, United Kingdom	Bachelor of Arts (Honours) in Economics, University of Leeds, United Kingdom; Fellow of the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in England and Wales	Chartered Accountants in England & Wales; Member of the Institute of Chartered Accountants, India	Bachelor in Property Administration, Auckland University; Presidential Key Executive MBA, Pepperdine University; CFA® charterholder
Working experience and occupation(s) during the past 10 years	Executive Chairman / Managing Director, Pacific International Lines (Pte) Ltd Chairman / Chief Executive Officer, Singamas Container Holdings Ltd.	Partner, KPMG in Singapore including the following roles: Head of Corporate Finance – 2000 to 2005 Head of Audit – 2005 to 2010 Managing Partner – 2010 to 2016 Head of Audit, KPMG in Asia Pacific – 2007 to 2010 Chairman, KPMG in Asia Pacific – 2013 to 2017	Chairman, Citigroup Asia Pacific Banking – 2012 to 2014 CEO, Citigroup Asia Pacific – 2009 to 2011	Jan 2014 to Present: Chief Executive Officer, Keppel Corporation 1 Jan 2012 to 31 Dec 2013: Chief Financial Officer, Keppel Corporation 19 Sep 2011 to Present: Chairman, Alpha Investment Partners Limited 1 May 2003 to 31 Dec 2011: Managing Director, Alpha Investment Partners Limited
Shareholding interest in the listed issuer and its subsidiaries	7,000 (direct interest) and 21,483 (deemed interest) in Keppel Corporation Limited 6,014 (deemed interest) in Keppel REIT	162,570 (direct interest) in Keppel Corporation Limited	Nil	2,949,667 (direct interest) and 38,500 (deemed interest) in Keppel Corporation Limited 7,000 (direct interest) and 556,160 (deemed interest) in Keppel REIT

CORPORATE GOVERNANCE

Name of Director	Teo Siong Seng	Tham Sai Choy	Shirish Apte	Loh Chin Hua
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No	No
Conflict of interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships – Past (for the last 5 years)	Enterprise Singapore (Board member)	Singapore Accountancy Commission; KPMG Group of Companies; Singapore Institute of Directors (Chairman); Housing & Development Board; Accounting and Corporate Regulatory Authority	IHH Healthcare Berhad, Malaysia; Acibadem Healthcare, Turkey; Integrated Hospitals and Healthcare Bhd; Citi Bank Handlowy, Poland; CG Power & Industrial Solutions; Clifford Capital Holdings Pte Ltd; Clifford Capital Pte Ltd; Fortis Healthcare Limited, India	Keppel Oil & Gas Pte Ltd; AIB Alpha Japan Fund Pte Ltd; Keppel Capital Korea Private Limited; Keppel Offshore & Marine Technology Centre Pte Ltd; Alpha Asia Macro Trends Fund Private Limited, Alpha Asia Macro Trends Fund II Private Limited; AAMTF III (Ex Secondary) Private Limited; Keppel Land Retail Management Pte Ltd; Alpha Core Plus Real Estate Fund Private Limited; Sino-Sing Alpha Partners Ltd; Keppel Singmarine Pte Ltd; Singapore Business Federation; Keppel Capital Japan Limited; Keppel Capital China Limited.
Other Principal Commitments including Directorships – Present	Singamas Container Holdings Ltd.; COSCO Shipping Holding Co., Ltd.; COSCO Shipping Energy Transportation Co., Ltd.; Wilmar International Limited; Pacific International Lines (Pte) Ltd; PIL Pte. Ltd.; Business China (Director); The United Republic of Tanzania in Singapore (Honorary Consul)	DBS Group Holdings Limited; DBS Bank Ltd.; DBS Bank (China) Limited; DBS Foundation Ltd; EM Services Pte Ltd (Chairman); Keppel Offshore & Marine Ltd; Mount Alvernia Hospital; Singapore International Arbitration Centre; Nanyang Polytechnic (Board member)	Commonwealth Bank of Australia; Pierfront Capital Mezzanine Fund Pte Ltd (Chairman); Fullerton India Credit Company Limited, India (Chairman); Pierfront Capital Fund Management Pte. Ltd. (Chairman); KP Management (GL) Pte. Ltd.; KPCF Investments Pte. Ltd.; Keppel Infrastructure Holdings Pte. Ltd; Aviva Singlife Holdings Pte. Ltd.; Aviva Financial Advisers Pte. Ltd.(Chairman)	Keppel Offshore & Marine Ltd (Chairman); Keppel Land Limited (Chairman); Keppel Infrastructure Holdings Pte. Ltd. (Chairman); Keppel Capital Holdings Pte. Ltd. (Chairman); Keppel Telecommunications & Transportation Ltd (Chairman); Keppel Care Foundation Limited; M1 Limited (Chairman); National University of Singapore (Member of Board of Trustees); Singapore Economic Development Board (Board Member); EDB Investments Pte Ltd (Board Member)

Name of Director	Teo Siong Seng	Tham Sai Choy	Shirish Apte	Loh Chin Hua
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
c. Whether there is any unsatisfied judgment against him?	No	No	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No

Name of Director	Teo Siong Seng	Tham Sai Choy	Shirish Apte	Loh Chin Hua
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:				
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	Yes	Yes
If yes, please provide details of prior experience.	Wilmar International Limited	DBS Group Holdings Limited	IHH Healthcare Berhad	Keppel REIT Management Limited (as Manager of Keppel REIT); Keppel Land Limited; Keppel Telecommunications & Transportation Ltd; KrisEnergy Ltd
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.	N.A.

APPENDIX 3

Summary of Disclosures of 2018 CG Code

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 CG Code in their annual reports. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirement under the 2018 CG Code.

Principles	Page Reference in this Report
BOARD MATTERS	
The Board's Conduct of Affairs	
Principle 1	
Provision 1.1	Page 78
Provision 1.2	Page 80
Provision 1.3	Page 78
Provision 1.4	Pages 81 to 97 and 100 to 102
Provision 1.5	Pages 79 and 85
Provision 1.6	Page 80
Provision 1.7	Pages 79 and 80
Board Composition and Guidance	
Principle 2	
Provision 2.1	Pages 84 and 85
Provision 2.2	Pages 84 and 85
Provision 2.3	Pages 84 and 85
Provision 2.4	Pages 81 to 83
Provision 2.5	Page 79
Chairman and Chief Executive Officer	
Principle 3	
Provision 3.1	Page 76
Provision 3.2	Page 76
Provision 3.3	Page 76
Board Membership	
Principle 4	
Provision 4.1	Pages 81 to 85 and 101
Provision 4.2	Page 81
Provision 4.3	Page 81
Provision 4.4	Pages 84 and 85
Provision 4.5	Pages 80 and 85
Board Performance	
Principle 5	
Provision 5.1	Page 85
Provision 5.2	Page 103
REMUNERATION MATTERS	
Procedures for Developing Remuneration Policies	
Principle 6	
Provision 6.1	Pages 86 and 102
Provision 6.2	Page 86
Provision 6.3	Pages 86 and 102
Provision 6.4	Page 86
Level and Mix of Remuneration	
Principle 7	
Provision 7.1	Pages 86 to 92
Provision 7.2	Pages 86 to 92
Provision 7.3	Pages 86 to 92
Disclosure on Remuneration	
Principle 8	
Provision 8.1	Pages 86 to 92
Provision 8.2	Page 92
Provision 8.3	Pages 86 to 92

	Page Reference in this Report
ACCOUNTABILITY AND AUDIT	
Risk Management and Internal Controls	
Principle 9	
Provision 9.1	Pages 110 to 113
Provision 9.2	Page 96
Audit Committee	
Principle 10	
Provision 10.1	Pages 92 and 100
Provision 10.2	Page 92
Provision 10.3	Page 92
Provision 10.4	Page 92
Provision 10.5	Page 92
SHAREHOLDER RIGHTS AND RESPONSIBILITIES	
Shareholder Rights and Conduct of General Meetings	
Principle 11	
Provision 11.1	Pages 97 to 99
Provision 11.2	Pages 97 to 99
Provision 11.3	Pages 79 and 97 to 99
Provision 11.4	Page 99
Provision 11.5	Page 99
Provision 11.6	Page 99
Engagement with Shareholders	
Principle 12	
Provision 12.1	Pages 97 to 99
Provision 12.2	Page 98
Provision 12.3	Page 98
MANAGING STAKEHOLDER RELATIONSHIPS	
Engagement with Stakeholders	
Principle 13	
Provision 13.1	Page 98
Provision 13.2	Page 97
Provision 13.3	Page 98

RISK MANAGEMENT

WE UNDERTAKE ONLY APPROPRIATE AND WELL-CONSIDERED RISKS, CONSIDERING THEIR IMPACT TO OUR BUSINESS, STAKEHOLDERS, AND LONG-TERM CORPORATE SUSTAINABILITY.

Keppel adopts a balanced approach to risk management to optimise business returns while considering their holistic impact on corporate sustainability. Managing risks is an integral part of the way in which we develop and execute our business strategies. It is grounded in our operating principles and belief that a balanced and holistic risk-reward methodology is the best approach. This applies to all aspects of our business, and in particular, our commitment to environmental, social and governance issues, and our ability to deliver long-term value for our stakeholders.

Our Risk-Centric Culture and Enterprise Risk Management (ERM) Framework enable the Group to not only respond to the dynamic business environment and shifting business demands, but also seize new value-added opportunities.

RISK-CENTRIC CULTURE

Mindsets and attitudes are key to effective risk management.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Relevant and material risk issues are surfaced for discussion with the Board Risk Committee (BRC) and the Board to keep them apprised in a timely manner. Through the BRC, the Board advises management in formulating and implementing the risk management framework, policies and guidelines.

The terms of reference for the BRC are disclosed on pages 100 and 101 of this report. The Board has defined three risk tolerance guiding principles for the Group which determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

These principles are:

1. Risk taken should be carefully evaluated, commensurate with rewards and be in line with the Group's core strengths and strategic objectives;
2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger the entire Group; and
3. The Group does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

Keppel's risk governance framework, set out on pages 93 to 97 under Principle 9 (Risk Management and Internal Controls), allows management and the Board to determine the adequacy and effectiveness of the Group's risk management system.

The Group is cognisant of the dynamic environment in which it operates. We constantly enhance the framework and systems where necessary, to ensure risk management remains an integral part of our daily decision-making process and operations.

Keppel's ERM framework, a component of Keppel's System of Management Controls, provides the Group with a systematic approach to identify and manage risks. It outlines the requirement for each business unit (BU) to recognise key risk areas affecting its operations and to classify the impact and likelihood of these risks in a register for prioritisation and management. The ERM framework also establishes the reporting structure, monitoring mechanisms, processes and tools used, as well as any policies, standards or limits to be applied in managing key risk areas.

Keppel's ERM framework is also constantly enhanced to ensure it remains relevant in our operating environment and where required, is tailored to the requirements of each BU. The framework takes reference from the Singapore Code of Corporate Governance, the COSO Enterprise Risk Management – Integrated Framework, ISO 22301:2019, ISO 31000:2018 and the Board Risk Committee Guide published by Singapore Institute of Directors.

Management and risk teams across BUs drive and coordinate Group-wide activities and initiatives. These are facilitated by

TRANSPARENCY & COMPETENCY
We promote transparency in information sharing and escalation of risk-related matters, incidents, near-misses or events of interest.

Risk identification and assessment are embedded in key control processes and Group-wide surveys are conducted periodically to assess risk awareness amongst employees.

TRAINING & COMMUNICATIONS
Training and communications support competency across all employees and occur through various forums, in-house publications and sharing of lessons learnt. Risk management is regularly reinforced as a discipline and developed through awareness and practice.

FRAMEWORK & VALUES
We are guided by the ERM framework, core values, mission and vision, in managing risks.

PROCESS & METHODS
An integral aspect of strategic and operational decision-making includes considering and managing risks at all levels of business. A key part of the process is the identification and assessment of risks using the five-step method:

(1) identifying;
(2) assessing;
(3) mitigating;
(4) communicating; and
(5) monitoring.

Underlying the five-step method is a detailed risk definition and reporting framework for risk oversight by the Board and management.

RISK-CENTRIC CULTURE

LEADERSHIP & GOVERNANCE
Keppel's Board and management are fully committed to fostering a strong risk-centric culture and consistently partake in reviewing risks in all areas of business. Key messages encouraging prudent risk-taking in decision-making and business processes are interwoven into major meetings, and decision-making to enable optimal risk management.

OWNERSHIP & ACCOUNTABILITY
We advocate ownership and accountability of risks across all employees via the performance evaluation process.

This is evident in our risk processes which emphasise having clear owners for major risk areas.

regular meetings to cascade risk policies or standards, and ensure that pertinent risks are identified, assessed and mitigated in a timely manner. Beyond operational activities, we continually improve our risk processes taking reference from the latest industry developments and best practices.

The key risks identified for FY 2021 encapsulate our existing business activities and the transformation and growth initiatives under Vision 2030. We are committed to addressing such risks in line with our philosophy of undertaking only appropriate and well-considered risks to optimise returns in a balanced and holistic manner, while consistently delivering sustainable long-term value to our stakeholders.

STRATEGIC RISKS

MARKET & COMPETITION

A large part of the Group's strategic risk includes market-driven forces, evolving competitive landscapes, changing customer demands and disruptive innovation. We remain vulnerable to other external factors including volatility in the global economy, implications of geopolitical developments, intense competition in core markets and disruptive technology. For example, the COVID-19 pandemic continues to impact the Group's operations and business activities in nearly all of our key markets. Despite the many challenges faced by our businesses due to the pandemic, the Group has adapted and continued to operate resiliently in 2021. We adjusted our strategies and responses, and took pre-emptive mitigating actions as required.

During the year, the Board and management continued to oversee and coordinate the execution of Vision 2030. As the Group transforms and grows, we will continually refine and enhance our risk management policies and principles to support our business objectives.

STRATEGIC VENTURES, INVESTMENTS & DIVESTMENTS

We have an established process for evaluating investment and divestment decisions, including strategic ventures. We ensure that such endeavours are well monitored and aligned with the Group's strategic intent, investment objectives and desired returns. Where required, we may recalibrate some strategies in response to the changing business environment.

Together with the Board, the Investment and Major Project Action Committee guides the Group in this area to ensure that any risks taken are considered and controlled in a manner that exercises the spirit of enterprise and prudence, to earn the best risk-adjusted returns on invested capital across our businesses.

The evaluation of risks for strategic ventures involves rigorous due diligence, feasibility studies and sensitivity analyses of key assumptions and variables. Critical factors considered include alignment with the Group's strategy, financial viability, country-specific political and regulatory developments, contractual risk implications, as well as past lessons learnt. The Group's investment portfolios are constantly monitored to ensure that the performance of any such venture is on track to meet its strategic intent and returns.

SUSTAINABILITY & CLIMATE CHANGE

Sustainability and climate change encompass a broad range of key material issues, many of which have been identified and managed according to the Group's ERM framework. Sustainability and climate-related risks and opportunities, both physical and transitional, are fundamental to the Group. The Group supports the Task Force on Climate-related Financial Disclosures and has worked towards incorporating its recommendations in our reporting framework. Details on sustainability-related material issues to the Group can be found on pages 28 to 33 of this report.

Under Vision 2030, we have placed sustainability at the core of our strategy. The Group's Sustainability Risk Management Framework is integrated within our ERM framework (Figure 1) and guides the Group on the specific processes and methods applied in identifying, assessing and managing sustainability-related risks and opportunities. This covers climate change and environmental management considerations, as well as third-party-related risks from vendors and suppliers. As part of Sustainability Risk Management, we continually assess related risks and opportunities for the Group and strengthen our organisational capabilities in response. More details will be provided in our Sustainability Report 2021, which will be published in May 2022.

CUSTOMER & STAKEHOLDER EXPERIENCE

The Group operates in numerous geographies and has multiple customer touchpoints, including retail consumers in the telecommunications, retail electricity, e-commerce and gas businesses. Other stakeholders include our regulators, vendors, investors, partners, employees, and the communities in which we operate. We place utmost importance on Customer and Stakeholder Experience which have direct bearing on trust and brand reputation. As such, we consistently monitor our products and services for safety, quality and reliability. We respect feedback and post-sales support, and are committed to uphold personal data privacy, product safety and related matters including our responsiveness to inputs from various stakeholders.

Figure 1

ERM FRAMEWORK INCORPORATING SUSTAINABILITY RISKS AND MATERIAL ISSUES

STRATEGIC
External environment and execution of business strategy

OPERATIONAL
People, processes, systems and Health, Safety and Environment issues

COMPLIANCE
Compliance with laws and regulations; license to operate

FINANCIAL
Internal financial management and controls

EMERGING
Evolving or emerging threats that affect business

OPPORTUNITIES
Potential areas of competitive advantage arising from various risks

HUMAN RESOURCES

We place strong emphasis on attracting and developing a deep talent pool. To ensure we have the necessary skillsets to enable Keppel's next phase of growth, we leverage both internal and external programmes. This includes nurturing employees, maintaining good industrial relations and fostering a conducive work environment. We are committed to strengthening succession planning and bench strength, as well as building and/or acquiring new organisational capabilities to drive growth, whilst maintaining our status as an employer of choice.

RISK MANAGEMENT

We emphasise the importance of having a risk-centric mindset across our talent development programmes, to inculcate the ability to identify and assess risks, develop and implement mitigating actions, as well as monitor residual risks in all employees. Keppel Leadership Institute helps to inculcate this mindset by embedding risk management in its key leadership courses.

OPERATIONAL RISKS

PROJECT MANAGEMENT

Risk management is an integral part of all our projects from the time of initiation through to completion, to facilitate early detection and proactive management of operational risks. We adopt a systematic assessment and monitoring process to help manage key project risks. Special attention is given to technically challenging and high-value projects, including greenfield developments, the deployment of new technology and/or operations in new geographies.

During the project execution stage, we conduct reviews and quality assurance programmes to address issues such as cost, schedule and quality. Project Key Risk Indicators are used as early warning signals to determine if remedial actions are required and a Project Operational Set-up Guide detailing the key risk areas is made available to the BUs. We also conduct knowledge-sharing workshops to share best practices and lessons learnt across the Group. The above processes help to keep project delivery on time and within budget, without compromising on safety and quality, as well as regulatory and contractual obligations.

HEALTH, SAFETY & ENVIRONMENT

Safety is our core value and we are committed to upholding the highest standards of safety. This translates into constant vigilance to foster a strong health safety and environment (HSE) culture across the Group, particularly at the ground level where the risks are greatest.

With the ongoing COVID-19 pandemic, the Group continues to emphasise the importance of staff health by implementing appropriate measures and ensuring adherence to governmental regulations, so as to protect employees and other stakeholders from potential exposure. Efforts are made across BUs to manage staff movement and ensure relevant precautions are taken, such as the use of personal protective equipment and regular self-testing.

Our Zero Fatality Strategy aligns High Impact Risk Activities standards across our global operations. This is achieved by enhancing the competency of employees performing safety-critical tasks, strengthening operational controls, establishing Root Cause Analysis investigation standards across the Group, as well as deploying more proactive and leading risk indicators/metrices to monitor HSE performance standards.

In 2021, the Group achieved our zero-fatality target and saw improvements across our Total Recordable Injury, Accident Frequency and Accident Severity Rates. We also achieved 18 awards at the Workplace Safety and Health (WSH) Awards during the year for exemplary safety performance, implementation of strong WSH management systems and efforts to create solutions that improve workplace safety.

Environmental management is also a critical area of focus for the Group and all major operating sites globally are closely monitored for compliance with relevant local or global environmental standards.

BUSINESS & OPERATIONAL PROCESSES

The Group is connected by common shared services and platforms which enable us to better manage our processes and costs, while enhancing efficiency, productivity, compliance and controls. We have adopted ISO standards and certifications in major business areas to standardise processes and align with industry best practices. In addition, procedures relating to defect management, operations, project control and supply chain management are continually refined to improve the quality of our deliverables.

Using a risk-based approach, we continue to improve digitalisation and automation, and take measured steps in optimising our processes. We also continually evaluate our procedures, policies and authority limits to ensure that they remain relevant.

BUSINESS CONTINUITY

We are committed to maintaining operational resilience with Business Continuity Management (BCM) standards that equip us with the capability to respond effectively to business disruptions. We are cognisant of major risks including natural disasters, fire, pandemics, terrorism and cyber attacks, as well as the failure of critical equipment/ systems and industrial accidents.

The Group Incident Reporting and Crisis Management operating standard guides us in management and response, while our Business Continuity Plans address post-event mitigation. These are coordinated by management and the Group BCM Steering Committee, which provide sponsorship, direction and guidance to ensure a state of constant readiness-to-respond. We continually extend and strengthen our capabilities in responding to major incidents/ crises with the aim of safeguarding our people, assets and stakeholders' interests, as well as Keppel's reputation.

With COVID-19 continuing to spread globally and the emergence of new variants, safeguarding the health and safety of our employees, customers and stakeholders remain a top priority. We continue to implement robust safe management measures in accordance with the relevant government regulations to minimise the spread of the disease. The measures implemented include split-team arrangements, regular inspections to ensure that safe management measures are maintained, health monitoring through Antigen Rapid Testing, regular disinfection of high-touch points and enhanced cleaning procedures.

We also track the vaccination status of our workforce and we strongly encourage those who are medically eligible to be vaccinated. By the end of 2021, the vast majority of Keppel's workforce globally had been fully vaccinated.

We also recognise cyber threats as a significant area of potential business disruption and maintain a Group Cyber Incident Response plan, which references local and international standards, and details our response and recovery protocols. Cyber Table Top Exercises are also conducted regularly to validate the effectiveness of these protocols.

We continue to monitor key disruptive threats to our business operations and adapt our plans to ensure operational resilience.

CYBER SECURITY, DATA PROTECTION AND TECHNOLOGY

We recognise the importance of cyber threats globally. Technology and data security risks, including outsourced services, are an integral part of the Group's business risk. We have established a technology governance structure and risk framework to address both general technology and data security controls, covering key areas such as cyber security, business disruption, theft/loss of confidential data and data integrity.

The Group has a Technology and Data Risk Management Programme which continuously monitors these risks. This involves the identification, assessment and management of critical technology and data assets according to leading industry guidelines such as those by the

Cyber Security Agency of Singapore and the US National Institute of Standards and Technology. The Programme seeks to improve technology and data security standards, and also to inculcate a culture of cyber awareness among employees.

In 2021, the Group conducted various initiatives to continually strengthen our technology security, governance and controls through the refinement and alignment of our policies, processes and systems, as well as the consolidation of servers and storage. We worked closely with industry professionals to define a cyber security governance structure and enhance our information technology policies and practices to ensure alignment with industry standards. Extensive training and assessment exercises were conducted throughout the year to heighten employees' overall awareness of technology and data threats. These include the safeguarding of critical corporate data assets against the loss of availability of critical systems to disruptions.

Relating to the integration and usage of technology, technical teams and experts from across the Group enable us to keep abreast of evolving technology. The response is either calibrated at each BU or managed strategically at the Group with the assistance of Keppel Technology and Innovation, which assists in driving Group-wide adoption of new technology and innovation. The Keppel Technology Advisory Panel, comprising leading academics, researchers, and advisors from a wide range of related industries, also regularly advises the Group in areas of technological innovation. More information on the Group's technology and innovation management can be found on pages 40 and 41 of this report.

COMPLIANCE RISKS

LAWS, REGULATIONS & COMPLIANCE

We closely monitor developments in relevant laws and regulations of countries where the Group operates to ensure compliance. We recognise that non-compliance with laws and regulations may have a detrimental effect on both the financials and reputation of Keppel. As such, we are regularly updated on changes to laws and regulations, to ensure that we can assess our exposures and risks effectively and expediently.

Significant risk areas, such as those relating to potential corruption, are regularly identified, surfaced to management and where applicable, further assessed by the Board. With respect to corruption, significant risk areas include areas where external agents are appointed for business development.

We continuously enhance our regulatory compliance policies and procedures to ensure that the Group maintains a high level of compliance and ethical standard in the way we conduct our business. We have zero tolerance for fraud, bribery, corruption and violation of laws and regulations.

In 2021, we continued to refine our regulatory compliance programme, update processes, deepen employee understanding, and ensure that compliance awareness and principles were well entrenched in all activities. We also recognise the importance of sanctions risks owing to the escalation of trade and other sanctions in many countries. More details of our Compliance programme can be found on pages 114 to 116 of this report.

FINANCIAL RISKS

FRAUD, MISSTATEMENT OF FINANCIAL STATEMENTS & DISCLOSURES

We maintain a strong emphasis on ensuring that financial statements are accurate and presented fairly in accordance with applicable financial reporting standards and frameworks.

Regular external and internal audits are conducted to provide assurance on the accuracy of financial statements and adequacy of the internal control framework supporting the statements. Where required, we leverage the expertise of external auditors in the interpretation of financial reporting standards and changes. We also conduct regular training and education programmes to enhance the capabilities of our finance managers.

Our system of internal controls is outlined in Keppel's System of Management Controls detailed in pages 94 and 95 of this report.

FINANCIAL MANAGEMENT

Financial risk management relates to our ability to meet financial obligations and mitigate credit, liquidity, currency and interest rate risks. Details can be found on pages 190 to 201 of this report. In this area, policies and financial authority limits are reviewed regularly to incorporate changes in the operating and control environment.

We are focused on financial discipline and seek to deploy our capital to earn the best risk-adjusted returns for shareholders, while maintaining a strong balance sheet to seize new opportunities.

In 2021, as global economies continued to face pressure from the impact of COVID-19, the Group maintained a proactive approach to liquidity management.

Our procedures include the evaluation of counterparties and other related risks against pre-established internal guidelines. We conduct impact assessments and stress tests to gauge the Group's potential financial exposure to changing market situations. This enables informed decision making and the implementation of prompt mitigating actions. We also regularly monitor our asset concentration exposure in countries where we operate, to ensure that our portfolio of assets, investments and businesses is diversified against the systemic risks of operating in a specific geography.

PROACTIVE MANAGEMENT OF RISKS & OPPORTUNITIES

Effective risk management is dynamic and encompasses the evaluation of both risks and opportunities. We recognise the need to effectively manage risk as an inherent part of business operations to optimise returns. We take a business-centric approach to managing risks, aligning business activities with risk considerations, and discussing issues in an open and transparent manner, enabling us to pursue optimal risk-return initiatives.

Our risk framework and processes are continually evolving, to ensure that they remain effective and relevant. This is highly dependent on our people and programmes, and the Group's ability to remain connected and vigilant to emerging risks and opportunities. Across the Group, we identify and review emerging risks at all levels throughout the year. Where necessary, these are further escalated and discussed at various governance committees to determine our action and/or response. We recognise that our systems and processes provide reasonable but not absolute assurance, and hence continually improve to ensure that our ability to manage and respond to risks and opportunities remains relevant and effective.

REGULATORY COMPLIANCE

THE TONE FOR REGULATORY COMPLIANCE IS DRIVEN FROM THE TOP AND RESONATES WITH OUR EMPLOYEES AT EVERY LEVEL. WE REMAIN VIGILANT AND DETERMINED TO BUILD A DISCIPLINED AND SUSTAINABLE COMPANY.

We are guided by our core values and code of conduct. We will do business the right way and comply with all applicable laws and regulations wherever we operate. We strive to deliver outstanding performance, whilst maintaining the highest ethical standards.

We are clear with our tone for regulatory compliance, which is consistently emphasised from the top and throughout all levels of the Group. We do not tolerate fraud, bribery, corruption or any violation of laws and regulations.

STRATEGIC OBJECTIVES

In 2021, we continued to make significant progress in embedding a robust compliance framework and process throughout the Group. We continued to implement ISO 37001 Anti-Bribery Management System across all major business units (BU) to ensure consistency and operational effectiveness of the compliance programme. Keppel Offshore & Marine (Keppel O&M) achieved global certification in 2019, while the Singapore entities of Keppel Land and Keppel Data Centres achieved ISO 37001 certification in 2020. In 2021, the Singapore entities of Keppel Infrastructure and overseas entities of Keppel Land, namely Vietnam, China and Indonesia, also achieved ISO 37001 certification. Separately, the three-year Deferred Prosecution Agreement (DPA) with the US Department of Justice was dismissed in 2021 and Keppel O&M has complied with all obligations.

Our compliance framework is designed to reflect the size, role and activity of each BU, with appropriate compliance control systems to effectively detect and remediate potential gaps. We are committed to forging a sustainable compliance framework that supports the Group's growth and vision.

GOVERNANCE STRUCTURE

Our Regulatory Compliance Governance Structure is designed to strengthen corporate governance. The Board Risk Committee (BRC) supports the Board in its oversight of regulatory compliance and is responsible for driving the Group's implementation of compliance and governance systems. Group Risk & Compliance serves as a secretariat to the BRC, assessing and reporting on compliance risks, controls and mitigation.

The Group Regulatory Compliance Management Committee (Group RCMC) is chaired by Keppel Corporation's CEO and its members include all BU heads. The Group RCMC articulates the Group's commitment to regulatory compliance, and directs and supports the development and implementation of overarching compliance policies and guidelines.

The Group RCMC is supported by the Group Regulatory Compliance Working Team (Group RCWT), which is chaired by the Head of Group Risk & Compliance. The Group RCWT oversees the development and review of pertinent regulatory compliance matters, over-arching compliance policies and guidelines for the Group. It also reviews and conducts compliance training and communication programmes.

Each BU has a dedicated Compliance Lead. He/she is supported by the respective risk and compliance teams and is responsible for driving and administering the compliance programme and agenda for the BU. This includes providing support to BU management with subject matter expertise, process excellence and regular reporting to ensure that compliance risks are effectively assessed, managed and mitigated. We continue to strengthen the Group's Compliance teams with additional professional and experienced officers.

Under the direction of Group RCMC and Group RCWT, BUs are responsible for implementing the Keppel Group Code of Conduct, as well as regulatory compliance policies and procedures. They are also responsible for ensuring that risk assessments of material regulatory compliance risks are conducted, and that control measures are practical, adequate and effective.

REGULATORY COMPLIANCE FRAMEWORK

Our Regulatory Compliance Framework focuses on critical pillars covering the areas of culture; policies and procedures; training and communication;

key compliance processes; compliance risk assessment, reviews and monitoring, and compliance resources.

A key aspect of the Framework is the structure of the compliance organisation. The Head of Group Risk & Compliance reports directly to the Chairman of the BRC. Similarly, the Compliance Leads of the BUs have direct reporting lines to the respective BU's Audit and Risk Committees. In addition, BU Compliance Leads report directly to the Head of Group Risk & Compliance. This reporting structure reinforces independence of the function and enables management and the Board to provide continuous, clear and explicit support. It also lends credence to the Group's compliance programme.

CULTURE

Culture and mindset are critical in ensuring effectiveness and durability of our compliance programme. Management has a key role in setting the right tone and walking the talk. This helps to embed a strong and robust regulatory compliance programme, as well as a culture that permeates all levels.

Anti-bribery, anti-corruption and reporting mechanisms are widely publicised in our offices globally. We issue Group-wide bulletins on relevant topical issues to apprise, inform and reinforce compliance principles and messages. Key tone-from-the-top messages are also delivered periodically by BU heads to employees. Compliance moments were introduced as part of the agenda at meetings, where pertinent compliance topics and learnings are shared. We continue to work on initiatives to foster a positive compliance-centric culture.

POLICIES & PROCEDURES

KEPPEL GROUP CODE OF CONDUCT

We have a strict Keppel Group Code of Conduct (the Code) that applies to all employees, who are required to acknowledge and comply with the Code.

The Code sets out important principles to guide employees in executing their duties and responsibilities to the highest standards of business integrity. It encompasses topics ranging from conduct in the workplace to business conduct, including clear provisions on prohibitions against bribery and corruption, and conflicts of interests amongst others. The Code is publicly available on the Group's and BUs' websites. We continue to review and enhance the Code to ensure that it stays relevant and instructive. Appropriate disciplinary action, including suspension/ termination of employment, is taken if an employee is found to have violated the Code.

We have procedures to ensure that disciplinary actions are carried out consistently and fairly across all levels of employees. All third parties who represent Keppel in business dealings, including joint venture (JV) partners, are also required to comply with and follow the requirements of the Code.

SUPPLIER CODE OF CONDUCT

The acknowledgement to abide by our Supplier Code of Conduct is mandatory for all key suppliers across the Group. The areas covered within the Supplier Code of Conduct include proper business conduct, human rights, fair labour practices, stringent safety and health standards, as well as responsible environmental management.

WHISTLE-BLOWER POLICY

Keppel's Whistle-Blower Policy encourages the reporting of suspected bribery, violations or misconduct through a clearly defined process and reporting channel, by which reports can be made in confidence and without fear of reprisal. The whistle-blower reporting channels, found on page 104 of this report, are widely communicated and made accessible.

PERSONAL DATA PROTECTION ACT

Guidance is provided to employees on the Personal Data Protection Commission's advisory guidelines to ensure that the Group complies with the requirements of the Personal Data Protection Act. When necessary and appropriate, the Group's guidelines are updated in accordance with changes in privacy laws and regulations.

COMPLIANCE POLICIES

We maintain a comprehensive list of policies covering compliance-related matters including anti-bribery, gifts and hospitality, dealing with third-party associates (TPA), donations and sponsorships, solicitation and extortion, conflict of interest and insider trading, amongst others. These policies are reviewed periodically to ensure that they commensurate with the activities and business plans in the jurisdictions in which the Group operates. Group policies are applicable to all BUs. Unless the jurisdictional regulatory requirements are more stringent, these policies represent the minimum standards for the Group. We ensure all compliance policies, including translated versions, are made available and accessible to all employees globally.

We maintain a Group Sanctions Compliance policy and BU-specific sanctions programme, and continually monitor updates on sanctions requirements.

REGULATORY COMPLIANCE

TRAINING & COMMUNICATIONS

Training is an essential component of Keppel's regulatory compliance framework. Our programmes are tailored to specific audiences and we leverage Group-wide forums to reiterate key messages.

We have a comprehensive annual e-learning training programme which is mandatory for directors, officers and employees. The content of the training covers the Keppel Group Code of Conduct and key principles underlying our compliance policies. Directors, officers and employees are required to undergo assessments to successfully complete the training. In addition, directors, officers and employees are also required to formally acknowledge their understanding of policies and declare any potential or actual conflicts of interest. Training on anti-bribery and the Code in multiple languages are carried out for industrial/general workers. Also, e-training outlining the principles underpinning the Group's policies and key areas to note when representing or acting on Keppel's behalf is conducted for high-risk TPAs.

We continue to refine our compliance training programmes and curriculum. We are also focused on developing and tailoring training content to varying target groups and training requirements. Such training conducted in 2021 included Compliance Risks in Projects and Conflict of Interest.

In addition to policy-related training programmes, we conduct training focused on the line managers' responsibilities in developing the desired culture and mindset regarding compliance. These responsibilities include the need to establish and maintain effective internal controls to ensure that processes are robust, and that potential gaps are identified and mitigated in a timely manner.

Our training aims to engender positive compliance mindsets and culture, and we see this guiding our employees in critical facets of their work. Training focused on building risk and compliance competencies are also organised to ensure that we are apprised of changes in approaches, best practices and tools.

We also leverage opportunities at various management conferences and employee meetings to emphasise the importance of compliance.

To drive greater compliance awareness and knowledge throughout the Group, we issue a quarterly news bulletin on compliance, risk and control matters. In 2021, we enhanced the news bulletin, through a segment on lessons learnt, to reinforce awareness and understanding of ethics and compliance considerations amongst employees.

KEY PROCESSES

DUE DILIGENCE

We continue to improve our risk-based due diligence process for all TPAs who represent the Group in business dealings, including our JV partners, to assess the compliance risk of the business partner. In addition to background checks, the due diligence process incorporates requirements for TPAs to acknowledge understanding and compliance with the Code. In 2021, we enhanced the TPA policy to consolidate and streamline compliance due diligence requirements.

OTHER PROCESSES

As part of our ongoing review of policies and procedures, we ensure compliance oversight is embedded in key processes including areas such as gifts and hospitality, agent fees, donations and sponsorships, as well as conflicts of interest. We also actively seek opportunities for digitisation and continually explore the use of data analytics to enhance value and ensure efficiency of our compliance processes.

RISK ASSESSMENT, REVIEW & MONITORING

We continually develop compliance resources and framework. This will enable the Compliance team to conduct independent risk assessments to identify and mitigate key compliance risks. Regular discussions are held with all BUs, focusing on risk assessments including specific compliance risks identified for each BU. Separately, independent reviews of compliance risks are executed within the scope of internal audits, including reviews of the effectiveness of key aspects of our compliance programmes. These reviews provide valuable insights and opportunities for us to improve our processes and programmes.

ISO 37001 processes also assist in risk assessment exercises, providing even more systematic coverage and evaluations.

RESOURCES

We recognise the need for an experienced compliance team to effectively support compliance advisory, as well as to ensure that compliance programmes and controls are effectively implemented. The Board and management are committed to ensuring that we sustain a strong compliance function.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

FINANCIAL REPORT

OTHER INFORMATION

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			
(No. of ordinary shares)			
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			
(Unvested restricted shares to be delivered after 2018)			
Loh Chin Hua	87,469	-	-
(Unvested restricted shares to be delivered after 2019)			
Loh Chin Hua	201,258	100,629	100,629
(Unvested restricted shares to be delivered after 2020)			
Loh Chin Hua	-	173,914	173,914
(Contingent award of performance shares issued in 2018 to be delivered after 2021)[1, 2]			
Loh Chin Hua	320,000	320,000	320,000
(Contingent award of performance shares issued in 2019 to be delivered after 2022)[1, 3]			
Loh Chin Hua	365,000	365,000	365,000
(Contingent award of performance shares issued in 2020 to be delivered after 2022)[1]			
Loh Chin Hua	365,000	365,000	365,000
(Contingent award of performance shares issued in 2021 to be delivered after 2023)[1]			
Loh Chin Hua	-	365,000	365,000
(Contingent award of performance shares – Transformation Incentive Plan issued in 2016 to be delivered after 2021)[1]			
Loh Chin Hua	750,000	750,000	750,000
(Contingent award of performance shares – Transformation Incentive Plan issued in 2021 to be delivered after 2025)[1]			
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:

	Number of Shares					
Date of Grant	**Balance at 1.1.2021**	**Contingent awards granted**	**Adjustments upon release**	**Released**	**Cancelled**	**Balance at 31.12.2021**
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
	4,300,000	-	-	-	(128,120)	4,171,880
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
	6,522,171	-	-	-	(355,465)	6,166,706
KCL PSP-M1 TIP						
17.2.2020[4]	127,900	-	-	-	-	127,900
17.2.2020	295,600	-	-	-	-	295,600
	423,500	-	-	-	-	423,500
KCL PSP 2020						
30.4.2021	-	1,490,000	-	-	-	1,490,000
	-	1,490,000	-	-	-	1,490,000
KCL PSP 2020-TIP						
30.7.2021	-	11,380,000	-	-	(240,000)	11,140,000
	-	11,380,000	-	-	(240,000)	11,140,000

Awards:

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

[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	Balance at 1.1.2021	Released	Vested	Cancelled	Other adjustments	Balance at 31.12.2021
	Number of Shares					
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)	-

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

INDEPENDENT AUDITOR'S REPORT

to the Members of Keppel Corporation Limited
For the financial year ended 31 December 2021

Report on the audit of the financial statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Keppel Corporation Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021, the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and changes in equity of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the balance sheets of the Group and of the Company as at 31 December 2021;
- the consolidated profit and loss account of the Group for the financial year then ended;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

to the Members of Keppel Corporation Limited

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Financial exposure in relation to contracts with Sete Brasil Participacoes S.A. ("Sete") *(Refer to Notes 2.28 (b)(ii) and 13 to the financial statements)* In October 2019, Sete's creditors approved the Group's Settlement Agreement with Sete as well as a proposal by Magni Partners (Bermuda) Ltd ("Magni") to purchase Sete's four subsidiaries, two of which are special-purpose entities for two uncompleted rigs constructed by the Group. Whilst the implementation of the Settlement Agreement had progressed in 2021, the construction agreements for the two uncompleted rigs with Magni were pending as at 31 December 2021. Contract asset balances relating to these uncompleted rigs (net of loss provision recognised in prior years) as at 31 December 2021 amounted to S$157 million. Management estimated the net present value of the cash flows relating to the construction contract for these two rigs with Magni as at 31 December 2021. Arising from the assessment, management concluded that loss provisions made in prior years were adequate. The assessment is made with the following key assumptions: • Petrobras will continue to require the rigs for execution of its business plans and will charter them at the dayrates and tenure previously agreed with Sete; • Magni or any other potential investor will be able to secure financing to complete the purchase of the rigs with Sete and complete the construction contract with the Group at the terms previously discussed with Magni; and • The future cost of construction of the rigs are not materially different from management's current estimation. Should the conclusion of the negotiation result in significant changes to the key assumptions above, additional material provision may be required. We focused on this area because the assessment of the outcome of the negotiation and the estimation of the recoverable value of the assets relating to the Sete contracts requires management judgment in which several estimates and key assumptions are applied.	We reviewed the term sheet with Magni and correspondences with Sete and its authorised representatives to validate the assumptions applied by management. We assessed the amount and timing of gross cash inflows from Magni to the term sheet. We also assessed the total cost of completing the construction of the rigs through discussions with project managers and corroborating the amounts to an approved budget plan. We obtained management's calculation of the discount rate used and evaluated its reasonableness based on our understanding. Based on our procedures, we found management's basis of assessment of the carrying amounts of the assets relating to the Sete contracts to be reasonable, on the basis of the key assumptions made by management. The ongoing negotiations may result in significant changes to the key assumptions and additional material provision may be required, including adjustments to the net carrying amounts relating to the Sete contracts. We also considered the disclosures in the financial statements in respect of this matter and found that the disclosures in the financial statements in respect of this matter to be adequate.

Key Audit Matter	How our audit addressed the Key Audit Matter
2. Recoverability of trade receivables, contract assets and stocks (work-in-progress) in relation to Offshore and Marine ("O&M") business unit *(Refer to Notes 2.28(b)(ii), 2.28(b)(ix), 13, 15 and 16 to the financial statements)* As at 31 December 2021, the Group has: (i) Stocks under work-in-progress ("WIP") amounting to $1,138 million; (ii) Contract assets relating to certain rig building contracts where the scheduled delivery dates of the rigs had been deferred and have higher counterparty risks, amounting to $1,707 million; and (iii) Trade receivables amounting to $792 million where the rigs had been delivered but the receipt of construction revenue deferred under certain financing arrangements. In 2021, the Group recognised $76 million of expected credit loss against its unsecured trade receivables. We focused on this area because significant judgement and assumptions are required in: (i) estimating the NRV of the WIP balance; and (ii) estimating the expected credit loss of the contract assets and trade receivables balance. For the above contract assets and secured trade receivables, in the event that the customers are unable to fulfil their contractual obligations, management has considered the most likely outcome is for the Group to take possession of the rigs delivered or under construction and charter it out to work with an operator. On this basis, the value of the rigs delivered or under construction and the NRV of the WIP balance is their Value-in-use ("VIU") estimated using the Discounted Cash Flow ("DCF") model. Management assessed the VIU of the rigs with the assistance of independent professional advisors. In addition to the independent professional firm responsible for estimating the VIU based on the DCF model, management has also engaged a separate industry expert to provide a view of the market outlook, assumptions and industry parameters used as inputs to the DCF calculations. The most significant inputs to the DCF calculations include dayrates, cost assumptions, utilisation rates, discount rates and estimated commencement of deployment of the assets. The valuation of the assets based on their estimated VIUs are most sensitive to discount rates and dayrates. Management had also appointed an independent financial advisor to conduct an assessment of the recoverability of unsecured receivables from a customer and secured receivables from another customer as at 31 December 2021.	We reviewed management's estimation of the NRV of the WIP and estimation of the expected credit loss on contract assets on deferred delivery and trade receivables under certain financing arrangements. We assessed the most significant inputs to the DCF calculations of the NRV/VIU of the rigs and engaged our valuation expert to review the discount rates applied. We also assessed the basis of estimating the recoverable amounts of the unsecured receivable adopted by the independent financial advisor. We assessed the sensitivity of the cash flow projections with respect to the key assumptions including discount rate and dayrates, on the estimation of the VIU of the rigs. Based on our procedures, we found management's key judgements and basis of estimation over the NRV of the WIP and the recovery of contract assets on deferred delivery and trade receivables under certain financing arrangements to be appropriate. In respect of the independent professional firm, the industry expert and the financial advisor, we found that they possessed the requisite competency and experience to assist management in the assessment of the valuations. We also considered the adequacy of the disclosures in the financial statements in respect of this matter and found the disclosures in the financial statements in respect of the key judgements and sources of estimation uncertainty to be adequate.

Key Audit Matter	How our audit addressed the Key Audit Matter
3. Impairment assessment of exposures in KrisEnergy *(Refer to Notes 2.28(b)(iii) and 11(b) to the financial statements)*	
As disclosed in Note 11(b), as at 31 December 2021, the Group's receivables from KrisEnergy, net of expected credit loss, amounted to $115 million. KrisEnergy's ordinary shares were suspended from trading from the Singapore Exchange in August 2019. Whilst the scheme of arrangement was approved by different groups of creditors progressively in early 2021, KrisEnergy announced in April 2021 that consensual restructuring was no longer viable and even if the restructuring exercise was completed, there remained material uncertainty over KrisEnergy's ability to continue as a going concern. On 13 July 2021, KrisEnergy announced that the Grand Court of Cayman Islands had granted the approval for the winding-up petition. The Group has a comprehensive first ranking security package over the assets of the KrisEnergy group. With KrisEnergy in the process of winding up, the Group has implemented detailed recovery plans which were developed in consultation with its financial advisor and legal advisor to preserve KrisEnergy's assets and to maximise recoveries for the Group. Management performed an impairment assessment to estimate the recoverable amount of the Group's receivables from KrisEnergy as at 31 December 2021 based on the estimated amount of cash available from producing assets to be held over the remaining lives of the concession period of 8.5 to 12 years and expected proceeds from assets to be sold, taking into account the rights to these cash flows from the secured assets on a receivership basis. The cash flow estimates from producing assets were based on forecasted production volumes and oil prices, determined by taking reference from external information sources, ranging from US$67 to US$73 per barrel for 2022 to 2033. The estimated recoverable amounts for assets to be sold are based on the binding bids received from external parties. Taking into account the rights to the cash flows from the secured assets on a receivership basis as at 31 December 2021, the Group recognised a loss of $318 million. We focused on this area as the assessment of the recoverable amount involves making projections of cash flows arising from producing assets, including the estimation of the timing of release of the withheld cash in one of the producing assets, in which several estimates and key assumptions were applied.	We held discussions with management and the independent financial advisor to understand the proposed recovery plan, including the recovery strategy for each of the assets. For the producing assets, we evaluated the reasonableness of the estimates and assumptions in the cash flow projections. We also considered the assumptions applied in estimating the timing of release of the withheld cash from one of the producing assets under the security package. We involved our valuation expert in evaluating the discount rate applied by management in discounting the expected cash flows from the producing assets. We assessed the sensitivity of the cash flow projections with respect to key assumptions including the timing of release of the withheld cash, discount rate, future oil prices and expected production volume. For the assets that are to be sold, we traced the recoverable amounts to the draft sales and purchase agreements. In respect of the independent financial advisor for the Group, we assessed that they possessed the requisite competency and experience to assist management in the assessment of the recoverable amount of the receivables from KrisEnergy. We also considered the adequacy of the disclosures in the financial statements in respect of this matter. Based on our procedures, we found the key judgments and basis of estimating the available cash flows for the Group's investment in KrisEnergy to be reasonable. We also found the disclosures in the financial statements in respect of the key judgments and sources of estimation uncertainty to be adequate.
4. Global resolution with criminal authorities in relation to corrupt payments *(Refer to Note 2.28(b)(vi) to the financial statements)*	
In 2017, a wholly-owned subsidiary, Keppel Offshore and Marine Ltd ("KOM") reached a global resolution with the Corrupt Practices Investigation Bureau ("CPIB") in Singapore, the U.S. Department of Justice ("DOJ"), and the Public Prosecutor's Office in Brazil, Ministério Público Federal ("MPF") in relation to corrupt payments made in relation to KOM's various projects with Petrobras and Sete Brasil in Brazil. As part of the applicable fines payable under the global resolution, a further US$52,777,123 (less any penalties that KOM may pay to specified Brazilian authorities) is payable to CPIB within three years from the date of the Conditional Warning issued by CPIB and has been included in accrued expenses since FY 2017. The discussions with the specified Brazilian authorities remain ongoing, and CPIB has agreed to extend this three-year period for a further 12 months until 22 December 2021 and thereafter for a further 6 months to 22 June 2022.	We obtained an understanding of the progress of ongoing discussions that the Group is having with the authorities. We discussed the reasonableness and the adequacy of the provision made by management with the external legal counsel appointed by the Group. In respect of the external legal counsel engaged by the Group, we assessed that they possessed the requisite competency and experience in the assessment of the adequacy of provision made by management.

Key Audit Matter	How our audit addressed the Key Audit Matter
In 2020, the Office of the Comptroller General of Brazil ("CGU") published a notice in the Official Gazette ("Notice") to the effect that CGU had initiated an administrative enforcement procedure ("AEP") against KOM and certain subsidiaries, in relation to alleged irregularities under the Brazilian Anti-Corruption Statute. The Company understands from CGU that the AEP will not affect the ongoing negotiations with the Brazil authorities, and that the AEP has been suspended pending these ongoing discussions. Based on currently available information, including opinion from the legal advisors, no additional provision was made in relation to the ongoing discussions with the specified Brazilian authorities. We focused on this area because of the management judgment required in determining whether additional provision is required in view of the ongoing discussions with the specified Brazilian authorities.	Based on our procedures, we found management's assessment of the matter, including the on-going discussions with the specified Brazilian authorities to be appropriate. We also considered the adequacy of the disclosures in the financial statements in respect of this matter. We found the disclosures in the financial statements to be adequate.
5. Revenue recognition based on measurement of progress towards performance obligation *(Refer to Notes 2.28(b)(iv) and 25 to the financial statements)* During the financial year, the Group recognised $2,270 million of revenue relating to its rigbuilding, shipbuilding and repairs, and long-term engineering contracts ("construction contracts"). The Group recognises revenue over time by reference to the Group's progress towards completing the construction of the contract work. The stage of completion was measured by reference to either the percentage of the physical proportion of the contract work completed or the proportion of contract costs incurred to date to the estimated total contract costs. We focused on this area because of the significant management judgment required in: • the estimation of the physical proportion of the contract work completed for the contracts; and • the estimation of total costs on the contracts, including contingencies that could arise from variations to original contract terms, and claims.	In respect of construction contracts where progress was measured based on the percentage of the physical proportion of the contract work completed, we sighted certified progress reports from engineers, performed site visits, and obtained confirmations from project owners to assess the appropriateness of management's estimates of the physical proportion of work completed. In respect of construction contracts where progress was measured based on the proportion of contract costs incurred to date to the estimated total contract costs, we evaluated the effectiveness of management's controls over the estimation of total costs and assessed the reasonableness of key inputs in the cost estimation. We tested the appropriateness of estimated costs by comparing these against actual costs incurred. We then recomputed the revenues recognised for the current financial year based on the respective percentage of completion and traced these to the accounting records. In relation to total contracts costs, we reviewed the actual costs incurred by tracing to supplier invoices or sub-contractor progress billings and reviewed management's estimates of total project costs, including costs to complete, by agreeing the costs to quotations and contracts entered for subcontracting costs and reviewing the estimation of construction costs with reference to the remaining activities of the projects. In addition, we reviewed claims from suppliers and subcontractors and traced to the recording of the costs. We assessed the need for provision for liquidated damages via discussions with management and project managers and examination of project documentation. We also considered the adequacy of the Group's disclosures in respect of this matter. Based on our procedures, we found assumptions made in the measurement of the progress of construction contracts to be reasonable. We also found the disclosures in the financial statements to be adequate.

Key Audit Matter	How our audit addressed the Key Audit Matter
6. Valuation of properties held for sale *(Refer to Notes 2.28(b)(ix) and 15 to the financial statements)*	
As at 31 December 2021, the Group has residential properties held for sale of $3,004 million mainly in China, Singapore, Indonesia and Vietnam. Properties held for sale are stated at the lower of cost and net realisable values. The determination of the carrying value and whether to recognise any foreseeable losses for properties held for sale is highly dependent on the estimated cost to complete each development and the estimated selling price. For certain development projects, fair values based on independent valuation reports are used to determine the net realisable value of these properties. We focused on this area as significant judgment is required in making estimates of future selling prices and the estimated cost to complete the development project. In instances where independent valuation reports are used, the valuation process involves significant judgment in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the discount rate and price of comparable plots and properties. Continued unfavourable market conditions in certain of the markets in which the Group operates might exert downward pressure on transaction volumes and residential property prices. This could lead to future trends in these markets departing from known trends based on past experience. There is, therefore, a risk that the estimates of carrying values at the date of these financial statements exceed future selling prices, resulting in losses when the properties are sold. Furthermore, the COVID-19 pandemic has resulted in significant economic uncertainty in the current and future economic environment and there is heightened uncertainty inherent in estimating the impact of the pandemic on future selling prices of the development properties.	We found that, in making its estimates of future selling prices, the Group took into account macroeconomic and real estate price trend information, and the potential financial impact of the COVID-19 pandemic in the estimates. Management applied their knowledge of the business in their regular review of these estimates. We corroborated the Group's forecast selling prices by comparing the forecast selling price to, where available, recently transacted prices and prices of comparable properties located in the same vicinity as the properties held for sale. We compared management's budgeted total development costs against underlying contracts with vendors and supporting documents. We discussed with the project managers to assess the reasonableness of estimated cost to complete and corroborated the underlying assumptions made with our understanding of past completed projects. For projects where management has used independent valuation reports as a basis to determine the net realisable value, we evaluated the qualifications and competence of the external valuer and considered the valuation methodologies used against those applied by other valuers for similar property type. We tested the reliability of inputs used in the valuation and corroborated key inputs such as the discount rate and price of comparable plots and properties used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the inputs were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers. We focused our work on development projects with slower-than-expected sales or with low or negative margins. For projects which are expected to sell below cost, we checked the computations of the foreseeable losses. We also considered the adequacy of the disclosures in the financial statements, in describing the allowance for foreseeable losses made for properties held for sale. Based on our procedures, we were satisfied that management's estimates and assumptions were reasonable. We also found the related disclosures in the financial statements to be adequate.

Key Audit Matter	How our audit addressed the Key Audit Matter
7. Valuation of investment properties *(Refer to Notes 2.28(b)(viii), 8 and 35 to the financial statements)* As at 31 December 2021, the Group owns a portfolio of investment properties of $4,256 million comprising mainly office buildings, hotels, retail malls and mixed-use development projects, located primarily in China, Singapore, Indonesia and Vietnam. Investment properties are stated at their fair values based on independent external valuations. We focused on this area as the valuation process involves significant judgment in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied such as the capitalisation rate, discount rate, net initial yield and price of comparable plots and properties. Furthermore, the valuation reports obtained from independent property valuers for certain investment properties have highlighted the heightened uncertainty of the COVID-19 outbreak and material valuation uncertainty where a higher degree of caution should be attached to the valuation than would normally be the case. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions.	We evaluated the qualifications and competence of the external valuers. We considered the valuation methodologies used against those applied by other valuers for similar property types, and how the impact of the COVID-19 pandemic and market uncertainty has been considered by the independent property valuers in determining the valuation of investment properties. We also considered other alternative valuation methods. We tested the reliability of the projected cash inflows and outflows used in the valuation against supporting lease agreements, construction contracts and other documents. We corroborated other inputs such as the capitalisation rate, net initial yield, discount rate and price of comparable plots used in the valuation methodology by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the inputs were outside the expected range, we undertook further procedures to understand the reasons for these and, where necessary, held further discussions with the valuers. We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions used in the estimates and the impact of COVID-19 on the valuation of investment properties, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. The valuers are members of recognised professional bodies for external valuers. We found the valuation methodologies used to be in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be adequate.
8. Impairment assessment of goodwill arising from acquisition of subsidiary – M1 Limited ("M1") *(Refer to Notes 2.28(b)(iii) and 14 to the financial statements)* In February 2019, the Group obtained controlling interest in M1 through an 80% owned subsidiary at a purchase consideration of $1,232 million. A goodwill of $988 million was recognised on acquisition of M1. An annual impairment assessment was performed on the goodwill arising from acquisition of M1 where the recoverable amount of M1 as a Cash generating unit ("CGU") is estimated. Where the recoverable amount of M1 is determined to be less than the Group's carrying amount of the M1 CGU (including the goodwill), an impairment loss will be recognised. The recoverable value of the M1 CGU as at 31 December 2021 was determined on a VIU basis using a DCF model. The assessment of the VIU of M1 CGU required significant judgment in estimating the underlying assumptions including the revenue growth rate, long term growth rate and discount rate. Based on management's assessment, no impairment loss was recognised as the recoverable amount was higher than the carrying value (including goodwill) of the M1 CGU.	We assessed the appropriateness of the underlying assumptions made by management in their cash flow projections, including the revenue growth rate, long term growth rate and discount rate based on the economic and industry conditions relevant to M1 business. We checked whether the cash flow projections were based on the approved business plan. We involved our valuation expert in evaluating the valuation methodology and the discount rate applied by management. We assessed the sensitivity of the cash flow projections and other key assumptions including discount rate and long term growth rate on the impairment assessment and the impact on the headroom over the carrying value. Based on our procedures, we were satisfied that management's estimates and assumptions used in the impairment assessment of the goodwill on acquisition of M1 were reasonable. We also considered the adequacy of the disclosures in the financial statements in respect of this matter. We found the disclosures in the financial statements to be adequate.

INDEPENDENT AUDITOR'S REPORT

to the Members of Keppel Corporation Limited

Other information

Management is responsible for the other information. The other information comprises the "Directors' Statement" (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report and other sections of the Keppel Corporation Limited Annual Report 2021 ("Other Sections of the Annual Report") which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lam Hock Choon.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 25 February 2022

BALANCE SHEETS

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Share capital	3	**1,305,668**	1,305,668	**1,305,668**	1,305,668
Treasury shares	3	**(4,624)**	(13,690)	**(4,624)**	(13,690)
Reserves	4	**10,354,096**	9,436,480	**8,495,816**	8,185,085
Share capital & reserves		**11,655,140**	10,728,458	**9,796,860**	9,477,063
Perpetual securities	6	**401,521**	-	**401,521**	-
Non-controlling interests	5	**384,700**	427,446	**-**	-
Total equity		**12,441,361**	11,155,904	**10,198,381**	9,477,063
Represented by:					
Fixed assets	7	**2,044,374**	2,715,753	**8,462**	5,764
Investment properties	8	**4,256,428**	3,674,075	**-**	-
Right-of-use assets	9	**529,216**	582,706	**15,231**	11,204
Subsidiaries	10	**-**	-	**7,993,786**	7,962,538
Associated companies and joint ventures	11	**6,050,258**	5,990,613	**-**	-
Investments	12	**1,447,664**	1,229,492	**24,100**	22,196
Deferred tax assets	24	**212,679**	159,427	**9,313**	5,096
Long term assets	13	**1,347,354**	1,756,399	**122,507**	39,828
Intangibles	14	**1,589,272**	1,608,824	**-**	-
		17,477,245	17,717,289	**8,173,399**	8,046,626
Current assets					
Stocks	15	**4,603,985**	4,959,427	**-**	-
Contract assets	16	**3,169,694**	2,657,231	**-**	-
Amounts due from:					
- subsidiaries	17	**-**	-	**9,852,909**	9,804,710
- associated companies and joint ventures	17	**591,744**	493,269	**22,110**	152
Debtors	18	**2,168,612**	2,531,075	**9,971**	12,273
Derivative assets		**140,031**	124,547	**39,153**	38,206
Short term investments	19	**27,103**	134,634	**-**	-
Bank balances, deposits & cash	20	**3,616,633**	2,479,715	**810**	574
		14,317,802	13,379,898	**9,924,953**	9,855,915
Assets classified as held for sale	37	**527,880**	1,008,692	**-**	-
		14,845,682	14,388,590	**9,924,953**	9,855,915
Current liabilities					
Creditors	21	**5,098,788**	4,603,677	**92,523**	63,808
Derivative liabilities		**249,690**	59,143	**31,284**	30,614
Contract liabilities	16	**1,002,024**	2,072,303	**-**	-
Provisions for warranties	22	**28,932**	39,449	**-**	-
Amounts due to:					
- subsidiaries	17	**-**	-	**175,802**	201,959
- associated companies and joint ventures	17	**286,085**	335,908	**882**	-
Term loans	23	**4,659,308**	4,432,602	**3,326,730**	3,406,552
Lease liabilities	9	**89,677**	69,377	**4,175**	4,198
Taxation	29	**505,479**	358,802	**39,651**	29,155
		11,919,983	11,971,261	**3,671,047**	3,736,286
Liabilities directly associated with assets classified as held for sale	37	**38,330**	115,220	**-**	-
		11,958,313	12,086,481	**3,671,047**	3,736,286
Net current assets		**2,887,369**	2,302,109	**6,253,906**	6,119,629
Non-current liabilities					
Term loans	23	**6,795,912**	7,606,594	**4,113,695**	4,529,017
Lease liabilities	9	**472,042**	494,527	**12,265**	7,725
Deferred tax liabilities	24	**426,891**	443,547	**-**	-
Other non-current liabilities	21	**228,408**	318,826	**102,964**	152,450
		7,923,253	8,863,494	**4,228,924**	4,689,192
Net assets		**12,441,361**	11,155,904	**10,198,381**	9,477,063

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Revenue	25	8,624,713	6,574,342
Materials and subcontract costs		(6,603,496)	(4,591,235)
Staff costs	26	(1,115,650)	(1,120,128)
Depreciation and amortisation		(406,402)	(413,506)
Expected credit loss on financial assets, contract assets and financial guarantee	27	(364,436)	(651,082)
Other operating income - net		763,062	210,010
Operating profit	27	897,791	8,401
Investment income	28	110,952	29,346
Interest income	28	110,374	162,053
Interest expenses	28	(251,021)	(292,266)
Share of results of associated companies and joint ventures	11	466,900	(162,221)
Profit/(loss) before tax		1,334,996	(254,687)
Taxation	29	(324,984)	(253,407)
Profit/(loss) for the year		1,010,012	(508,094)
Attributable to:			
Shareholders of the Company		1,022,651	(505,860)
Perpetual securities holders		3,401	-
Non-controlling interests	5	(16,040)	(2,234)
		1,010,012	(508,094)
Earnings per ordinary share	30		
- basic		56.2 cts	(27.8) cts
- diluted		55.9 cts	(27.7) cts

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	2021 $'000	2020 $'000
Profit/(loss) for the year	1,010,012	(508,094)
Items that may be reclassified subsequently to profit and loss account:		
Cash flow hedges		
- Fair value changes arising during the year, net of tax	(70,678)	(100,148)
- Realised and transferred to profit and loss account	74,573	125,112
Foreign exchange translation		
- Exchange difference arising during the year	187,852	135,212
- Realised and transferred to profit and loss account	17,595	17,247
Share of other comprehensive income of associated companies and joint ventures		
- Cash flow hedges	34,251	(27,370)
- Foreign exchange translation	96,000	69,751
	339,593	219,804
Items that will not be reclassified subsequently to profit and loss account:		
Financial assets, at FVOCI		
- Fair value changes arising during the year	(96,015)	65,246
Foreign exchange translation		
- Exchange difference arising during the year	4,217	1,882
Share of other comprehensive income of associated companies and joint ventures		
- Financial assets, at FVOCI	194	(429)
	(91,604)	66,699
Other comprehensive income for the year, net of tax	247,989	286,503
Total comprehensive income/(loss) for the year	1,258,001	(221,591)
Attributable to:		
Shareholders of the Company	1,263,678	(221,151)
Perpetual securities holders	3,401	-
Non-controlling interests	(9,078)	(440)
	1,258,001	(221,591)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to owners of the Company								
	Share Capital $'000	Treasury Shares $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Perpetual Securities $'000	Non-controlling Interests $'000	Total Equity $'000
Group									
2021									
As at 1 January 2021	1,305,668	(13,690)	175,731	9,703,452	(442,703)	10,728,458	-	427,446	11,155,904
Total comprehensive income for the year									
Profit for the year	-	-	-	1,022,651	-	1,022,651	3,401	(16,040)	1,010,012
Other comprehensive income*	-	-	(60,420)	-	301,447	241,027	-	6,962	247,989
Total comprehensive income for the year	-	-	(60,420)	1,022,651	301,447	1,263,678	3,401	(9,078)	1,258,001
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends paid (Note 31)	-	-	-	(345,752)	-	(345,752)	-	-	(345,752)
Share-based payment	-	-	34,346	-	-	34,346	-	-	34,346
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(11,251)	(11,251)
Purchase of treasury shares	-	(13,048)	-	-	-	(13,048)	-	-	(13,048)
Treasury shares reissued pursuant to share plans	-	22,114	(22,114)	-	-	-	-	-	-
Transfer of statutory, capital and other reserves from revenue reserves	-	-	14,618	(14,618)	-	-	-	-	-
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	1,295	1,295
Issue of perpetual securities, net of transaction costs	-	-	-	-	-	-	398,120	-	398,120
Contributions to defined benefits plans	-	-	(620)	-	-	(620)	-	-	(620)
Total contributions by and distributions to owners	-	9,066	26,230	(360,370)	-	(325,074)	398,120	(9,956)	63,090
Changes in ownership interests in subsidiaries									
Acquisition of additional interest in subsidiaries	-	-	(11,922)	-	-	(11,922)	-	(19,385)	(31,307)
Disposal of interest in subsidiaries	-	-	-	-	-	-	-	(4,327)	(4,327)
Total change in ownership interests in subsidiaries	-	-	(11,922)	-	-	(11,922)	-	(23,712)	(35,634)
Total transactions with owners	-	9,066	14,308	(360,370)	-	(336,996)	398,120	(33,668)	27,456
As at 31 December 2021	1,305,668	(4,624)	129,619	10,365,733	(141,256)	11,655,140	401,521	384,700	12,441,361

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share Capital $'000	Treasury Shares $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Total Equity $'000
Group								
2020								
As at 1 January 2020	1,291,722	(14,009)	126,099	10,470,627	(663,586)	11,210,853	435,178	11,646,031
Total comprehensive income for the year								
Loss for the year	-	-	-	(505,860)	-	(505,860)	(2,234)	(508,094)
Other comprehensive income*	-	-	62,499	-	222,210	284,709	1,794	286,503
Total comprehensive income for the year	-	-	62,499	(505,860)	222,210	(221,151)	(440)	(221,591)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid (Note 31)	-	-	-	(273,078)	-	(273,078)	-	(273,078)
Share-based payment	-	-	36,302	-	-	36,302	-	36,302
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(24,325)	(24,325)
Purchase of treasury shares	-	(19,040)	-	-	-	(19,040)	-	(19,040)
Shares issued	13,946	-	-	-	-	13,946	-	13,946
Treasury shares reissued pursuant to share plans	-	19,359	(33,305)	-	-	(13,946)	-	(13,946)
Transfer of statutory, capital and other reserves from revenue reserves	-	-	(10,436)	11,763	(1,327)	-	-	-
Contribution by non-controlling shareholders	-	-	-	-	-	-	16,888	16,888
Contributions to defined benefits plans	-	-	(1,474)	-	-	(1,474)	6	(1,468)
Other adjustments	-	-	(960)	-	-	(960)	-	(960)
Total contributions by and distributions to owners	13,946	319	(9,873)	(261,315)	(1,327)	(258,250)	(7,431)	(265,681)
Changes in ownership interests in subsidiaries								
Acquisition of additional interest in subsidiaries	-	-	(2,994)	-	-	(2,994)	2,334	(660)
Disposal of interest in subsidiaries	-	-	-	-	-	-	(2,195)	(2,195)
Total change in ownership interests in subsidiaries	-	-	(2,994)	-	-	(2,994)	139	(2,855)
Total transactions with owners	13,946	319	(12,867)	(261,315)	(1,327)	(261,244)	(7,292)	(268,536)
As at 31 December 2020	1,305,668	(13,690)	175,731	9,703,452	(442,703)	10,728,458	427,446	11,155,904

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

The accompanying notes form an integral part of these financial statements.

	Attributable to owners of the Company						
	Share Capital $'000	**Treasury Shares $'000**	**Capital Reserves $'000**	**Revenue Reserves $'000**	**Share Capital & Reserves $'000**	**Perpetual Securities $'000**	**Total Equity $'000**
Company							
2021							
As at 1 January 2021	**1,305,668**	**(13,690)**	**209,164**	**7,975,921**	**9,477,063**	**-**	**9,477,063**
Total comprehensive income for the year							
Profit for the year	**-**	**-**	**-**	**640,888**	**640,888**	**3,401**	**644,289**
Other comprehensive income	**-**	**-**	**3,363**	**-**	**3,363**	**-**	**3,363**
Total comprehensive income for the year	**-**	**-**	**3,363**	**640,888**	**644,251**	**3,401**	**647,652**
Transactions with owners, recognised directly in equity							
Dividends paid	**-**	**-**	**-**	**(345,752)**	**(345,752)**	**-**	**(345,752)**
Share-based payment	**-**	**-**	**34,346**	**-**	**34,346**	**-**	**34,346**
Purchase of treasury shares	**-**	**(13,048)**	**-**	**-**	**(13,048)**	**-**	**(13,048)**
Treasury shares reissued pursuant to share plans	**-**	**22,114**	**(22,114)**	**-**	**-**	**-**	**-**
Issue of perpetual securities, net of transaction costs	**-**	**-**	**-**	**-**	**-**	**398,120**	**398,120**
Total transactions with owners		**9,066**	**12,232**	**(345,752)**	**(324,454)**	**398,120**	**73,666**
As at 31 December 2021	**1,305,668**	**(4,624)**	**224,759**	**8,271,057**	**9,796,860**	**401,521**	**10,198,381**
Company							
2020							
As at 1 January 2020	1,291,722	(14,009)	205,112	6,567,206	8,050,031	-	8,050,031
Total comprehensive income for the year							
Profit for the year	-	-	-	1,681,793	1,681,793	-	1,681,793
Other comprehensive income	-	-	1,055	-	1,055	-	1,055
Total comprehensive income for the year	-	-	1,055	1,681,793	1,682,848	-	1,682,848
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	(273,078)	(273,078)	-	(273,078)
Share-based payment	-	-	36,302	-	36,302	-	36,302
Purchase of treasury shares	-	(19,040)	-	-	(19,040)	-	(19,040)
Shares issued	13,946	-	-	-	13,946	-	13,946
Treasury shares reissued pursuant to share plans	-	19,359	(33,305)	-	(13,946)	-	(13,946)
Total transactions with owners	13,946	319	2,997	(273,078)	(255,816)	-	(255,816)
As at 31 December 2020	1,305,668	(13,690)	209,164	7,975,921	9,477,063	-	9,477,063

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Operating activities			
Operating profit		897,791	8,401
Adjustments:			
Depreciation and amortisation		406,402	413,506
Share-based payment expenses		37,369	39,882
(Gain)/Loss on sale of fixed assets		(9,550)	1,667
Gain on disposal of subsidiaries		(241,054)	(63,995)
Gain on disposal of associated companies and joint ventures		(208,635)	(34,419)
Gain from sale of units in associated companies		-	(48,010)
Impairment/write-off of fixed and intangible assets		53,550	62,075
Impairment of associated companies		35,082	48,686
Fair value gain on investment properties		(238,458)	(265,230)
(Gain)/Loss from change in interest in associated companies		(8,516)	1,615
Fair value (gain)/loss on investments		(315,540)	61,023
Gain from reclassification of associated companies to fair value through other comprehensive income investments		-	(124,769)
Fair value gain on remeasurement of remaining interest in a joint venture/associated company		(69,469)	(26,034)
Unrealised foreign exchange differences		(10,841)	24,990
Operational cash flow before changes in working capital		328,131	99,388
Working capital changes:			
Stocks		58,278	(349,684)
Contract assets		(520,205)	872,481
Debtors		412,841	(427,146)
Creditors		865,176	352,164
Contract liabilities		(1,072,727)	272,478
Investments		120,342	(135,398)
Intangibles		(33,087)	(1,859)
Amount due to/from associated companies and joint ventures		(17,217)	(49,486)
		141,532	632,938
Interest received		93,950	132,046
Interest paid		(251,077)	(385,248)
Net income taxes paid		(259,964)	(177,284)
Net cash (used in)/from operating activities		(275,559)	202,452
Investing activities			
Acquisition and further investment in associated companies and joint ventures		(156,783)	(743,600)
Acquisition of fixed assets and investment properties		(538,366)	(487,640)
Disposal of subsidiaries	A	1,146,299	331,761
Proceeds from disposal of associated companies and joint ventures and return of capital		668,040	318,141
Proceeds from disposal of fixed assets		592,656	3,187
Repayment from associated companies and joint ventures		2,438	58,778
Dividends received from investments, associated companies and joint ventures		311,177	245,270
Net cash from/(used in) investing activities		2,025,461	(274,103)
Financing activities			
Acquisition of additional interest in subsidiaries		(28,385)	(450)
Proceeds from non-controlling shareholders of subsidiaries		-	1,881
Proceeds from term loans		1,709,321	2,240,500
Repayment of term loans		(2,308,566)	(1,159,414)
Principal element of lease payments		(68,573)	(53,413)
Proceeds from issuance of perpetual securities, net of transaction cost		398,120	-
Purchase of treasury shares		(13,048)	(19,040)
Dividend paid to shareholders of the Company		(345,752)	(273,078)
Dividend paid to non-controlling shareholders of subsidiaries		(11,251)	(24,325)
Net cash (used in)/from financing activities		(668,134)	712,661
Net increase in cash and cash equivalents		1,081,768	641,010
Cash and cash equivalents as at beginning of year		2,408,473	1,777,244
Effects of exchange rate changes on the balance of cash held in foreign currencies		53,401	(9,781)
Cash and cash equivalents as at end of year	B	3,543,642	2,408,473

The accompanying notes form an integral part of these financial statements.

Reconciliation of liabilities arising from financing activities

2021

	1 January 2021 $'000	Net payment of principal $'000	Non-cash changes					31 December 2021 $'000
			Reclassified as liabilities directly associated with assets classified as held for sale $'000	Addition during the year $'000	Remeasure-ment of lease liabitities $'000	Disposal of subsidiaries $'000	Foreign exchange movement $'000	
Term loans	12,039,196	(599,245)	-	-	-	-	15,269	11,455,220
Lease liabilities	563,904	(68,573)	-	76,427	(4,536)	-	(5,503)	561,719

2020

	1 January 2020 $'000	Net proceeds/ (payment) of principal $'000	Non-cash changes					31 December 2020 $'000
			Reclassified as liabilities directly associated with assets classified as held for sale $'000	Addition during the year $'000	Remeasure-ment of lease liabitities $'000	Disposal of subsidiaries $'000	Foreign exchange movement $'000	
Term loans	11,059,631	1,081,086	(91,967)	-	-	-	(9,554)	12,039,196
Lease liabilities	597,439	(53,413)	-	25,668	22,385	-	(28,175)	563,904

Notes to Consolidated Statement of Cash Flows

A. Disposal of subsidiary

During the financial year, the book values of net assets of subsidiaries disposed were as follows:

	2021 $'000	2020 $'000
Fixed assets and investment properties	**(22)**	(192)
Stocks	**(311,921)**	(293,591)
Debtors and other assets	**(10,741)**	(10,377)
Associated companies	**(1,208)**	(158,670)
Bank balances and cash	**(3,145)**	(5,352)
Assets classified as held for sale*	**(875,971)**	-
Amount due from associated companies and joint ventures	**(4,731)**	-
Creditors and other liabilities	**110,586**	251,693
Liabilities directly associated with assets classified as held for sale*	**156,412**	-
Current and deferred taxation	**6,201**	-
Non-controlling interests deconsolidated	**2,228**	2,195
Net assets disposed of	**(932,312)**	(214,294)
Net gain on disposal	**(241,054)**	(63,995)
Amount accounted for as an associated company	**18,980**	59,927
Realisation of foreign currency translation reserve	**1,395**	(2,950)
Sale proceeds	**(1,152,991)**	(221,312)
Less: Bank balances and cash disposed	**6,692**	5,352
Less: Deferred proceeds received	**-**	(115,801)
Cash inflow on disposal	**(1,146,299)**	(331,761)

The accompanying notes form an integral part of these financial statements.

A. Disposal of subsidiary (continued)

* Breakdown of assets classified as held for sale and liabilities directly associated with assets classified as held for sale disposed during the year:

	2021 $'000
Assets classified as held for sale	
Fixed assets	(53,358)
Investment properties	(648,430)
Right-of-use assets	(153,602)
Associated companies	(9,399)
Debtors	(7,635)
Bank balances, deposits & cash	(3,547)
	(875,971)
Liabilities directly associated with assets classified as held for sale	
Creditors	56,063
Term loans	91,327
Current and deferred taxation	9,022
	156,412

During the year, significant disposal of subsidiaries relates to Keppel Bay Tower Pte. Ltd., First King Properties Limited, Chengdu Shengshi Jingwei Real Estate Co., Ltd. and the disposal of 51% equity stake in Tianjin Fushi Property Development Co., Ltd. Keppel Bay Tower Pte. Ltd. was disposed to an associated company of the Group.

Disposal during the prior year relates to the First FLNG Holdings Pte Ltd, First FLNG Sub-Fund Holdings Pte Ltd, Jiangyin Evergro Properties Co., Ltd and Chengdu Hilltop Development Co Ltd. During the prior year, the Group also received deferred proceeds from FY2019 sale of 70% interest in Dong Nai Waterfront City LLC.

B. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	2021 $'000	2020 $'000
Bank balances, deposits and cash	3,616,633	2,479,715
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and other liabilities	(72,991)	(71,242)
	3,543,642	2,408,473

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its principal place of business and registered office is 1 HarbourFront Avenue #18-01, Keppel Bay Tower, Singapore 098632.

The Company's principal activity is that of an investment holding and management company.

The principal activities of the companies in the Group consist of:

- offshore production facilities and drilling rigs design, construction, fabrication and repair, ship conversions and repair and specialised shipbuilding;
- power generation, renewables, environmental engineering and infrastructure operation and maintenance;
- property development and investment, as well as master development;
- provision of telecommunications services, retail sales of telecommunications equipment and accessories, development and operation of data centres, and provision of logistics solutions; and
- management of private funds and listed real estate investment and business trusts.

The financial statements of the Group for the financial year ended 31 December 2021 and the balance sheet and statement of changes in equity of the Company at 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 25 February 2022.

2. Significant accounting policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"). All references to SFRS(I)s and IFRSs are referred to collectively as SFRS(I)s in these financial statements, unless specified otherwise. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2.2 Adoption of New and Revised Standards

The Group adopted the new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s that are effective for annual periods beginning on or after 1 January 2021. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: *Interest Rate Benchmark Reform - Phase 2*
- Amendment to SFRS(I) 16 *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

Interest Rate Benchmark Reform – Phase 2

The Group has adopted the amendments to SFRS(I) 9, SFRS(I) 7 and SFRS(I) 16 *Interest Rate Benchmark Reform – Phase 2* effective 1 January 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the current year opening reserves amounts on adoption.

Hedge relationships

The Phase 2 amendments address issues arising during interest rate benchmark reform ("IBOR reform"), including specifying when hedge designations and documentation should be updated, and when amounts accumulated in cash flow hedge reserve should be recognised in profit or loss.

Note 35 provides further information about the reliefs applied by the Group and the hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior year as a result of these amendments. In the current year, the Group has adopted the following hedge accounting reliefs provided by the 'Phase 2' amendments to existing cash flow hedges (refer to Note 35 for the notional amount) that have transitioned to alternative benchmark rates required by IBOR reform:

- *Hedge designation*: When the 'Phase 1' amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationship.
- *Amounts accumulated in the cash flow hedge reserve*: When the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate.

2. Significant accounting policies (continued)

Financial instruments measured at amortised cost and lease liabilities
Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the Group applies the relevant SFRS(I) 16 requirements to account for the entire lease modification, including those changes required by IBOR reform.

For the year ended 31 December 2021, the Group has applied the practical expedients provided under Phase 2 to amendments to S$200 million of its long-term debt, as disclosed in Note 35.

Effect of IBOR reform
The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the Singapore Swap Offer Rate ("SOR") or the United States Dollar London Interbank Offered Rate ("USD LIBOR"). A significant portion of these floating rate borrowings are hedged using interest rate swaps, which have been designated as cash flow hedges.

SOR will cease publication after 30 June 2023, and it is expected to be replaced by the Singapore Overnight Rate Average ("SORA"). The Group has S$700 million of variable-rate SGD borrowings which references to SOR, with interest rate fixing dates falling after 30 June 2023. The Group hedges the variability in cash flows using SOR-linked interest rate swaps. While most swaps have been restructured in view of IBOR reform, the Group's communication with its swap and debt counterparties is still ongoing, as specific changes required by IBOR reform for most of its debt and some of its swaps have not yet been agreed. The Group also has S$35,604,000 variable-rate SGD receivables which references to SOR, with interest rate fixing dates falling after 30 June 2023. The Group's communication with its receivables counterparties is ongoing, but specific changes required by IBOR reform have not yet been agreed. As IBOR uncertainty is still present, the Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to SOR risk, and further information on the hedging relationship has been disclosed in Note 35. The expected transition from SOR to SORA had no effect on the amounts reported for the current and prior financial years.

USD LIBOR will cease publication after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR"). The Group has US$625 million (or S$854 million equivalent) of variable-rate USD borrowings which references to USD LIBOR, with interest rate fixing dates falling after 30 June 2023. The Group hedges the variability in cash flows using USD LIBOR-linked interest rate swaps. While some swaps have been restructured in view of IBOR reform, the Group's communication with its swap and debt counterparties is still ongoing, as specific changes required by IBOR reform for most of its debt and swaps have not yet been agreed. The Group also has S$377,660,000 variable-rate USD receivables which references to USD LIBOR, with interest rate fixing dates falling after 30 June 2023. The Group's communication with its receivables counterparties is ongoing, but specific changes required by IBOR reform have not yet been agreed. As IBOR uncertainty is still present, the Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to USD LIBOR risk, and further information on the hedging relationship has been disclosed in Note 35. The expected transition from USD LIBOR to SOFR had no effect on the amounts reported for the current and prior financial years.

Affected financial instruments are SOR or USD LIBOR-linked instruments, with interest rate fixing dates falling after 30 June 2023. The following table contains details of all the affected financial instruments that the Group and Company holds at 31 December 2021 which are referenced to SOR and have not yet transitioned to new benchmark rates:

	SOR			
	Group		Company	
	Carrying Amount $'000	Of which: Not yet transitioned to an alternative benchmark rate $'000	Carrying Amount $'000	Of which: Not yet transitioned to an alternative benchmark rate $'000
31 December 2021				
Assets				
- Derivative financial instruments	6,457	-	6,457	-
- Amounts due from an associated company	22,500	22,500	-	-
- Loan to a joint venture	13,104	13,104	-	-
Liabilities				
- Borrowings	699,510	499,510	200,000	-
- Derivative financial instruments	45,878	36,418	9,460	-

The following table contains details of all the affected financial instruments that the Group and Company holds at 31 December 2021 which are referenced to USD LIBOR and have not yet transitioned to new benchmark rates:

	USD LIBOR			
	Group		Company	
	Carrying Amount $'000	Of which: Not yet transitioned to an alternative benchmark rate $'000	Carrying Amount $'000	Of which: Not yet transitioned to an alternative benchmark rate $'000
31 December 2021				
Assets				
- Derivative financial instruments	16,566	16,566	16,566	16,566
- Trade Receivables	377,660	377,660	-	-
Liabilities				
- Borrowings	854,063	854,063	854,063	854,063
- Derivative financial instruments	8,036	55	8,036	55

The above table excludes receivables from KrisEnergy of S$109,513,000 which are referenced to USD LIBOR as the carrying amount of these receivables are primarily measured based on the expected recoveries for the Group. Refer to Note 11(b) for more details on the Group's investments in KrisEnergy and related exposures.

2.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

The financial statements of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated financial statements from their respective dates of obtaining control or ceasing control. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the fair value of the assets transferred, equity instruments issued, liabilities incurred or assumed at the date of exchange and the fair values of any contingent consideration arrangement and any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised in the profit and loss account as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests, except for deferred tax assets/liabilities, share-based related accounts and assets held for sale.

Any excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit and loss account on the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted and the difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group derecognises all assets (including any goodwill), liabilities and non-controlling interests at their carrying amounts. Amounts previously recognised in other comprehensive income in respect of that former subsidiary are reclassified to the profit and loss account or transferred directly to revenue reserves if required by a specific Standard. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in the profit and loss account.

On a transaction-by-transaction basis, the measurement of non-controlling interests is either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree.

Contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in the profit and loss account.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests in a subsidiary based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies (continued)

2.4 Fixed Assets

Fixed assets are initially stated at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss, if any. The cost initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent expenditure is added to the carrying amount only when it is probable that future economic benefits will flow to the entity and the cost can be measured reliably. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Profits or losses on disposal of fixed assets are included in the profit and loss account.

Depreciation of fixed assets is calculated on a straight-line basis to write off the cost of the fixed assets over their estimated useful lives. No depreciation is provided on freehold land and capital work-in-progress. The estimated useful lives of other fixed assets are as follows:

Buildings on freehold land	20 to 50 years
Buildings on leasehold land	Over period of lease (ranging from 10 to 50 years)
Vessels & floating docks	10 to 30 years
Plant, machinery & equipment	3 to 30 years
Networks and related application systems	5 to 25 years
Furniture, fittings & office equipment	2 to 15 years
Cranes	5 to 30 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Investment Properties

Investment properties comprise completed properties and properties under construction or re-development held to earn rental and/or for capital appreciation and right-of-use assets relating to leasehold land that is held for long term capital appreciation or for a currently indeterminate use. Investment properties are initially recognised at cost and subsequently measured at fair value, determined annually based on valuations by independent professional valuers, except for significant investment properties which are revalued on a half-yearly basis. Changes in fair value are recognised in the profit and loss account.

The cost of major renovations or improvements is capitalised and the carrying amounts of the replaced components are recognised in the profit and loss account.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit and loss account.

2.6 Subsidiaries

A subsidiary is an entity (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Investments in subsidiaries are stated in the financial statements of the Company at cost less accumulated impairment losses. On disposal of a subsidiary, the difference between net disposal proceeds and carrying amount of the investment is taken to profit or loss.

2.7 Associated Companies and Joint Ventures

An associated company is an entity, not being a subsidiary, over which the Group has significant influence, but not control.

A joint venture is an entity, not being a subsidiary, over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are stated in the Company's financial statements at cost less any impairment losses. On disposal of an associated company or a joint venture, the difference between net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment loss, if any. The Group's share of profit or loss and other comprehensive income of the associated company or joint venture is included in the consolidated profit and loss account and consolidated statement of comprehensive income respectively. The Group's share of net assets of the associated company or joint venture is included in the consolidated balance sheet.

When the Group's investment in an associated company or a joint venture is held by, or is held indirectly through, a subsidiary that is a venture capital organisation, or a mutual fund, unit trust and similar entities, the Group may elect to measure that investment at fair value through profit or loss. This election is made separately for each associated company or joint venture, at initial recognition of the associated company or joint venture.

Any excess of the cost of acquisition over the Group's share of net identifiable assets, liabilities and contingent liabilities of the associated company or joint venture recognised at the date of acquisition measured at their fair values is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net identifiable assets, liabilities and contingent liabilities measured at their fair values over the cost of acquisition, after reassessment, is recognised immediately in the profit and loss account as a bargain purchase gain.

2.8 Intangibles

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net identifiable assets acquired and the liabilities assumed measured at their fair values at acquisition date. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any impairment losses. If the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the profit and loss account as a bargain purchase gain.

Spectrum Rights

These comprise expenditure relating to one-time charges paid to acquire spectrum rights and telecommunications licenses or access codes. These intangible assets are measured initially at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Spectrum rights are amortised on a straight-line basis over the estimated economic useful life of 4 to 16 years.

Brand

The brand was acquired as part of a business combination completed in the prior financial year. The brand value will be amortised over the useful life which is estimated to be 30 years.

Customer Contracts and Customer Relationships

Customer contracts and customer relationships are identified and recognised separately from goodwill. The cost of customer contracts and relationships is at their fair value at the acquisition date and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred which are expected to generate future economic benefits are recognised as intangibles and amortised on a straight-line basis over their useful lives, ranging from 1 to 20 years.

Other Intangible Assets

Other intangible assets include development expenditure and internet protocol (IP) address, initially recognised at cost and subsequently carried at cost less accumulated amortisation. Costs incurred which are expected to generate future economic benefits are recognised as intangibles and amortised on a straight-line basis over their useful lives, ranging from 3 to 20 years.

Other intangible assets also include management rights which is initially recognised at cost upon acquisition and subsequently carried at cost less accumulated impairment losses, if any. The useful life of the management rights is estimated to be indefinite because management believes there is no foreseeable limit to the period over which the management rights is expected to generate net cash inflows for the Group.

2.9 Service Concession Arrangement

The Group has an existing service concession arrangement with a governing agency (the grantor) to design, build, own and operate a desalination plant in Singapore. Under the service concession arrangement, the Group will operate the plant for 25 years. At the end of the concession period, the grantor may require the plant to be handed over in a specified condition or to be demolished at reasonable costs borne by the grantor. Such service concession arrangement falls within the scope of SFRS(I) INT 12 *Service Concession Arrangements*.

The Group constructs the plant (construction services) used to provide public services and operates and maintains the plant (operation services) for the concession period as specified in the contract. The Group recognises and measures revenue in accordance with SFRS(I) 15 for the services it performs.

The Group recognises a financial asset arising from the provision of the construction services when it has a contractual right to receive fixed and determinable amounts of payments irrespective of the output produced. The consideration receivable is measured initially at fair value and subsequently measured at amortised amount using the effective interest method.

2. Significant accounting policies (continued)

2.10 Financial Assets

The Group classifies its financial assets in the following measurement categories:
- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Purchases and sale of financial assets are recognised on the trade date when the Group commits to purchase or sell the assets.

At initial recognition, the Group measures a financial asset at its fair value including, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the profit and loss account.

(i) Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade, intercompany and other receivables (excluding prepayments) and investments. Trade, intercompany and other receivables are stated initially at fair value and subsequently at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the profit and loss account when the asset is derecognised or impaired. Interest income from these financial assets is recognised in the profit and loss account using the effective interest rate method.

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in the profit and loss account in the period in which it arises.

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the profit and loss account. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit and loss account. Interest income from these financial assets is recognised in the profit and loss account using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in the profit and loss account in the period in which the changes arise. For equity investments where the Group has elected to recognise changes in fair value in OCI, movements in fair values are presented as "fair value changes" in OCI. Dividends from equity investments are recognised in the profit and loss account.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the profit and loss account. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to the profit and loss account.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in the profit and loss account if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sale proceeds would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and bank deposits which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.11 Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses arising from changes in fair value of derivative financial instruments that do not qualify for hedge accounting are taken to the profit and loss account.

For cash flow hedges, the effective portion of the gains or losses on the hedging instrument is recognised directly in other comprehensive income and accumulated in the hedging reserve, while the ineffective portion is recognised in the profit and loss account. Amounts taken to other comprehensive income are reclassified to the profit and loss account when the hedged transaction affects the profit and loss account.

For fair value hedges, changes in the fair value of the designated hedging instruments are recognised in the profit and loss account. The hedged item is adjusted to reflect change in its fair value in respect of the risk hedged, with any gain or loss recognised in the profit and loss account.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

2.12 Investments

Investments include equity investments classified as FVPL and FVOCI and debt investments classified as FVPL. See further in Note 2.10.

The fair value of investments that are traded in active markets is based on quoted market prices at the balance sheet date. The quoted market prices are the current bid prices. The fair value of investments that are not traded in an active market is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the underlying net asset value of the investee companies and discounted cash flow analysis.

2.13 Stocks

Stocks, consumable materials and supplies are stated at the lower of cost and net realisable value, cost being principally determined on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overheads expenditure, and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate temporary occupation permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

2.14 Contract Assets and Contract Liabilities

For contract where the customer is invoiced on a milestone payment schedule or over the period of the contract, a contract asset is recognised if the value of the contract work transferred by the Group exceed the receipts from the customer, and a contract liability is recognised if the receipts from the customer exceed the value of the contract work transferred by the Group.

2.15 Impairment of Assets

Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill included in the carrying amount of an associated company or joint venture is tested for impairment as part of the investment.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU"s) expected to benefit from the synergies of the combination. An impairment loss is recognised in the profit and loss account when the carrying amount of the CGU, including goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then, to reduce the carrying amount of the other assets in the unit on a pro-rata basis. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2. Significant accounting policies (continued)

Other Non-Financial Assets
Tangible and intangible assets are tested for impairment whenever there is any indication that these assets may be impaired.

Management rights are tested for impairment annually and whenever there is an indication that the management rights may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as impairment loss in the profit and loss account. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the profit and loss account.

2.16 Financial Liabilities and Equity Instruments
Financial liabilities include trade, intercompany and other payables, bank loans and overdrafts. Trade, intercompany and other payables are stated initially at fair value and subsequently carried at amortised cost. Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.22).

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2.17 Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Provision for warranties is set up upon completion of a contract to cover the estimated liability which may arise during the warranty period. This provision is based on service history. Any surplus of provision will be written back at the end of the warranty period while additional provisions, where necessary, are made when known. These liabilities are expected to be incurred over the applicable warranty periods.

Provision for claims is made for the estimated cost of all claims notified but not settled at the balance sheet date, less recoveries, using the information available at the time. Provision is also made for claims incurred but not reported at the balance sheet date based on historical claims experience, modified for variations in expected future settlement. The utilisation of provisions is dependent on the timing of claims.

2.18 Leases
When a Group company is the lessee
At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets
The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented as a separate line on the balance sheets. Right-of-use assets which meets the definition of an investment property is presented within "Investment Properties" and accounted for in accordance with Note 2.5.

Lease liabilities
The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments include the following:
- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option, if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Lease liabilities are presented as a separate line on the balance sheets.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:
- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases
The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments
Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises these lease payments in profit or loss in the periods that triggered such lease payments. Details of the variable lease payments are disclosed in Note 9.

Rent concessions
The Group has elected to apply the optional practical expedient under Amendments to SFRS(I) 16 *Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)*.

Under the practical expedient, the Group, as a lessee, has elected not to assess whether a rent concession is a lease modification, if all the following conditions are met:
- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- There is no substantive change to other terms and conditions of the lease.

<u>When a Group company is the lessor</u>
Operating leases
Assets leased out under operating leases are included in investment properties and are stated at fair values. Rental income (net of any incentive given to lessee) is recognised on a straight-line basis over the lease term.

2.19 Assets classified as Held for Sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2.20 Revenue
Revenue consists of:
- Revenue recognised on rigbuilding, shipbuilding and repairs, property construction and long term engineering contracts;
- Sale of goods;
- Rendering of services; and
- Rental income from investment properties.

2. Significant accounting policies (continued)

Revenue recognition
The Group enters into rigbuilding, shipbuilding and repairs, property construction and long term engineering contracts with customers. These contracts are fixed in prices. Revenue is recognised when the control over the contract work is transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the contract work over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to-date.

The contract work, except for overseas property construction contracts, has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the contract work. For overseas property construction contracts, the Group does not have enforceable rights to payment arising from the contractual terms. Revenue from overseas property construction contracts is recognised at a point in time when the rights to payment become enforceable.

The measure of progress for rigbuilding contracts, and shipbuilding and repair contracts, is determined based on the estimation of the physical proportion of the contract work completed for the contracts with reference to engineers' estimates. The measure of progress for property construction and long term engineering contracts is determined based on the proportion of contract costs incurred to-date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress.

An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Revenue from sale of goods is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

Revenue from the rendering of services including electricity supply, logistic services, operations and maintenance under service concession arrangements, asset management fees, and telecommunication services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed or in accordance with terms of the service agreements.

Revenue arising from additional claims and variation orders, whether billed or unbilled, is recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claims or approve the variation orders, and the amount that it is probable will be accepted by the customer can be measured reliably.

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term.

2.21 Government Grants
Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.22 Borrowing Costs
Borrowing costs incurred to finance the development of properties and acquisition of fixed assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to the profit and loss account over the period of borrowing using the effective interest rate method.

For Singapore trading properties which the Group recognises revenue over time, borrowing costs on the portion of the property not ready for transfer of control to the purchasers are capitalised until the time when control is capable of being transferred to the purchasers.

2.23 Employee Benefits
Defined Contribution Plan
The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

Employee Leave Entitlement
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

Share Plans Scheme
The Group operates share-based compensation plans. The fair value of the employee services received in exchange for the grant of restricted shares and performance shares is recognised as an expense in the profit and loss account with a corresponding increase in the share plan reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair values of the restricted shares and performance shares granted on the respective dates of grant.

At each balance sheet date, the Group revises its estimates of the number of share plan awards that are expected to vest on the vesting dates, and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share plan reserve over the remaining vesting period.

No expense is recognised for share plan awards that do not ultimately vest, except for share plan awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When share plan awards are released, the share plan reserve is transferred to share capital if new shares are issued, or to the treasury shares account when treasury shares are re-issued to the employee.

2.24 Income Taxes

Current income tax is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, valuation of investment properties, unremitted offshore income and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset/liability is realised/settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss account, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over cost.

2.25 Foreign Currencies

Functional Currency
Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“functional currency”).

The financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore Dollars, which is the functional currency of the Company.

Foreign Currency Transactions
Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from translation of monetary assets and liabilities are taken to the profit and loss account. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign Currency Translation
For inclusion in the Group’s financial statements, the assets and liabilities of foreign subsidiaries, associated companies and joint ventures that are in functional currencies other than Singapore Dollars are translated into Singapore Dollars at the exchange rates ruling at the balance sheet date. Profit or loss of foreign subsidiaries, associated companies and joint ventures are translated into Singapore Dollars using the average exchange rates for the financial year. Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as assets and liabilities of the foreign subsidiaries, associated companies and joint ventures. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in Foreign Exchange Translation Account until disposal.

2. Significant accounting policies (continued)

Disposal or partial disposal of a foreign operation
On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associated company that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified from equity to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associated companies or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.26 Share Capital and Perpetual Securities
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When shares are reacquired by the Company, the amount of consideration paid and any directly attributable transaction cost is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in non-distributable capital reserve. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Perpetual securities which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

2.27 Segment Reporting
The Group has five main segments, of which there are six reportable operating segments, namely Offshore & Marine, Infrastructure & Others, Urban Development, Connectivity, Asset Management and Corporate & Others. Management monitors the results of each of the main segments for the purpose of making decisions on resource allocation and performance assessment.

2.28 Critical Accounting Judgments and Estimates

(a) Critical judgments in applying the Group's accounting policies
In the process of applying the Group's accounting policies, there is no instance of application of judgments which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations and as follows:

(i) Control over Keppel REIT
The Group has approximately 47% (2020: approximately 49%) gross ownership interest of units in Keppel REIT as at 31 December 2021. Keppel REIT is managed by Keppel REIT Management Limited ("KRML"), a wholly-owned subsidiary of the Group. The Group has provided an undertaking to the trustee of Keppel REIT to grant the other unitholders the right to endorse or re-endorse the appointment of directors of KRML at the annual general meetings of Keppel REIT. The Group has determined that it does not have control over Keppel REIT but continues to have significant influence over the investment.

(ii) Interest Rate Benchmark Reform – Phase 1
SOR
In calculating the change in fair value attributable to the hedged SGD borrowings, the Group assumes that:

- The existing floating-rate borrowings will move to SORA at the same time as the interest rate swaps (hedging instruments) with similar adjustment spreads;
- No other material changes to the terms of the borrowings and interest rate swaps are anticipated; and
- The interest rate swaps will not be derecognised.

Given that the critical terms are assumed to continue to match, the change in fair value of the hedged risk is the same as the change in fair value of the hedging instrument. Therefore, no hedge ineffectiveness is recognised as a result of the expected transition of the cash flow hedges from SOR to SORA.

USD LIBOR
In calculating the change in fair value attributable to the hedged USD borrowings, the Group assumes that:

- The existing floating-rate borrowings will move to SOFR at the same time as the interest rate swaps (hedging instruments) with similar adjustment spreads;
- No other material changes to the terms of the borrowings and interest rate swaps are anticipated; and
- The interest rate swaps will not be derecognised.

Given that the critical terms are assumed to continue to match, the change in fair value of the hedged risk is the same as the change in fair value of the hedging instrument. Therefore, no hedge ineffectiveness is recognised as a result of the expected transition of the cash flow hedges from USD LIBOR to SOFR.

(b) Key sources of estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(i) Coronavirus Disease 2019 ("COVID-19") and volatility in oil prices
The evolving situation of the COVID-19 pandemic, including emergence of new variants of the virus, and volatility in oil prices could impact the assessment of the carrying amounts of the Group's assets and liabilities. In the assessment for the current period, management has carried out a review to assess the assumptions used in the assessment of the carrying values of certain assets of the Group. Management has exercised judgment in determining the significant assumptions used and has relied on information currently available in the assessment of the appropriateness of the carrying values of the Group's assets as at 31 December 2021.

Should the COVID-19 situation take a longer than expected period to recover and/or the recovery of the dayrates or utilisation rates take a longer period or to a lower level than expected, the assessment of the carrying amounts of the assets of the Group could be impacted, and material provisions may be made and additional liabilities may arise in the subsequent financial years.

(ii) Recoverability of contract asset and receivable balances in relation to offshore & marine construction contracts
Contracts with Sete Brasil ("Sete")
The Group had previously entered into contracts with Sete for the construction of six rigs for which progress payments from Sete had ceased since November 2014. In April 2016, Sete filed for bankruptcy protection and its authorised representatives had been in discussion with the Group on the eventual completion and delivery of some of the rigs. In October 2019, the Settlement Agreement as well as the winning bid proposal for Magni Partners (Bermuda) Ltd ("Magni") to purchase four Sete subsidiaries, two of which are special-purpose entities ("SPEs") for uncompleted rigs constructed by the Group, was approved by the creditors. As part of the Settlement Agreement, which is subject to fulfilment of certain conditions precedent, the Group will take over ownership of remaining four uncompleted rigs and will be able to explore various options to extract the best value from these assets.

On 12 October 2021, the Group entered into a 2nd Supplemental Agreement to the Settlement Agreement in relation to the two SPEs and together with the Supplemental Agreement signed on 31 May 2021 for the four uncompleted rigs, essentially terminated all the EPC contracts and related agreements entered into in relation to the six rigs with no penalties, refunds and/or any additional amounts being due to any party, and the parties will waive all rights to any claims. The Group had obtained full title to the four uncompleted rigs, albeit two of which are still encumbered. Sete is to procure the release of the mortgage on the two encumbered rigs placed with the ship registry. The receivables the Group has with Sete of approximately US$260,000,000 shall be recognised as an undisputed debt and be recognised as part of the debt under the Judicial Reorganisation Plan. The outstanding amount will be paid to the Group proportionally and pari passu with other creditors of Sete as part of, and out of proceeds of, its Judicial Reorganisation Plan.

Management estimated the net present value of the cashflows relating to the construction contract for two rigs with Magni. In addition, management performed an assessment to estimate the cost of discontinuance of related agreements of the EPC contracts with Sete, offset by possible options in extracting value from the uncompleted rigs and possible payout from the Judicial Reorganisation Plan.

Arising from the above assessment, the loss allowance for trade debtors of $183,000,000 (2020: $183,000,000) and the provision for related contract costs of $245,000,000 (2020: $245,000,000) made in prior years remain adequate to address the cost of discontinuance, salvage cost and unpaid progress billings relating to EPC contracts with Sete.

2. Significant accounting policies (continued)

Taking into consideration cost of completion, cost of discontinuance, salvage cost and unpaid progress billings with regards to these rigs, the total cumulative loss recognised in relation to these rig contracts amounted to $476,000,000 as at 31 December 2021 (2020: $476,000,000).

The above assessment had been made with the following key assumptions:

(i) Petrobras will continue to require the rigs for execution of its business plans and will charter them at the dayrates and tenure previously agreed with Sete;
(ii) Magni or any other potential investor will be able to secure financing to complete the purchase of the rigs with Sete and complete the construction contract with the Group at the terms previously discussed with Magni; and
(iii) The future cost of construction of the rigs are not materially different from management's current estimation.

At the date of these financial statements, the Group continues to be in active discussion with relevant stakeholders as Sete negotiates with Petrobras. Should the conclusion of the negotiation result in significant changes to the key assumptions as disclosed above, additional material provision may be required, including adjustments to the net carrying amounts (net of total cumulative losses as described above) relating to the Sete contracts amounting to $157,449,000 as at 31 December 2021 (2020: $113,645,000).

Other contracts
As at 31 December 2021, the Group had several rigs that were under construction for customers where customers had requested for deferral of delivery dates of the rigs in prior years and have higher counterparty risks, amounting to $1,707,190,000 (2020: $1,653,547,000). In the event that the customers are unable to fulfill their contractual obligations, the Group can exercise the right to retain payments received to date and retain title to the rigs.

The Group had also delivered rigs to customers where receipt of the construction revenue have been deferred under certain financing arrangements, amounting to $791,952,000 as at 31 December 2021 (2020: $848,117,000) of which $791,952,000 (2020: $772,443,000) is secured on the rigs and $nil (2020: $75,674,000) is unsecured but the Group has obtained parental guarantee from the customers.

Management has assessed each deferred construction project individually to make judgment as to whether the customers will be able to fulfil their contractual obligations and take delivery of the rigs at the revised delivery dates. Management has also performed an assessment of the expected credit loss on contract assets and trade receivables of deferred projects and of rigs delivered on financing arrangements to determine if a provision for expected loss is necessary.

Whilst there are indicators of improvement during the year, the global economic environment continues to be significantly affected by COVID-19 and the oil and gas industry, in particular, has experienced an unprecedented and very difficult period as a result of lower expected demands. Management expects the full recovery for the industry to take some time. The Group remains cognizant of these developments and have been closely monitoring the market and industry developments relating to utilisation rates, dayrates, oil price outlook and other relevant information.

For the above contract assets and secured trade receivables, in the event that the customers are unable to fulfil their contractual obligations, management has considered the most likely outcome for the rigs delivered or under construction is for the Group to take possession of the asset and charter it out to work with an operator. The value of the rig on this basis would be based on an estimation of the value-in-use ("VIU") of the rig, i.e. through estimating the net present value of cash flows from operating the rig over the useful life of the asset.

Management has engaged independent professional firms to assist in their assessment on whether the VIU of the rigs exceed the carrying values of contract assets and trade receivables as at 31 December 2021. The VIU model used by the independent firm is consistent with prior years and is based on Discounted Cash Flow ("DCF") calculations that cover each class of rig. In addition to the independent firm responsible for the valuation based on DCF calculations, management has also engaged a separate industry expert to independently provide a view of the market outlook, assumptions and parameters which are used in the valuation based on estimation of VIU. Key inputs into the estimation of the VIU include dayrates, cost assumptions, utilisation rates, discount rates and estimated commencement of deployment of the assets. The valuation of the rigs would decrease if the expected income from operating the rigs decline, or discount rates were higher, or the estimated commencement of deployment were delayed.

Management has also appointed an independent financial advisor to conduct an assessment of the recoverability of unsecured receivables from a customer and secured receivables from another customer as at 31 December 2021.

Based on the results of the assessments, the Group did not recognise any (2020: $430,842,000) expected credit loss on contract assets, but recognised an expected credit loss allowance of $75,952,000 (2020: $169,611,000) on receivables during the financial year ended 31 December 2021 as follows:

		Financing to customers		
	Contract assets $'000	**Secured $'000**	**Unsecured $'000**	**Total $'000**
As at 31 December 2021				
Gross balance	**3,393,984**	**892,407**	**141,654**	**4,428,045**
Less: Expected credit loss				
Balance, 1 January	**432,541**	**99,162**	**62,921**	**594,624**
Currency alignment	**-**	**1,293**	**2,781**	**4,074**
Impairment charged	**-**	**-**	**75,952**	**75,952**
Balance, 31 December	**432,541**	**100,455**	**141,654**	**674,650**
Net balance	**2,961,443**	**791,952**	**-**	**3,753,395**
As at 31 December 2020				
Gross balance	2,933,715	871,605	138,595	3,943,915
Less: Expected credit loss				
Balance, 1 January	21,000	-	-	21,000
Currency alignment	-	(4,634)	(2,894)	(7,528)
Impairment charged	430,842	103,796	65,815	600,453
Reclassification (Note 16)	(19,301)	-	-	(19,301)
Balance, 31 December	432,541	99,162	62,921	594,624
Net balance	2,501,174	772,443	75,674	3,349,291

The valuations of the rigs based on estimated VIU were most sensitive to discount rates and dayrates.

- A discount rate of 7.6% has been used in the valuation as at 31 December 2021 (2020: 7%). An increase of 1% of the discount rate would increase the expected credit loss by approximately S$7,000,000 for the year (2020: S$7,000,000).
- A decrease in dayrates of US$5,000 per day across the entire asset useful life of 25 years would not increase the expected credit loss (2020: $nil).

(iii) Impairment of non-financial assets

Determining whether the carrying value of a non-financial asset is impaired requires an estimation of the value in use of the cash-generating units ("CGU"s). This requires the Group to estimate the future cash flows expected from the CGUs and an appropriate discount rate in order to calculate the present value of the future cash flows. Management performed impairment tests on fixed assets (Note 7), investments in subsidiaries (Note 10), investments in associated companies and joint ventures (Note 11), and intangibles (Note 14) as at 31 December 2021.

Management has performed the impairment assessment of its investments and related exposures in KrisEnergy Limited ("KrisEnergy"). Refer to Note 11(b) for more details on the impairment assessment of Group's investments in KrisEnergy.

Management has also performed an impairment assessment of the goodwill arising from acquisition of M1 Limited. Details of the impairment testing is disclosed in Note 14.

(iv) Revenue recognition and contract cost

The Group recognises contract revenue over time for rigbuilding contracts, and shipbuilding and repair contracts by reference to the estimation of the physical proportion of the contract work completed for the contracts with reference to engineers' estimates. The Group also recognises contract revenue over time for long term engineering contracts by reference to the proportion of contract costs incurred to-date to the estimated total contract costs. The stage of completion is measured in accordance with the accounting policy stated in Note 2.20. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately. Significant assumptions are required in determining the stage of completion and significant judgment is required in the estimation of the physical proportion of the contract work completed for the contracts; and the estimation of total costs on the contracts, including contingencies that could arise from variations to original contract terms and claims. In making the assumption, the Group evaluates by relying on past experience and the work of engineers. Revenue from construction contracts is disclosed in Note 25.

2. Significant accounting policies (continued)

(v) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet.

(vi) Claims, litigations and reviews

The Group entered into various contracts with third parties in its ordinary course of business and is exposed to the risk of claims, litigations, latent defects or review from the contractual parties and/or government agencies. These can arise for various reasons, including change in scope of work, delay and disputes, defective specifications or routine checks etc. The scope, enforceability and validity of any claim, litigation or review may be highly uncertain. In making its judgment as to whether it is probable that any such claim, litigation or review will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise.

EIG Energy Fund XIV, L.P., et al. v. Keppel Offshore & Marine Ltd., (United States District Court, Southern District of New York)

In February 2018, the Group was served a summons by eight investment funds ("Plaintiffs") managed by EIG Management Company, LLC ("EIG") where a civil action was commenced by the Plaintiffs pursuant to the Racketeer Influenced and Corrupt Organizations Act ("RICO") in the United States District Court, Southern District of New York. In April 2018, the Plaintiffs added, among other things, a state law claim for aiding and abetting fraud. In May 2020, the Court dismissed the Plaintiffs' civil RICO conspiracy claim but denied the Group's motion to dismiss the Plaintiff's claim on aiding and abetting fraud under New York state law. Consequently, the Plaintiffs currently seek US$221 million plus punitive damages, interest, attorney's fees, costs and disbursements, based on the remaining claim for aiding and abetting fraud.

Following completion of factual depositions, in late September 2021, the Plaintiffs and the Group have each served a motion for summary judgment, seeking judgment on the abovementioned claim which the Plaintiffs have presently quantified at approximately US$820 million in aggregate, including US$442 million in punitive damages and US$157 million as pre-judgment interest. Each party's opening brief, opposition brief and reply brief were filed with the Court on 2 November 2021. There currently is no scheduled hearing date for the summary judgment motions.

Based on the advice obtained from an external legal counsel, the remaining claim for aiding and abetting fraud is without merit and the Group will vigorously defend itself. As at the date of these financial statements, based on advice obtained from external legal counsel, it is premature to predict or determine the eventual outcome of this remaining claim and hence, the potential amount of loss cannot currently be assessed.

Termination of Two Mid-Water Semisubmersible Drilling Rig Contracts

A subsidiary of Keppel Offshore & Marine Ltd ("KOM subsidiary") terminated two contracts with subsidiaries of a customer for the construction of two mid-water semisubmersible drilling rig for harsh environment use:

(i) In June 2020, the buyer under the first of these contracts ("First Contract") alleged a breach of contract by the KOM subsidiary and purportedly terminated the First Contract and sought recovery of the payments already made to the KOM subsidiary with interest. The allegations by the buyer were refuted and the purported termination of the contract was rejected by the KOM subsidiary. The buyer subsequently failed to pay an instalment due under the First Contract. Non-payment of any instalment by the customer is a default in accordance with the First Contract, entitling the KOM subsidiary to terminate the First Contract, retain all payments received to date (approximately US$54 million), and seek compensation for the work done to date and claim ownership of the rig. The KOM subsidiary had therefore issued a notice of termination of the First Contract to the buyer and commenced arbitration to enforce its rights under the First Contract against the buyer.

(ii) In December 2020, the KOM subsidiary issued a notice of termination of the second of these contracts ("Second Contract") and commenced arbitration to enforce its rights under the Second Contract against the buyer, which rights include the right to retain the amounts already paid by the buyer to date of approximately US$43 million and to seek reimbursement of the KOM subsidiary's costs of the project to the date of termination.

Subsequent to the issuance of this notice of termination, the KOM subsidiary has received a notice from the buyer purporting to terminate the Second Contract, alleging breaches under the Second Contract. As it had already terminated the Second Contract, the KOM subsidiary's position is that the notice of termination can have no effect. In any event, the KOM subsidiary refutes the abovementioned allegations by the buyer in the notice.

The Group is working with legal advisors to enforce its rights and will continue to evaluate the potential financial impact in consultation with its advisors. Based on currently available information, including opinion from the legal advisors, no provision was made in respect of the recovery of the payments already made to the Group by the two buyers.

Global resolution with criminal authorities in relation to corrupt payments
In 2017, KOM reached a global resolution with the criminal authorities in the United States of America, Brazil and Singapore in relation to corrupt payments made in relation to KOM's various projects with Petrobras and Sete Brasil in Brazil, which were made with knowledge or approval of former KOM executives. Fines in an aggregate amount of US$422,216,980, or equivalent to approximately S$570 million, paid/payable had been allocated between the three jurisdictions.

As part of the global resolution, KOM accepted a Conditional Warning from the Corrupt Practices Investigation Bureau ("CPIB") in Singapore, and entered into a Deferred Prosecution Agreement ("DPA") with the U.S. Department of Justice ("DOJ"), while Keppel FELS Brasil S.A., a wholly-owned subsidiary of KOM, entered into a Leniency Agreement with the Public Prosecutor's Office in Brazil, the Ministerio Publico Federal ("MPF") which became effective following the approval of the Fifth Chamber for Coordination and Review of the MPF in April 2018. In addition, Keppel Offshore & Marine USA, Inc ("KOM USA"), also a wholly-owned subsidiary of KOM, pleaded guilty to one count of conspiracy to violate the U.S. Foreign Corrupt Practices Act and entered into a Plea Agreement with the DOJ.

KOM has successfully complied with its obligations under the DPA and the DPA has accordingly concluded on 22 December 2020. KOM has also been in compliance with its obligations under the Conditional Warning issued by the CPIB and the Leniency Agreement entered into with the MPF. As part of the applicable fines payable under the global resolution, a sum of US$52,777,122.50 (less any penalties that KOM may pay to specified Brazilian authorities) was payable to CPIB within three years from the date of the Conditional Warning and has been included in accrued expenses since FY 2017. The discussions with the specified Brazilian authorities remain ongoing, and CPIB has agreed to extend this three-year period for a further 12 months to 22 December 2021 and thereafter for a further 6 months to 22 June 2022.

In June 2020, the Office of the Comptroller General of Brazil ("CGU") published a notice in the Official Gazette ("Notice") to the effect that CGU has initiated an administrative enforcement procedure ("AEP") against KOM, Prismatic Services Ltd., Keppel FELS Ltd., Keppel FELS Brasil S.A., and BrasFELS S.A., in relation to alleged irregularities under the Brazilian Anti-Corruption Statute. Neither the Notice nor any summons has been served on any of the foregoing entities to date.

The Notice does not provide any factual particulars and the Company is therefore currently unable to assess the matter or its impact, if any. The Company understands from CGU that the AEP will not affect the ongoing negotiations with the Brazil authorities, and that the AEP has been suspended pending these ongoing discussions.

Based on currently available information, including opinion from the legal advisors, no additional provision was made in relation to the ongoing discussions with the specified Brazilian authorities.

Arbitration in relation to two Floating Production Storage and Offloading Units
Two of the Company's wholly-owned subsidiaries have received a request for arbitration from the customer ("Claimant") to two engineering, procurement and construction contracts relating to Floating Production Storage and Offloading units ("EPC Contracts"). The Claimant has withheld a total of approximately US$11.3 million due to the subsidiaries and has claimed a further amount of approximately US$38.2 million on the basis that the Claimant is allegedly entitled to a price reduction and remediation costs associated with defective equipment supplied under the EPC contracts (the "Claim").

The subsidiaries, in consultation with legal advisors, deny the Claimant's alleged right to such price reductions and the defective equipment and vehemently challenge the Claimant's right to withhold payments due to the subsidiaries and its supposed right to claim such price reductions. The subsidiaries intend to vigorously defend the claim and in addition, seek remedies, including counterclaims for the sums unduly withheld by the Claimant.

Based on currently available information, including opinion from the legal advisors, no provision was made in respect of the Claim as at 31 December 2021.

(vii) Useful lives of network and related application systems
The cost of network and related application systems is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimated the useful lives of these fixed assets to be within 5 to 25 years. These are common life expectancies applied in the telecommunications industry. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amounts of the Group's network and related application systems at the end of the reporting period are disclosed in Note 7 to the financial statements.

2. Significant accounting policies (continued)

(viii) Revaluation of investment properties
The Group carries its investment properties at fair value with changes in fair value being recognised in the profit and loss account, determined annually by independent professional valuers on the highest and best use basis except for significant investment properties which are revalued on a half-yearly basis.

For the purpose of the financial statements for the year ended 31 December 2021, valuations were obtained from the valuers for the Group's investment properties, and the resultant fair value changes were recognised in the profit and loss account.

In determining the fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, price of comparable plots and properties, estimated construction costs to complete, net initial yield and discount rate. The valuation reports obtained from independent valuers for certain properties have highlighted the uncertainty of the COVID-19 outbreak and material valuation uncertainty where a higher degree of caution should be attached to the valuation than would normally be the case. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions.

In relying on the valuation reports, management has exercised its judgment to ensure that the valuation methods and estimates are reflective of current market conditions. The carrying amount of investment properties and the key assumptions used to determine the fair value of the investment properties are disclosed in Notes 8 and 35.

(ix) Estimating net realisable value of stocks
The net realisable value of stocks represent the estimated selling price for these stocks less all estimated cost of completion and costs necessary to make the sale.

As at 31 December 2021, stocks under work-in-progress amounted to $1,289,838,000 (Note 15). The assessment of the carrying value of these stocks amounting to $1,137,665,000 were performed in conjunction with the recoverability assessment of contract assets based on a VIU approach as described in Note 2.28(b)(ii).

Based on the results of the VIU assessments, the Group did not recognise further impairment on stocks under work-in-progress for the financial year ended 31 December 2021 (2020: $41,508,000 and $50,000,000 in years prior to 2020).

The valuations of these stocks under work-in-progress based on estimated VIU were most sensitive to discount rates, dayrates and delay in charter start date.

- An increase of 1% of the discount rate would result in an impairment of approximately $46,500,000 (2020: $158,000,000).
- A decrease in dayrates of US$5,000 per day across the entire asset life of 25 years would not result in an impairment (2020: $21,000,000).
- A delay in charter start date of 12 months would result in an impairment of approximately $24,200,000 (2020: $85,000,000).

For properties held for sale, the allowance for foreseeable losses is estimated taking into account the net realisable values and estimated total construction costs. The net realisable values are based on recent selling prices for the development project or comparable projects or independent valuation and the prevailing market conditions less costs to be incurred in selling the property. The estimates and assumptions used are subject to risk and uncertainty in view of the economic uncertainty brought about by the COVID-19 pandemic. The estimated total construction costs include contracted amounts plus estimated costs to be incurred taking into consideration relevant data and trend. The allowance is progressively reversed for those residential units sold above their carrying amounts.

(x) Fair value measurement of unquoted investment funds
In determining the fair value of unquoted investment funds, the Group relies on the net asset values as reported in the latest available capital account statements provided by third-party fund managers.

The fund managers measure the fair value of underlying investments of the funds based on:

(i) Last quoted bid price for all quoted investments;
(ii) Valuation technique for unquoted investments where there is no active market.

Valuation techniques used by the third-party fund managers include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, comparable company approach, discounted cash flow analyses, option pricing models, and latest round of fund raising.

The availability of observable inputs can vary from investment to investment. For certain investments classified under Level 3 of the fair value hierarchy, the valuation could be based on models or inputs that are less observable or unobservable in the market and the determination of the fair values require significant judgement. Those estimated values do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future events which could not be reasonably determined as at the balance sheet date.

These unobservable inputs that require significant judgement have been disclosed in Note 35.

3. Share capital

	Group and Company			
	Number of Ordinary Shares ("Shares")			
	Issued Share Capital		Treasury Shares	
	2021	2020	**2021**	2020
Balance at 1 January	**1,820,557,767**	1,818,394,180	**(3,051,474)**	(2,014,736)
Issue of shares under share plans	**-**	2,163,587	**-**	-
Treasury shares transferred pursuant to share plans	**-**	-	**4,668,215**	2,829,890
Treasury shares purchased	**-**	-	**(2,560,000)**	(3,866,628)
Balance at 31 December	**1,820,557,767**	1,820,557,767	**(943,259)**	(3,051,474)

	Amount ($'000)			
	Issued Share Capital		Treasury Shares	
	2021	2020	**2021**	2020
Balance at 1 January	**1,305,668**	1,291,722	**(13,690)**	(14,009)
Issue of shares under share plans	**-**	13,946	**-**	-
Treasury shares transferred pursuant to share plans	**-**	-	**22,114**	19,359
Treasury shares purchased	**-**	-	**(13,048)**	(19,040)
Balance at 31 December	**1,305,668**	1,305,668	**(4,624)**	(13,690)

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends declared by the Company.

During the financial year, the Company transferred 4,668,215 (2020: 2,829,890) treasury shares to employees under vesting of Shares released under the KCL Share Plans. The Company also purchased 2,560,000 (2020: 3,866,628) treasury shares in the Company in the open market during the financial year. The total amount paid was $13,048,000 (2020: $19,040,000). Except for the transfer, there was no other sale, disposal, cancellation and/or use of treasury shares during the financial year.

KCL Share Plans

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. The KCL Performance Share Plan 2020 ("KCL PSP 2020") and KCL Restricted Share Plan 2020 ("KCL RSP 2020") were approved by the Company's shareholders at the Annual General Meeting held on 2 June 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 share plans are administered by the Remuneration Committee whose members are:

Till Bernhard Vestring (Chairman)
Danny Teoh
Jean-François Manzoni

During the financial year, nil (2020: 25,641) Shares under the KCL Restricted Share Plan ("KCL RSP"), 2,955,417 (2020: 4,315,136) Shares under the KCL Restricted Share Plan – Deferred Shares ("KCL RSP-Deferred Shares"), 1,712,798 (2020: nil) Shares under the KCL Restricted Share Plan 2020 – Deferred Shares ("KCL RSP 2020-Deferred Shares") and nil (2020: 652,700) Shares under the KCL Performance Share Plan ("KCL PSP") were vested.

3. Share capital (continued)

Details of the KCL RSP, KCL RSP-Deferred Shares, KCL RSP 2020-Deferred Shares, KCL PSP, KCL PSP 2020, KCL PSP - Transformation Incentive Plan ("KCL PSP-TIP"), KCL PSP – M1 Transformation Incentive Plan ("KCL PSP-M1 TIP") and the KCL PSP 2020 - Transformation Incentive Plan ("KCL PSP 2020-TIP") are as follows:

	KCL RSP	KCL RSP-Deferred Shares & KCL RSP 2020-Deferred Shares	KCL PSP & KCL PSP 2020
Plan Description	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets at the end of a one-year performance period	Award of fully-paid ordinary shares of the Company	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year performance period
Performance Conditions	Return on Equity	-	(a) Absolute Total Shareholder's Return (b) Return on Capital Employed (c) Net Profit
Final Award	0% to 100% of the contingent award granted, depending on achievement of pre-determined targets	100% of the awards granted	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting Condition and Schedule	If pre-determined targets are achieved, awards will vest equally over three years subject to fulfilment of service requirements	Awards will vest equally over three years subject to fulfilment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the three-year performance period subject to fulfilment of service requirements

	KCL PSP-TIP	KCL PSP-M1 TIP	KCL PSP 2020-TIP
Plan Description	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a six-year performance period	Two separate awards of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year and six-year performance period respectively	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a five-year performance period
Performance Conditions	(a) Absolute Total Shareholder's Return (b) Corporate Scorecard Achievement comprising pre-determined stretched financial and non-financial targets for the Group (c) Individual Performance Achievement	(a) Net Profit (b) Corporate Scorecard Achievement comprising pre-determined stretched financial and non-financial targets for the Group (c) Net Promoter Score (d) Individual Performance Achievement	(a) Absolute Total Shareholder's Return (b) Corporate Scorecard Achievement comprising pre-determined stretched financial and non-financial targets for the Group (c) Individual Performance Achievement (d) Asset Monetisation and Cross-BU Revenue targets
Final Award	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting Condition and Schedule	If pre-determined targets are achieved, awards will vest at the end of the six-year performance period subject to fulfilment of service requirements. Performance conditions may be subject to re-testing at the end of the six-year performance period	If pre-determined targets are achieved, the two separate awards will vest at the end of the three-year and six-year performance period subject to fulfilment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the five-year performance period subject to fulfilment of service requirements. Performance conditions may be subject to re-testing at the end of the five-year performance period

Movements in the number of shares under the KCL RSP, KCL RSP-Deferred Shares, KCL RSP 2020-Deferred Shares, KCL PSP, KCL PSP-TIP, KCL PSP-M1 TIP, KCL PSP 2020 and the KCL PSP 2020-TIP are as follows:

	2021					
	KCL RSP 2020-Deferred Shares	KCL PSP	KCL PSP-TIP	KCL PSP-M1 TIP	KCL PSP 2020	KCL PSP 2020-TIP
Contingent awards/ Awards (KCL RSP-Deferred Shares & KCL RSP 2020-Deferred Shares)						
Balance at 1 January	-	4,300,000	6,522,171	423,500	-	-
Granted	5,096,700	-	-	-	1,490,000	11,380,000
Adjustments upon released	(7,625)	-	-	-	-	-
Released	(5,089,075)	-	-	-	-	-
Cancelled	-	(128,120)	(355,465)	-	-	(240,000)
Balance at 31 December	-	4,171,880	6,166,706	423,500	1,490,000	11,140,000

	2020			
	KCL RSP-Deferred Shares	KCL PSP	KCL PSP-TIP	KCL PSP-M1 TIP
Contingent awards / Awards (KCL RSP-Deferred Shares)				
Balance at 1 January	-	3,885,000	5,585,967	-
Granted	5,318,164	1,585,000	1,280,000	423,500
Adjustments upon released	(1,709)	(417,300)	-	-
Released	(5,316,455)	(652,700)	-	-
Cancelled	-	(100,000)	(343,796)	-
Balance at 31 December	-	4,300,000	6,522,171	423,500

	2021		2020	
	KCL RSP-Deferred Shares	KCL RSP-2020 Deferred Shares	KCL RSP	KCL RSP-Deferred Shares
Awards released but not vested:				
Balance at 1 January	4,669,070	-	26,241	3,912,564
Released	-	5,089,075	-	5,316,455
Vested	(2,955,417)	(1,712,798)	(25,641)	(4,315,136)
Cancelled	(133,989)	(144,783)	(600)	(244,813)
Other adjustments	(3,015)	-	-	-
Balance at 31 December	1,576,649	3,231,494	-	4,669,070

Executive Directors who are eligible for the KCL Share Plans are required to hold a minimum number of Shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

As at 31 December 2021, there were no awards released but not vested (2020: nil) under the KCL RSP, 1,576,649 (2020: 4,669,070) Shares under the KCL RSP-Deferred Shares that were released but not vested and 3,231,494 Shares released but not vested under the KCL RSP 2020-Deferred Shares. At the end of the financial year, the number of contingent award of Shares granted but not released was 4,171,880 (2020: 4,300,000) under the KCL PSP, 6,166,706 (2020: 6,522,171) under the KCL PSP-TIP, 423,500 (2020: 423,500) under the KCL PSP-M1 TIP, out of which 127,900 (2020: 127,900) is to be vested in three years and 295,600 (2020: 295,600) is to be vested in six years, 1,490,000 (2020: nil) under the KCL PSP 2020 and 11,140,000 (2020: nil) under the KCL PSP 2020-TIP.

Depending on the achievement of pre-determined performance targets, the actual number of Shares to be released could range from zero to a maximum of 6,257,820 under the KCL PSP, zero to a maximum of 9,250,059 under the KCL PSP-TIP, zero to a maximum of 635,250 under the KCL PSP-M1 TIP, zero to a maximum of 2,235,000 under the KCL PSP 2020, and zero to a maximum of 16,710,000 under the KCL PSP 2020-TIP.

The fair values of the contingent award of Shares under the KCL RSP-Deferred Shares, KCL RSP 2020-Deferred Shares, KCL PSP, KCL PSP-TIP, KCL PSP-M1 TIP, KCL PSP 2020 and the KCL PSP 2020-TIP are determined at the grant date using Monte Carlo simulation method which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility.

3. Share capital (continued)

On 15 February 2021, the Company granted awards of 5,096,700 Shares under the KCL RSP 2020-Deferred Shares and the estimated fair value of the Shares granted were $4.98. On 30 April 2021, the Company granted contingent awards of 1,490,000 Shares under the KCL PSP 2020 and the estimated fair value of the Shares granted was $4.18. On 30 July 2021, the Company granted contingent awards of 11,380,000 Shares under the KCL PSP 2020-TIP and the estimated fair value of the Shares granted was $1.95.

In the prior year, on 17 February 2020, the Company granted awards of 5,318,164 Shares under the KCL RSP-Deferred Shares and the estimated fair value of the Shares granted were $6.48. On 31 March 2020, the Company granted contingent awards of 1,585,000 Shares under the KCL PSP, on 28 February 2020, 1,280,000 Shares under the KCL PSP-TIP and on 17 February 2020, 423,500 Shares under the KCL PSP-M1 TIP. The estimated fair value of the Shares granted was $3.69 under the KCL PSP, $1.92 under the KCL PSP-TIP, $6.31 and $5.72 respectively under the KCL PSP-M1 TIP.

The significant inputs into the model are as follows:

	2021		
	KCL RSP 2020-Deferred Shares	**KCL PSP 2020**	**KCL PSP 2020-TIP**
Date of grant	**15.02.2021**	**30.04.2021**	**30.07.2021**
Prevailing share price at date of grant	**$5.15**	**$5.42**	**$5.49**
Expected volatility of the Company	**27.39%**	**27.18%**	**26.77%**
Expected term	**0.00 - 2.00 years**	**2.83 years**	**4.58 years**
Risk free rate	**0.30% - 0.34%**	**0.56%**	**0.77%**
Expected dividend yield	*	*	*

	2020			
	KCL RSP-Deferred Shares	**KCL PSP**	**KCL PSP-TIP**	**KCL PSP-M1 TIP**
Date of grant	17.02.2020	31.03.2020	28.02.2020	17.02.2020
Prevailing share price at date of grant	$6.72	$5.29	$6.34	$6.72
Expected volatility of the Company	23.89%	26.02%	24.07%	23.89%
Expected term	0.00 - 2.00 years	2.92 years	1.99 years	2.00 and 5.00 years
Risk free rate	1.48% - 1.50%	0.87%	1.28%	1.50% and 1.53%
Expected dividend yield	*	*	*	*

* Expected dividend yield is based on management's forecast.

The expected volatilities are based on the historical volatilities of the Company's share price over the previous 36 months immediately preceding the grant date. The expected term used in the model is based on the grant date and the end of the performance period.

4. Reserves

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Capital reserves				
Share option and share plans reserve	**198,151**	190,711	**198,151**	190,711
Fair value reserve	**(49,653)**	47,470	**24,100**	22,196
Hedging reserve	**(180,398)**	(218,544)	**(452)**	(1,911)
Bonus issue by subsidiaries	**40,000**	40,000	**-**	-
Others	**121,519**	116,094	**2,960**	(1,832)
	129,619	175,731	**224,759**	209,164
Revenue reserves	**10,365,733**	9,703,452	**8,271,057**	7,975,921
Foreign exchange translation account	**(141,256)**	(442,703)	**-**	-
	10,354,096	9,436,480	**8,495,816**	8,185,085

Movements in the Group's and the Company's reserves are set out in the Consolidated Statements of Changes in Equity. Movements in hedging reserve by risk categories are as follows:

	Foreign exchange risk $'000	Interest rate risk $'000	Price risk $'000	Total $'000
Group				
2021				
As at 1 January	**(48,621)**	**(205,610)**	**35,687**	**(218,544)**
Fair value changes arising during the year, net of tax	**(24,319)**	**85,466**	**(131,825)**	**(70,678)**
Realised and transferred to profit and loss account				
- Materials and subcontract costs	**16,021**	**-**	**(52,713)**	**(36,692)**
- Other operating income – net	**57,601**	**-**	**-**	**57,601**
- Interest expenses	**-**	**31,155**	**-**	**31,155**
- Other gains and losses	**(86)**	**22,595**	**-**	**22,509**
Share of associated companies and joint ventures' fair value changes	**1,800**	**32,451**	**-**	**34,251**
As at 31 December	**2,396**	**(33,943)**	**(148,851)**	**(180,398)**
2020				
As at 1 January	(10,425)	(89,236)	(93,203)	(192,864)
Transfer of hedging reserve from revenue reserve	(109)	-	(23,165)	(23,274)
Fair value changes arising during the year, net of tax	(50,212)	(119,894)	69,958	(100,148)
Realised and transferred to profit and loss account				
- Materials and subcontract costs	5,411	(319)	82,097	87,189
- Other operating income – net	15,319	848	-	16,167
- Interest expenses	-	26,424	-	26,424
- Exchange difference	(4,668)	-	-	(4,668)
Share of associated companies and joint ventures' fair value changes	(3,937)	(23,433)	-	(27,370)
As at 31 December	(48,621)	(205,610)	35,687	(218,544)

The changes in fair value of the hedging instruments approximate the changes in fair value of the hedged items, which resulted in minimal hedge ineffectiveness recognised in profit or loss except for additional information disclosed elsewhere in the financial statements.

5. Non-controlling interests

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	NCI percentage of ownership interest and voting interest		Carrying amount of NCI		Profit after tax allocated to NCI	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Konnectivity Pte. Ltd.	**20%**	20%	**304,313**	306,897	**6,999**	9,182
Other subsidiaries with immaterial NCI			**80,387**	120,549	**(23,039)**	(11,416)
Total			**384,700**	427,446	**(16,040)**	(2,234)

5. Non-controlling interests (continued)

Summarised financial information before inter-group elimination

	Konnectivity Pte. Ltd. 2021 $'000	2020 $'000
Non-current assets	**1,865,149**	2,396,955
Current assets	**641,450**	413,821
Non-current liabilities	**135,917**	331,564
Current liabilities	**485,153**	577,638
Net assets	**1,885,529**	1,901,574
Less: NCI	**(363,965)**	(367,088)
	1,521,564	1,534,486
Revenue	**1,096,177**	1,074,090
Profit for the year	**40,979**	51,544
Total comprehensive income	**45,841**	51,339
Net cash generated from operations	**273,921**	292,801
Net cash from/(used in) investing activities	**360,092**	(139,592)
Net cash used in financing activities	**(423,465)**	(191,737)
Total comprehensive income allocated to NCI	**7,396**	9,149
Dividends paid to NCI	**9,980**	13,110

During the financial year, the Group acquired additional interest in certain subsidiaries of the Company from its non-controlling interests. The following summarises the effect of the change in the Group's ownership interest on the equity attributable to owners of the Company:

	2021 $'000	2020 $'000
Amounts paid/payable on changes in ownership interest in subsidiaries	**(31,307)**	(660)
Non-controlling interest acquired	**19,385**	(2,334)
Total amount recognised in equity reserves	**(11,922)**	(2,994)

6. Perpetual Securities

On 16 September 2021, the Company issued subordinated perpetual securities with an aggregate principal amount of $400,000,000 and an initial distribution rate of 2.9% per annum. The distribution will be payable semi-annually in arrear unless deferred at the discretion of the Company and will be cumulative in accordance with the terms and conditions of the perpetual securities. The perpetual securities have no fixed redemption date and are redeemable in whole at the Company's option on 16 September 2024 or any subsequent semi-annual distribution payment dates thereafter, at their principal amount, together with any accrued, unpaid or deferred distributions.

Subject to the relevant terms and conditions of the perpetual securities, the Company can elect to defer distributions on these perpetual securities and is not subject to any limits as to the number of times a distribution can be deferred, unless it has:

(i) paid or declared discretionary dividends, distributions or other discretionary payment in respect of its ordinary shares; or
(ii) redeemed, cancelled, bought back or otherwise acquired ordinary shares (except in connection with any share scheme shares/options), during the six months ending on the day before the relevant distribution payment date.

If on any distribution payment date, payment of all distribution payments is not made in full, the Company shall not (i) pay or declare any dividends, distributions or other discretionary payment on its ordinary shares or (ii) redeem, reduce, cancel, buy-back or acquire ordinary shares (except in connection with any share scheme shares/options) until the Company has satisfied in full all outstanding arrears of distribution on these perpetual securities or is permitted to do so by an extraordinary resolution by the holders of the perpetual securities.

As the perpetual securities have no fixed redemption date and the payment of distributions is at the discretion of the Company, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

The Company recognised $398,120,000 of perpetual securities, net of transaction costs, after the issuance. As at 31 December 2021, the perpetual securities of $401,521,000 recognised within equity included accrued distributions for the perpetual securities.

7. Fixed assets

	Freehold Land & Buildings $'000	Buildings on Leasehold Land $'000	Vessels & Floating Docks $'000	Networks and Related Application Systems $'000	Plant, Machinery, Equipment & Others[(1)] $'000	Capital Work-in-Progress $'000	Total $'000
Group							
2021							
Cost							
At 1 January	118,113	1,913,994	526,939	724,319	2,208,740	179,257	5,671,362
Additions	1,621	6,262	144	106,519	90,816	103,423	308,785
Disposals	(1,581)	(2,787)	(2,774)	(749,377)	(21,258)	(32,157)	(809,934)
Write-off	-	(11,775)	-	-	(2,696)	(9,978)	(24,449)
Subsidiaries disposed	-	-	-	-	(208)	-	(208)
Reclassification							
- ROU asset	-	36,406	-	-	-	-	36,406
- Stocks	-	(19,642)	-	-	-	(19,999)	(39,641)
- Other fixed assets categories	(32,292)	81,434	(20,578)	(636)	26,658	(54,586)	-
- Asset held for sale (Note 37)	(69)	(142,955)	(55,340)	-	(79,558)	(4,303)	(282,225)
Exchange differences	(1,876)	22,602	6,795	-	8,866	(1,313)	35,074
At 31 December	83,916	1,883,539	455,186	80,825	2,231,360	160,344	4,895,170
Accumulated depreciation and impairment losses							
At 1 January	70,386	968,237	176,300	155,070	1,544,970	40,646	2,955,609
Depreciation charge	2,380	49,898	22,201	82,447	126,413	-	283,339
Disposals	(1,356)	(2,326)	(2,066)	(200,350)	(20,730)	-	(226,828)
Impairment	-	35,969	-	-	-	866	36,835
Write-off	-	(6,002)	-	-	(1,732)	-	(7,734)
Subsidiaries disposed	-	-	-	-	(186)	-	(186)
Reclassification							
- ROU asset	-	12,124	-	-	-	-	12,124
- Stocks	-	(10,094)	-	-	-	-	(10,094)
- Other fixed assets categories	(13,506)	21,845	(12,138)	(84)	3,883	-	-
- Asset held for sale (Note 37)	(30)	(118,729)	(16,834)	-	(71,867)	-	(207,460)
Exchange differences	(835)	5,306	3,652	-	5,917	1,151	15,191
At 31 December	57,039	956,228	171,115	37,083	1,586,668	42,663	2,850,796
Net Book Value	26,877	927,311	284,071	43,742	644,692	117,681	2,044,374

Included in freehold land & buildings are freehold land amounting to $6,264,000 (2020: $6,427,000).

Certain fixed assets with carrying amount of $116,755,000 (2020: $119,016,000) are mortgaged to banks for loan facilities (Note 23).

Interest capitalised during the financial year amounted to $nil (2020: $nil).

Each rigbuilding, shipbuilding and repair facilities in the Energy & Environment segment has been identified as individual CGUs. The recoverable amounts of these CGUs were determined using value-in-use models and valuation performed by independent professional firm. The value incorporated cash flow projections based on financial forecasts approved by management. Management had determined the forecasted cash flows based on past performance and its current expectations of market development. These cash flows were discounted at discount rates ranging from 6% to 20% (2020: 6% to 14%) per annum, depending on the location of the facilities.

In 2020, the recoverable amounts of the impaired assets amounted to a total of $146,304,000. The Group recognised an impairment loss of $19,694,000 on buildings on leasehold land in the Energy & Environment segment, which was based on the difference between the recoverable amount and the carrying value of the fixed assets.

During the year, the Group recognised an impairment loss of $35,969,000 (2020: $6,919,000) on buildings on leasehold land in the Urban Development segment, which was based on the difference between the recoverable amount and the carrying value of a fixed asset. The recoverable amount of $67,273,000 (2020: $106,960,000) was based on an independent external valuation, which was determined using value-in-use model. Cashflows used to determine the recoverable amount were discounted at a discount rate of 14.5% (2020: 14.0%) per annum.

7. Fixed assets (continued)

In 2020, the Group recognised an impairment loss of $9,555,000 on certain buildings and equipment in the Connectivity segment, due to lower recoverable amounts subsequent to sustained losses generated from these assets, as a result of weaker economic outlook which adversely affected fair values and expected returns of these assets. The recoverable amounts were assessed to be fair value less costs of disposal. The recoverable amounts of $65,543,000 was determined using a combination of cost replacement method, income capitalisation method and market comparison. The significant assumptions are capitalisation rate of 5.5% to 6.0% and price of comparable land at $35 per square metre. This is a Level 3 fair value measurement.

On 22 December 2021, the Group completed the sale of certain mobile, fixed and fibre assets (comprising passive infrastructure and network equipment) ("Network Assets") to M1 Network Private Limited ("M1NPL"), a jointly controlled entity of the Group, for a consideration of $580,000,000, an amount equivalent to the carrying amount of the Network Assets. On the same date, the Network Services Agreement ("NSA") between the Group and M1NPL became effective where M1NPL will provide the Group and its mobile virtual network operators ("MVNO") access to and use of the network capacity generated by the Network Assets for an initial period of 15 years. In addition, the Group will undertake the operations and maintenance of the Network Assets on behalf of M1NPL.

This Group had evaluated the economic and accounting implications of the agreements and concluded that:

(i) the Network Assets could be derecognised from the Group's financial statements as a sale to M1NPL in accordance with SFRS(I)1-16 *Property, Plant and Equipment* whereby M1NPL obtained control of the Network Assets as the Group's performance obligation under the agreement had been satisfied against the requirements under SFRS(I) 15 *Revenue from Contracts with Customers*; and
(ii) the NSA contract does not contain a lease in accordance with SFRS(I) 16 *Leases*. Accordingly, the NSA has been accounted for as a service contract.

	Freehold Land & Buildings $'000	Buildings on Leasehold Land $'000	Vessels & Floating Docks $'000	Networks and Related Application Systems $'000	Plant, Machinery, Equipment & Others[1] $'000	Capital Work-in-Progress $'000	Total $'000
Group							
2020							
Cost							
At 1 January	114,791	1,968,811	533,604	645,963	2,162,118	137,572	5,562,859
Additions	374	3,263	14,585	72,296	86,801	44,102	221,421
Disposals	-	(1,341)	(1,876)	(2,360)	(22,867)	(627)	(29,071)
Write-off	-	-	-	-	(3,029)	(11)	(3,040)
Subsidiaries acquired	-	-	-	-	-	-	-
Subsidiaries disposed	-	-	-	-	(621)	-	(621)
Reclassification							
- ROU asset	-	(6,281)	-	-	(142)	-	(6,423)
- Stocks	-	-	-	-	-	7,778	7,778
- Other fixed assets categories	859	10,379	(11,384)	8,420	2,352	(10,626)	-
- Asset held for sale (Note 37)	-	(58,764)	-	-	(623)	-	(59,387)
Exchange differences	2,089	(2,073)	(7,990)	-	(15,249)	1,069	(22,154)
At 31 December	118,113	1,913,994	526,939	724,319	2,208,740	179,257	5,671,362
Accumulated depreciation and impairment losses							
At 1 January	66,035	884,340	159,877	63,476	1,440,840	46,446	2,661,014
Depreciation charge:	2,869	50,002	15,582	91,823	134,710	-	294,986
Disposals	-	(1,214)	(1,876)	(226)	(20,901)	-	(24,217)
Impairment:	-	34,573	-	-	1,595	-	36,168
Write-off	-	-	-	-	(2,070)	-	(2,070)
Subsidiaries disposed	-	-	-	-	(429)	-	(429)
Reclassification							
- ROU asset	-	6,849	-	-	(42)	-	6,807
- Stocks	-	-	-	-	-	-	-
- Other fixed assets categories	(4)	456	6,592	-	(326)	(6,718)	-
- Asset held for sale (Note 37)	-	(4,701)	-	-	(526)	-	(5,227)
Exchange differences	1,486	(2,068)	(3,875)	(3)	(7,881)	918	(11,423)
At 31 December	70,386	968,237	176,300	155,070	1,544,970	40,646	2,955,609
Net Book Value	47,727	945,757	350,639	569,249	663,770	138,611	2,715,753

[1] Others comprise furniture, fittings and office equipment and cranes.

	Freehold Land & Buildings $'000	Plant, Machinery, Equipment & Others(2) $'000	Total $'000
Company			
2021			
Cost			
At 1 January	**1,233**	**18,039**	**19,272**
Additions	**-**	**6,520**	**6,520**
Disposals	**-**	**(898)**	**(898)**
At 31 December	**1,233**	**23,661**	**24,894**
Accumulated depreciation and impairment losses			
At 1 January	**1,233**	**12,275**	**13,508**
Depreciation charge	**-**	**2,956**	**2,956**
Disposals	**-**	**(32)**	**(32)**
At 31 December	**1,233**	**15,199**	**16,432**
Net Book Value	**-**	**8,462**	**8,462**
2020			
Cost			
At 1 January	1,233	17,538	18,771
Additions	-	552	552
Disposals	-	(29)	(29)
Write-off	-	(22)	(22)
At 31 December	1,233	18,039	19,272
Accumulated depreciation and impairment losses			
At 1 January	1,233	10,265	11,498
Depreciation charge	-	2,047	2,047
Disposals	-	(29)	(29)
Write-off	-	(8)	(8)
At 31 December	1,233	12,275	13,508
Net Book Value	-	5,764	5,764

(2) Others comprise furniture, fittings and office equipment.

8. Investment properties

	Group	
	2021 $'000	2020 $'000
At 1 January	**3,674,075**	3,022,091
Development expenditure	**229,581**	266,219
Fair value gain (Note 27)	**238,458**	268,430
Reclassification		
- Assets held for sale (Note 37)	**-**	(650,062)
- Stocks (Note 15)	**3,544**	714,733
Exchange differences	**110,770**	52,664
At 31 December	**4,256,428**	3,674,075

The Group revalues its investment property portfolio on an annual basis except for significant investment properties which are revalued on a half-yearly basis. The fair value of investment properties is determined by external, independent professional valuers which have appropriate recognised professional qualifications and experience in the location and category of property being valued. Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

8. Investment properties (continued)

The Group's investment properties (including integral plant and machinery) are stated at management's assessments based on the following valuations (open market value basis) by independent firms of professional valuers as at 31 December 2021:

- Cushman & Wakefield VHS Pte Ltd and Knight Frank Pte Ltd for properties in Singapore;
- Cushman & Wakefield Shenzhen Valuation Company Limited and Beijing Colliers International Real Estate Valuation Co., Ltd for properties in China;
- KJPP Willson dan Rekan (an affiliate of Knight Frank) for properties in Indonesia;
- D&P Real Estate Services Company Limited (an affiliate of Colliers) for properties in Vietnam;
- Cushman & Wakefield India Pvt Ltd for a property in India; and
- Cushman & Wakefield V.O.F. for a property in the Netherlands.

Based on valuations performed by the independent valuers, management has analysed the appropriateness of the fair value changes.

Interest capitalised within development expenditure during the financial year amounted to $42,027,000 (2020: $24,526,000).

The Group has mortgaged certain investment properties of carrying value amounting to $1,875,368,000 as at 31 December 2021 (2020: $1,815,790,000) to banks for loan facilities (Note 23).

During the year, the Group reclassified $3,544,000 (2020: $714,733,000) from properties held for sale to investment properties upon change of use of the asset from property trading to holding for capital gain and/or rental yield.

9. Right-of-use assets (leases)

Leases

The Group as lessee

Leasehold land & buildings
The Group leases several lands, offices, retail stores and shipyards for use in its operations.

Plant, machinery, equipment & others
The Group leases equipment and vehicles for office and operation use, mainly in the Energy & Environment segment.

Base station sites
The Group leases base station sites to facilitate transmission of telecommunication services.

There are no externally imposed covenants on these lease arrangements.

Right-of-use assets

	Leasehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[1] $'000	Base Station Sites $'000	Total $'000
Group				
2021				
Net Book Value				
At 1 January	553,983	5,048	23,675	582,706
Additions	70,558	2,910	2,353	75,821
Depreciation	(63,928)	(2,666)	(3,584)	(70,178)
Write-off	(271)	-	-	(271)
Remeasurement	(5,452)	(43)	-	(5,495)
Reclassification				
- Fixed assets (Note 7)	(24,282)	-	-	(24,282)
- Assets held for sale (Note 37)	(32,192)	-	-	(32,192)
- Other right-of-use assets categories	(27)	27	-	-
Exchange differences	3,567	(46)	(414)	3,107
At 31 December	501,956	5,230	22,030	529,216

	Leasehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[1] $'000	Base Station Sites $'000	Total $'000
Group				
2020				
Net Book Value				
At 1 January	735,348	9,376	15,205	759,929
Additions	12,752	1,103	14,100	27,955
Depreciation	(56,373)	(3,620)	(5,378)	(65,371)
Impairment loss	(2,879)	-	-	(2,879)
Disposal	-	(27)	-	(27)
Write-off	(570)	(1,342)	-	(1,912)
Remeasurement	22,637	-	(252)	22,385
Reclassification				
- Fixed assets (Note 7)	13,230	-	-	13,230
- Assets held for sale (Note 37)	(154,281)	-	-	(154,281)
Exchange differences	(15,881)	(442)	-	(16,323)
At 31 December	553,983	5,048	23,675	582,706

(1) Others comprise furniture, fittings, office equipment and motor vehicles.

The right-of-use asset relating to the leasehold land presented under investment properties (Note 8) is stated at fair value and has a carrying amount at balance sheet date of $4,742,000 (2020: $7,916,000).

Total cash outflow for all the leases was $99,894,000 (2020: $85,747,000), comprising repayment of principal of $68,573,000 (2020: $53,413,000) and interest payment of $31,321,000 (2020: $32,334,000).

Certain right-of-use assets with carrying amount of $10,520,000 (2020: $11,105,000) are mortgaged to banks for loan facilities (Note 23).

	Leasehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[2] $'000	Total $'000
Company			
2021			
Net Book Value			
At 1 January	**11,031**	**173**	**11,204**
Depreciation	**(3,727)**	**(72)**	**(3,799)**
Additions	**338**	**28**	**366**
Remeasurement	**7,460**	**-**	**7,460**
At 31 December	**15,102**	**129**	**15,231**
2020			
Net Book Value			
At 1 January	12,620	213	12,833
Depreciation	(3,807)	(68)	(3,875)
Additions	2,218	28	2,246
At 31 December	11,031	173	11,204

(2) Others comprise office equipment.

Total cash outflow for all the leases was $4,211,000 (2020: $4,201,000), comprising repayment of principal of $3,885,000 (2020: $3,916,000) and $326,000 interest payment (2020: $285,000).

	Group	
	2021 $'000	2020 $'000
Lease expense not capitalised in lease liabilities		
Short-term leases	**14,429**	22,582
Low-value leases	**588**	892
Variable lease payments which do not depend on an index or rate	**666**	317

As at 31 December 2021, future cash outflows to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities include variable lease payments, $609,797,000 (2020: $496,808,000) for extension options and $57,086,000 (2020: $55,678,000) for committed leases which have yet to commence.

9. Right-of-use assets (leases) (continued)

The following table details the liquidity analysis for lease liabilities of the Group and the Company based on contractual undiscounted cash flows.

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Within one year	**99,073**	96,104	**4,181**	4,127
Within one to two years	**89,339**	86,291	**4,137**	4,052
Within two to five years	**205,076**	193,279	**8,941**	4,016
After five years	**365,741**	478,179	**-**	-
Total	**759,229**	853,853	**17,259**	12,195

The Group as lessor

The Group leases out properties, pipe service corridor racks and wayleaves facilities to non-related parties under non-cancellable operating leases. At the end of the reporting period, the Group's undiscounted future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables are as follows:

	Group	
	2021 $'000	2020 $'000
Within one year	**75,639**	64,501
In the second year	**68,126**	43,041
In the third year	**54,012**	38,305
In the fourth year	**30,662**	36,316
In the fifth year	**20,886**	21,869
After the fifth year	**62,346**	59,601
Total	**311,671**	263,633

10. Subsidiaries

	Company	
	2021 $'000	2020 $'000
Quoted shares, at cost		
Market value: $5,750,000 (2020: $5,800,000)	**493**	493
Unquoted shares, at cost	**8,442,349**	8,442,614
	8,442,842	8,443,107
Provision for impairment	**(449,056)**	(480,569)
	7,993,786	7,962,538

Movements in the provision for impairment of subsidiaries are as follows:

	Company	
	2021 $'000	2020 $'000
At 1 January	**480,569**	480,569
Charge to profit and loss	**18,487**	-
Reversal	**(50,000)**	-
At 31 December	**449,056**	480,569

Impairment of $18,487,000 (2020: $nil) made during the year mainly relates to an investment holding subsidiary that holds the loan receivable from KrisEnergy Limited. Based on the expected credit loss assessment as detailed in Note 11(b), an impairment provision on the loan receivable was recognised, resulting in the estimated recoverable amount of the subsidiary to be below the Company's cost of investment. The recoverable amount of $28,000 is based on fair value less costs of disposal which was determined using the net asset value of the subsidiaries. This is a Level 3 fair value measurement.

During the year, provision of impairment amounting to $50,000,000 (2020: $nil) was written-back as a result of increase in the estimated recoverable amount of subsidiaries mainly attributable to fair value gains from investments. The recoverable amount of $194,354,000 is based on fair value less costs of disposal which was determined using the net asset value of the subsidiaries. This is a Level 3 fair value measurement.

Information relating to significant subsidiaries consolidated in the financial statements is given in Note 40.

11. Associated companies and joint ventures

	Group 2021 $'000	Group 2020 $'000
Quoted shares, at cost Market value: $2,981,536,000 (2020: $2,945,022,000)	**2,277,137**	2,703,470
Unquoted shares, at cost	**3,006,644**	2,601,982
Loan receivable from associated company	**-**	156,553
	5,283,781	5,462,005
Provision for impairment	**(144,005)**	(152,509)
	5,139,776	5,309,496
Share of reserves post acquisition	**393,681**	6,719
Carrying amount	**5,533,457**	5,316,215
Unquoted shares, at fair value through profit or loss	**142,238**	148,529
Notes issued by associated companies (net of provision for impairment)	**245,000**	280,084
Advances to associated companies and joint ventures	**129,563**	245,785
	6,050,258	5,990,613

Notes issued by an associated company of $245,000,000 are unsecured and will mature in 2040. Interest is charged at 17.5% (2020: 17.5%) per annum. During the year, an impairment of $35,084,000 was recognised for notes issued by another associated company KrisEnergy Limited (Note 11(b)).

Advances to associated companies and joint ventures are unsecured and are not repayable within the next 12 months. Interest is charged at 3.0% (2020: 1.1% to 3.0%) per annum on interest-bearing advances.

Movements in the provision for impairment of associated companies and joint ventures are as follows:

	Group 2021 $'000	Group 2020 $'000
At 1 January	**152,509**	197,392
Impairment loss	**-**	9,486
Disposal	**(674)**	(18,733)
Reclassification to Investments	**(7,830)**	(35,640)
Exchange differences	**-**	4
At 31 December	**144,005**	152,509

Impairment loss made during the prior year mainly relates to the shortfall between the carrying amount of the costs of investment and the recoverable amount of certain associated companies.

The carrying amount of the Group's material associated companies and joint ventures, all of which are equity accounted for, are as follows:

		2021 $'000	2020 $'000
Keppel REIT	(a)	**1,953,614**	1,898,249
KrisEnergy Limited	(b)	**-**	35,084
Keppel DC REIT	(c)	**470,649**	420,124
Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited	(d)	**673,007**	636,366
Floatel International Limited	(e)	**262,146**	95,668
Other associated companies and joint ventures		**2,690,842**	2,905,122
		6,050,258	5,990,613

11. Associated companies and joint ventures (continued)

The summarised financial information of the material associated companies, not adjusted for the Group's proportionate share, based on its SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

(a) Keppel REIT

	2021 $'000	2020 $'000
Current assets	**225,934**	175,433
Non-current assets	**8,261,750**	7,588,935
Total assets	**8,487,684**	7,764,368
Current liabilities	**273,276**	223,179
Non-current liabilities	**2,624,424**	2,321,056
Total liabilities	**2,897,700**	2,544,235
Net assets	**5,589,984**	5,220,133
Less: Non-controlling interests	**(723,796)**	(721,783)
	4,866,188	4,498,350
Proportion of the Group's ownership	**47%**	49%
Group's share of net assets	**2,264,724**	2,206,891
Other adjustments	**(311,110)**	(308,642)
Carrying amount of equity interest	**1,953,614**	1,898,249
Revenue	**216,606**	170,223
Profit after tax	**255,856**	279
Other comprehensive income	**23,459**	24,911
Total comprehensive income	**279,315**	25,190
Fair value of ownership interest (if listed)**	**1,943,429**	1,872,365
Dividends received	**98,865**	69,808

** Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy)

(b) KrisEnergy Limited

Investments in KrisEnergy Limited and related exposure

	2021 $'000	2020 $'000
Equity interest	**-**	-
Zero-coupon notes	**-**	35,084
Total carrying amount of investment[4]	**-**	35,084
Trade receivable for production barge[1]	**-**	-
Loan receivable under CBA loan facility	**-**	77,193
Loan receivable under the revolving credit facility ("RCF")[2]	**109,513**	-
Advances for receivership funding[3]	**5,876**	-
Contract assets[1]	**-**	29,225
Total carrying amount of other related exposures	**115,389**	106,418
Other related exposure:		
Guarantee[2]	**-**	247,340
Non-current (excluding carrying amount of investment)	**93,311**	77,193

[1] In relation to a construction contract for a production barge for KrisEnergy. The exposure was reclassified from contract assets to receivable in June 2021 as a result of the Group exercising its rights to the production barge.
[2] Guarantee was in relation to a bilateral agreement between the Group and a bank, on a revolving credit facility (RCF) granted to KrisEnergy. KrisEnergy defaulted on the repayment of the RCF on 30 June 2021, on which the Group had made payment to the bank and recorded a loan receivable (net of impairment provision) from KrisEnergy.
[3] In relation to a short term interest free bridging facility extended to KrisEnergy (in receivership) for the purpose of its working capital requirements and receivership expenses.
[4] The summarised financial information in relation to KrisEnergy is not included as the carrying amount of the investment has been written down to $nil

KrisEnergy's ordinary shares were suspended from trading from the Singapore Exchange in August 2019. Whilst the scheme of arrangement was approved by different groups of creditors progressively in early 2021, KrisEnergy announced in April 2021 that consensual restructuring was no longer viable and even if the restructuring exercise was completed, there remained material uncertainty over KrisEnergy's ability to continue as a going concern. On 13 July 2021, KrisEnergy announced that the Grand Court of Cayman Islands had granted the approval for its winding-up petition.

The Group has a comprehensive first ranking security package over the assets of the KrisEnergy group through the RCF and CBA Loan Facility. With KrisEnergy in the process of winding up, the Group has implemented detailed recovery plans which were developed in consultation with its financial advisor, Borrelli Walsh (trading as "Kroll"), and legal advisor to preserve KrisEnergy's assets and to maximise recoveries for the Group. Amongst other things, the Group has appointed Borrelli Walsh as receiver over the assets of a number of members of the KrisEnergy group under the security package.

In assessing expected credit losses, management had reviewed the cash flow projections prepared by Borrelli Walsh, based on the estimated amount of cash available from producing assets to be held over the remaining lives of the concession period of 8.5 to 12 years and expected proceeds from assets to be sold, taking into account the rights to these cash flows from the secured assets on a receivership basis. The cash flow estimates from producing assets were based on forecasted production volumes and oil prices, determined by taking reference from external information sources, ranging from US$67 to US$73 per barrel for 2022 to 2033 (December 2020: US$50 to US$62 from 2021 to 2029). The estimated recoverable amounts for assets to be sold are based on the binding bids received from external parties.

The timing of the cash flows, estimated production volumes, expected proceeds from assets to be sold and discount rates used in assessing recoverable amounts are subject to risk and uncertainty.

Based on the assessment, an additional impairment provision of $317,999,000 was recognised for the year ended 31 December 2021. Taking into account the rights to the cash flows from the secured assets on a receivership basis as at 31 December 2021, the loss comprised expected credit loss of $282,915,000 on financial guarantee in relation to the bilateral agreement with the bank, receivables for production barge and CBA loan facility and the full impairment of the Group's investment in the zero-coupon notes of $35,084,000.

In the financial year ended 31 December 2020, management had performed an assessment which had taken into consideration the terms of restructuring and with KrisEnergy continuing as a going concern, and recognised an impairment charge of $39,200,000 on the investment in zero-coupon notes.

Management had also reviewed the cash flow projections prepared by Borelli Walsh and determined that the cash flow projections are most sensitive to the timing of withheld cash (December 2020: most sensitive to oil prices).

The existing cash from one of the producing assets under the security package have been withheld as the operator of this asset is performing a study on the estimated costs to decommission the asset at the end of field life in 2031. The study is expected to be completed in the first quarter of 2022 and a further assessment of the release of withheld cash is expected to be carried out in the same year. If the release of the withheld cash were delayed by an additional year, this would lead to a decrease in estimated recoverable amount of $3,000,000 but not result in additional impairment for the financial year ended 31 December 2021.

Based on the assessment performed for the financial year ended 31 December 2020, the estimated cash available from producing assets and forecasted production from assets under development would decrease if the oil prices were to decrease by 2% across the forecasted period of 2021 to 2029, and this would result in an additional impairment of $34,400,000.

(c) Keppel DC REIT

	2021 $'000	2020 $'000
Current assets	**262,188**	304,561
Non-current assets	**3,517,962**	3,045,267
Total assets	**3,780,150**	3,349,828
Current liabilities	**220,609**	233,618
Non-current liabilities	**1,223,865**	1,133,968
Total liabilities	**1,444,474**	1,367,586
Net assets	**2,335,676**	1,982,242
Less: Non-controlling interests	**(42,429)**	(37,590)
	2,293,247	1,944,652
Proportion of the Group's ownership	**20%**	21%
Group's share of net assets	**458,649**	407,405
Other adjustments	**12,000**	12,719
Carrying amount of equity interest	**470,649**	420,124
Revenue	**271,065**	265,571
Profit after tax	**321,573**	171,728
Other comprehensive income	**11,251**	7,491
Total comprehensive income	**332,824**	179,219
Fair value of ownership interest (if listed)**	**847,490**	961,363
Dividends received	**35,928**	22,367

** Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy)

11. Associated companies and joint ventures (continued)

(d) Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited

	2021 $'000	2020 $'000
Current assets	**1,317,280**	1,173,770
Non-current assets	**539,024**	490,242
Total assets	**1,856,304**	1,664,012
Current liabilities	**384,913**	308,518
Non-current liabilities	**67,848**	26,475
Total liabilities	**452,761**	334,993
Net assets	**1,403,543**	1,329,019
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets	**701,772**	664,510
Other adjustments	**(28,765)**	(28,144)
Carrying amount of equity interest	**673,007**	636,366
Revenue	**369,357**	575,559
Profit after tax	**43,447**	147,871
Other comprehensive income	**-**	-
Total comprehensive income	**43,447**	147,871
Dividends received	**21,162**	38,471

(e) Floatel International Limited

	2021 $'000	2020 $'000
Current assets	**88,287**	109,865
Non-current assets	**878,785**	1,017,819
Total assets	**967,072**	1,127,684
Current liabilities	**52,381**	883,371
Non-current liabilities	**389,559**	366,279
Total liabilities	**441,940**	1,249,650
Net assets	**525,132**	(121,966)
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets	**262,146**	(60,885)
Carrying amount of equity interest	**262,146**	(60,885)
Loan receivable	**-**	156,553
	262,146	95,668
Revenue	**127,016**	112,384
Profit/(Loss) after tax	**322,163**	(730,863)
Other comprehensive loss	**(3)**	(19,419)
Total comprehensive income/(loss)	**322,160**	(750,282)
Dividends received	**-**	-

Investments in Floatel International Limited and related exposure

	2021 $'000	2020 $'000
Equity interest	**262,146**	-
Loan receivable	**-**	95,668
Total carrying amount	**262,146**	95,668
Other related exposure:		
Guarantee[1]	**119,386**	-

[1] In relation to a bilateral agreement between the Group and financial institutions, on the US$100 million revolving credit facility granted to Floatel.

On 24 March 2021, Floatel successfully completed its debt restructuring where Floatel retained its existing fleet of five operating vessels, substantially reduced its debt by approximately US$610 million and secured a new super senior US$100 million Revolving Credit Facility ("RCF") from financial institutions. Keppel Offshore & Marine Ltd ("KOM"), a wholly owned subsidiary of the Company, entered into participation agreements with these financiers that would require KOM to make whole for any loss the financiers suffer under this RCF.

Following the restructuring, KOM retains its equity interest of 49.92% in Floatel but forgave the loan receivable from Floatel amounting to notional amount of approximately US$244 million. The Group continues to equity account for Floatel's results and during the financial year ended 31 December 2021, the Group equity accounted for Floatel's profits amounting to $160,824,000. This comprised $269,125,000 gain from debt restructuring, $53,842,000 loss from vessel impairment and $54,459,000 losses from operations.

The significantly improved capital structure post debt restructuring has provided a runway for Floatel to recover and emerge financially stronger. Since completion of the restructuring, Floatel had also successfully won multiple charter contracts and extension option for its vessels. Accordingly, no further impairment loss was recognised on the Group's investment in Floatel for the financial year ended 31 December 2021.

(f) Other associated companies and joint ventures

Aggregate information about the Group's investments in other associated companies and joint ventures are as follows:

	2021 $'000	2020 $'000
Share of results	**108,411**	42,459
Share of other comprehensive income	**72,324**	17,903
Share of total comprehensive income	**180,735**	60,362

Information relating to significant associated companies and joint ventures, including information on principal activities, country of operation/incorporation and proportion of ownership interest, and whose results are included in the financial statements is given in Note 40.

12. Investments

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Investments at fair value through other comprehensive income ("OCI"):				
- Quoted equity units in a public infrastructure trust managed by a related company	**495,432**	495,432	**-**	-
- Quoted equity shares in oil and gas industry	**5,418**	7,819	**-**	-
- Quoted equity shares in other industries	**1,460**	1,361	**-**	-
- Unquoted equity shares in real estate industry	**70,871**	76,693	**24,100**	22,196
- Unquoted equity shares and funds in oil and gas industry	**28,134**	24,320	**-**	-
- Unquoted equity shares and funds in other industries	**27,018**	111,596	**-**	-
- Unquoted property funds managed by a related company	**100,029**	105,070	**-**	-
Total investments at fair value through OCI	**728,362**	822,291	**24,100**	22,196
Investments at fair value through profit or loss:				
- Quoted equity shares	**71,314**	66,014	**-**	-
- Unquoted equity shares and funds	**552,849**	246,848	**-**	-
- Unquoted bonds and debentures	**95,139**	94,339	**-**	-
Total investments at fair value through profit or loss	**719,302**	407,201	**-**	-
Total investments	**1,447,664**	1,229,492	**24,100**	22,196

Quoted equity units in a public infrastructure trust refers to the Group's investment in Keppel Infrastructure Trust which was reclassified from associated company to an investment carried at fair value through other comprehensive income arising from loss of significant influence in the previous financial year.

Unquoted investments at fair value through profit or loss included a bond amounting to $20,791,000 (2020: $21,887,000) bearing interest at 4% (2020: 4%) per annum which is maturing in 2027.

Unquoted investments at fair value through profit or loss included compulsorily convertible debentures amounting to $74,034,000 (2020: $72,452,000) bearing interest at rates ranging from 0.0001% to 10.0% (2020: 0.0001% to 10.0%) per annum which is maturing in 2022 and 2040 respectively.

13. Long term assets

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Derivative assets	**46,263**	48,723	**28,346**	39,288
Contract assets	**99,109**	73,458	**-**	-
Call option	**171,520**	156,643	**-**	-
Service concession receivable	**-**	353,586	**-**	-
Trade receivables	**791,952**	875,810	**-**	-
Other receivables	**238,510**	248,179	**94,161**	540
	1,347,354	1,756,399	**122,507**	39,828

Contract assets primarily relate to the Group's right to consideration for development units delivered to customers under the pay-and-stay scheme, as well as for handset and equipment delivered and accepted by customers but not yet billed at the reporting date. As at 1 January 2020, the Group's non-current contract assets amounted to $99,523,000.

The call option granted to the Group is in connection with the disposal of its 87.51% equity interest in Ocean Properties LLP (formerly known as Ocean Properties Private Limited) to Keppel REIT in 2011. The Group has an option to acquire the same shares exercisable at the price of $1 upon the expiry of 99 years from 14 December 2011 under the share purchase agreement. The call option may be exercised earlier upon the occurrence of certain specified events as stipulated in the call option deed. As at 31 December 2021, the fair value was determined by reference to the difference in valuations obtained from an independent professional valuer for the underlying investment property based on the remaining 840-year leasehold and 89-year leasehold (2020: based on the remaining 841-year leasehold and 90-year leasehold). The details of the valuation techniques and inputs used for the call option are disclosed in Note 35.

The service concession receivable relates to a service concession arrangement with a governing agency of the Government of Singapore (the grantor) to design, build, own and operate a desalination plant in Singapore, which has a capacity to produce 137,000 cubic metres of fresh drinking water per day. The plant has officially commenced operations on 29 June 2020. The Group has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period of 25 years irrespective of the output produced. At the end of the concession period, the grantor may require the plant to be handed over in a specified condition or to be demolished at reasonable costs borne by the grantor. For the financial year ended 31 December 2021, service concession receivable was reclassified as "assets classified as held for sale" (Note 37). In arriving at the carrying value of the service concession arrangement as at the end of the reporting year, effective interest rates of 4.15% (2020: 4.15%) per annum were used to discount the future expected cash flows.

Trade receivables are related to financing arrangements for delivered rigs where the Group has retained title. $377,660,000 (2020: $369,508,000) is due from one customer and bears floating interest at LIBOR plus a margin, and repayable in 2024 and 2025. The remainder is due from another customer, bears fixed interest and repayable in February 2024, December 2029 and on demand. The customer has options for early repayment. During the year, the Group recognised an expected credit loss allowance of $75,952,000 (2020: $169,611,000) on the trade receivables as detailed in Note 2.28(b)(ii). As at 1 January 2020, the Group's long term trade receivables amounted to $638,973,000.

Included in other receivables is an unsecured, interest-free advance to an investee which matures on 31 December 2024. In 2020, an allowance for expected credit loss of $21,979,000 was made after taking into account the financial condition of the investee.

Included in other receivables is a secured loan receivable under the revolving credit facility (net of impairment provision) from KrisEnergy Limited ("KrisEnergy"), an associated company under receivership, as disclosed in Note 11(b). In 2020, included in other receivables is a secured loan receivable from KrisEnergy repayable on 30 April 2024 and bears a fixed interest rate of 15.00% per annum.

Included in other receivables are claims receivable which represents claims from customer for long term contracts. During the year, the Group recognised $1,170,000 of allowance for expected credit loss on claims receivable arising from the discounting effects due to changes in the expected timing of receipt (2020: write back of allowance of $3,893,000).

The carrying amount of the long term assets approximates their fair value.

14. Intangibles

	Goodwill $'000	Development Expenditure $'000	Brand $'000	Spectrum Rights $'000	Customer Contracts and Relationships $'000	Others $'000	Total $'000
Group							
2021							
At 1 January	**1,047,558**	**16,749**	**260,601**	**124,553**	**141,652**	**17,711**	**1,608,824**
Additions	**-**	**910**	**-**	**27,504**	**-**	**4,673**	**33,087**
Amortisation	**-**	**(1,662)**	**(9,252)**	**(19,881)**	**(21,957)**	**(133)**	**(52,885)**
Reclassification	**-**	**(2,558)**	**-**	**-**	**2,558**	**-**	**-**
Exchange differences	**-**	**246**	**-**	**-**	**-**	**-**	**246**
At 31 December	**1,047,558**	**13,685**	**251,349**	**132,176**	**122,253**	**22,251**	**1,589,272**
Cost	**1,047,558**	**39,511**	**277,563**	**157,535**	**228,241**	**22,546**	**1,772,954**
Accumulated amortisation	**-**	**(25,826)**	**(26,214)**	**(25,359)**	**(105,988)**	**(295)**	**(183,682)**
	1,047,558	**13,685**	**251,349**	**132,176**	**122,253**	**22,251**	**1,589,272**
2020							
At 1 January	1,047,558	16,811	269,853	141,935	189,025	17,799	1,682,981
Additions	-	1,558	-	301	-	-	1,859
Impairment loss	-	-	-	-	(23,015)	-	(23,015)
Amortisation	-	(1,456)	(9,252)	(17,683)	(24,670)	(88)	(53,149)
Exchange differences	-	(164)	-	-	312	-	148
At 31 December	1,047,558	16,749	260,601	124,553	141,652	17,711	1,608,824
Cost	1,047,558	38,258	277,563	130,031	227,598	17,873	1,738,881
Accumulated amortisation	-	(21,509)	(16,962)	(5,478)	(85,946)	(162)	(130,057)
	1,047,558	16,749	260,601	124,553	141,652	17,711	1,608,824

Impairment testing of goodwill

For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGU"s).

Out of the total goodwill of $1,047,558,000, goodwill allocated from the acquisition of M1 Limited amounted to $988,288,000.

The recoverable amount of M1 as a CGU was determined based on its value-in-use using a discounted cash flow model based on cash flow projections by management covering a 5-year period, and cash flows beyond the 5-year period were extrapolated using a terminal growth rate of 1.48% (2020: 1.46%), premised on the estimated long term growth rate for the country where the CGU operates. Cash flows were discounted using a discount rate of 7% (2020: 7%) per annum.

The recoverable amount was estimated to be higher than the carrying value of the M1 CGU. Accordingly, no impairment of goodwill was recognised in 2021 and 2020. The calculation of value-in-use for the CGU is sensitive to the terminal growth rate and the discount rate applied. Any possible reasonable change in the terminal growth rate or discount rate used in the calculation of the value-in-use amount would not cause any impairment to goodwill.

Impairment of other intangibles

In 2020, the Group recognised an impairment loss of $23,015,000 on customer relationship in the Energy & Environment segment. In view that the subsidiary has been making losses since acquisition and the adverse global economic environment which was significantly affected by COVID-19, the recoverability of the intangible asset - customer relationship was uncertain. Accordingly, the intangible asset - customer relationship was fully impaired.

15. Stocks

		Group 2021 $'000	Group 2020 $'000
Consumable materials and supplies		**227,224**	190,370
Finished products for sale		**82,651**	99,087
Work-in-progress (net of provision)		**1,289,838**	1,072,890
Properties held for sale	(a)	**3,004,272**	3,597,080
		4,603,985	4,959,427

For work-in-progress balances, the Group determines the estimated net realisable value based on arrangements to market the work-in-progress and discounted cash flow models. The provision for stocks to write down its carrying value to its net realisable value at the end of the financial year was $177,220,000 (2020: $146,202,000). See Note 2.28(b)(ix) for further disclosures on key estimates made in estimating NRV of the Group's work-in-progress.

(a) Properties held for sale

	Group 2021 $'000	Group 2020 $'000
Properties under development		
Land cost	**1,688,380**	1,988,513
Development cost incurred to date	**526,584**	622,565
Related overhead expenditure	**210,084**	196,676
	2,425,048	2,807,754
Completed properties held for sale	**600,140**	809,313
	3,025,188	3,617,067
Provision for properties held for sale	**(20,916)**	(19,987)
	3,004,272	3,597,080

Movements in the provision for properties held for sale are as follows:

	Group 2021 $'000	Group 2020 $'000
At 1 January	**19,987**	25,217
Charge to profit and loss account	**583**	2,252
Exchange differences	**452**	(127)
Amount written off	**(106)**	(1,253)
Subsidiary disposed	**-**	(6,102)
At 31 December	**20,916**	19,987

The allowance for foreseeable losses is estimated taking into account the net realisable values and estimated total construction costs. The net realisable values are based on recent selling prices for the development project or comparable projects or independent valuation and the prevailing market conditions less costs to be incurred in selling the property. The estimated total construction costs include contracted amounts plus estimated costs to be incurred taking into consideration relevant data and trend. The allowance is progressively reversed for those residential units sold above their carrying amounts.

As at 31 December 2021, properties amounting to $220,556,000 (2020: $274,452,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings as referred to in Note 23.

During the year, the Group reclassified $3,544,000 (2020: $714,733,000) from properties held for sale to investment properties due to change of use of the assets from property trading to holding for capital gain and/or rental yield. The Group also reclassified $29,547,000 (2020: $4,221,000) from fixed asset to properties held for sale due to change of use of the assets. In the prior year, $11,999,000 from properties held for sale were reclassified to fixed asset.

Interest capitalised during the financial year amounted to $17,499,000 (2020: $19,980,000) at rates of 0.79% to 0.95% (2020: 0.80% to 2.50%) per annum for Singapore properties and 1.50% to 7.00% (2020: 3.00% to 7.00%) per annum for overseas properties.

16. Contract assets/liabilities

	Group		
	31 December		1 January
	2021 $'000	2020 $'000	2020 $'000
Contract assets	**3,169,694**	2,657,231	3,497,476
Contract liabilities	**1,002,024**	2,072,303	1,824,965

In 2020, contract assets amounting to $447,337,000 (net of the expected credit loss allowance of $19,301,000) were reclassified to stocks – work-in-progress.

Contract assets relating to certain rig-building contracts where the scheduled dates of the rigs have been deferred and have higher counter-party risks amounted to $1,707,190,000 (2020: $1,653,547,000). See Note 2.28(b)(ii) – Other contracts for further disclosures on key estimates used in estimating the expected credit loss on these contract assets.

Contract liabilities included proceeds received from sale of properties of $535,334,000 (2020: $971,638,000). Remaining contract liabilities of $466,690,000 (2020: $1,100,665,000) are recorded when receipts from customers exceed the value of work transferred where the customer is invoiced on a milestone payment schedule.

Revenue recognised during the financial year ended 31 December 2021 in relation to contract liability balance at 1 January 2021 was $1,358,302,000 (2020: $816,736,000).

The aggregate amount of the transaction price allocated to the remaining performance obligation is $6,047,351,000 (2020: $5,490,832,000) and the Group expects to recognise this revenue over the next 1 to 4 years (2020: 1 to 4 years).

Movements in the allowance for expected credit loss for contract assets are as follows:

	Group		
	31 December		1 January
	2021 $'000	2020 $'000	2020 $'000
At 1 January	**432,541**	21,000	21,000
Charge to profit and loss account (Note 27)	**23,225**	430,842	-
Amount utilised	**(23,225)**	-	-
Reclassified to stocks - work-in-progress (Note 15)	**-**	(19,301)	-
At 31 December	**432,541**	432,541	21,000

17. Amounts due from/to

	Company	
	2021 $'000	2020 $'000
Subsidiaries		
Amounts due from		
- trade	**104,390**	112,547
- advances	**9,893,770**	9,698,763
	9,998,160	9,811,310
Allowance for expected credit loss	**(145,251)**	(6,600)
	9,852,909	9,804,710
Amounts due to		
- trade	**9,820**	4,138
- advances	**165,982**	197,821
	175,802	201,959
Movements in the allowance for expected credit loss are as follows:		
At 1 January	**6,600**	6,600
Charge to profit and loss account	**138,651**	-
At 31 December	**145,251**	6,600

Advances to and from subsidiaries are unsecured and are repayable on demand. Interest is charged at rates up to 4.00% (2020: up to 4.00%) per annum on interest-bearing advances.

17. Amounts due from/to (continued)

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Associated Companies and Joint Ventures				
Amounts due from				
- trade	169,612	160,987	32	152
- advances	453,932	349,170	22,078	-
	623,544	510,157	22,110	152
Allowance for expected credit loss	(31,800)	(16,888)	-	-
	591,744	493,269	22,110	152
Amounts due to				
- trade	44,017	49,213	882	-
- advances	242,068	286,695	-	-
	286,085	335,908	882	-
Movements in the allowance for expected credit loss are as follows:				
At 1 January	16,888	16,480	-	-
Charge to profit and loss account	14,912	408	-	-
At 31 December	31,800	16,888	-	-

Advances to and from associated companies and joint ventures are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.05% to 13.00% (2020: 0.09% to 15.00%) per annum on interest-bearing advances.

As at 1 January 2020, the Group's amount due from associated companies and joint ventures relating to trade amounted to $140,502,000.

18. Debtors

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Trade debtors	1,218,664	1,806,269	26	7
Allowance for expected credit loss	(233,267)	(241,871)	-	-
	985,397	1,564,398	26	7
Service concession receivable	-	8,780	-	-
Sundry debtors	348,227	277,912	726	1,044
Prepayments	129,802	159,834	87	85
Tax recoverable	7,755	5,029	-	-
Value Added Tax receivable	103,382	174,904	32	370
Interest receivable	25,973	17,043	-	21
Deposits paid	251,307	23,995	382	374
Recoverable accounts	62,337	39,142	5,637	8,166
Accrued receivables	361,846	225,951	3,073	2,206
Advances to subcontractors	19,340	48,037	8	-
Advances to non-controlling shareholders of subsidiaries	4,375	3,524	-	-
	1,314,344	984,151	9,945	12,266
Allowance for expected credit loss	(131,129)	(17,474)	-	-
	1,183,215	966,677	9,945	12,266
Total	2,168,612	2,531,075	9,971	12,273
Movements in the allowance for expected credit loss are as follows:				
At 1 January	259,345	277,534	-	-
Charge to profit and loss account	113,379	29,989	-	-
Amount written off	(15,966)	(43,707)	-	-
Subsidiaries disposed	-	(257)	-	-
Exchange differences	7,638	(4,034)	-	-
Reclassified to assets held for sale	-	(180)	-	-
Total	364,396	259,345	-	-

As at 1 January 2020, the Group's net trade debtors amounted to $1,685,857,000.

19. Short term investments

	Group 2021 $'000	Group 2020 $'000
Total investments at fair value through other comprehensive income:		
Quoted equity shares	**26,834**	35,802
Investments at fair value through profit or loss:		
Quoted equity shares	**269**	78,492
Unquoted debt instrument	**-**	20,340
Total investments at fair value through profit or loss	**269**	98,832
Total short term investments	**27,103**	134,634

Investments at fair value through other comprehensive income are mainly in the oil and gas industry listed in Singapore.

20. Bank balances, deposits and cash

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Bank balances and cash	**1,976,981**	1,211,166	**810**	574
Fixed deposits with banks	**1,348,400**	933,606	**-**	-
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and other liabilities	**72,991**	71,242	**-**	-
Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	**218,261**	263,701	**-**	-
	3,616,633	2,479,715	**810**	574

Fixed deposits with banks of the Group mature on varying periods, substantially between 3 days to 6 months (2020: 1 day to 6 months). This comprises Singapore Dollars fixed deposits of $268,451,000 (2020: $148,389,000) at interest rates substantially ranging from 0.05% to 0.25% (2020: 0.05% to 0.19%) per annum, and foreign currency fixed deposits of $1,079,949,000 (2020: $785,217,000) at interest rates substantially ranging from 0.10% to 5.40% (2020: 0.01% to 6.80%) per annum.

The bank balances at 31 December 2021 include an amount of $nil (2020: $107,000) pledged to a bank in relation to certain banking arrangement.

Cash and cash equivalents of $1,013,296,000 (2020: $763,958,000) held in the People's Republic of China are subject to local exchange control regulations. These regulations place restriction on the amount of currency being exported other than through dividends and capital repatriation upon liquidations.

21. Creditors and other non-current liabilities

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Trade creditors	**763,233**	746,994	**1,643**	1,433
Customers' advances and deposits	**85,277**	130,551	**-**	-
Sundry creditors	**924,520**	975,910	**5,186**	3,562
Accrued expenses	**2,947,496**	2,356,154	**57,514**	31,620
Advances from non-controlling shareholders	**144,971**	149,593	**-**	-
Retention monies	**187,078**	199,245	**-**	-
Interest payables	**46,213**	45,230	**28,180**	27,193
	5,098,788	4,603,677	**92,523**	63,808
Other non-current liabilities:				
Accrued expenses	**129,986**	94,164	**32,187**	24,114
Derivative liabilities	**98,422**	224,662	**70,777**	128,336
	228,408	318,826	**102,964**	152,450

Advances from non-controlling shareholders of certain subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.50% to 3.62% (2020: 1.80% to 4.94%) per annum on interest-bearing advances.

The carrying amount of the non-current liabilities approximates their fair value.

22. Provisions for warranties

	Group 2021 $'000	Group 2020 $'000
At 1 January	**39,449**	36,448
(Write-back)/Charge to profit and loss account	**(9,866)**	2,352
Amount utilised	**(252)**	(13)
Exchange differences	**(399)**	662
At 31 December	**28,932**	39,449

23. Term loans

		2021 Due within one year $'000	2021 Due after one year $'000	2020 Due within one year $'000	2020 Due after one year $'000
Group					
Keppel Corporation Medium Term Notes	(a)	**700,000**	**2,053,710**	-	2,653,932
Keppel Land Medium Term Notes	(b)	**199,978**	**709,403**	-	629,617
Keppel Telecommunications & Transportation Medium Term Notes	(c)	**-**	**100,000**	-	100,000
Keppel Corporation Commercial Paper	(d)	**128,000**	**-**	-	-
Bank loans					
- secured	(e)	**8,852**	**717,559**	110,485	596,215
- unsecured	(f)	**3,622,478**	**3,215,240**	4,322,117	3,626,830
		4,659,308	**6,795,912**	4,432,602	7,606,594
Company					
Keppel Corporation Medium Term Notes	(a)	**700,000**	**2,053,710**	-	2,653,932
Keppel Corporation Commercial Paper	(d)	**128,000**	**-**	-	-
Unsecured bank loans	(f)	**2,498,730**	**2,059,985**	3,406,552	1,875,085
		3,326,730	**4,113,695**	3,406,552	4,529,017

(a) At the end of the financial year, notes issued under the US$5,000,000,000 Multi-Currency Medium Term Note Programme by the Company amounted to $2,753,710,000 (2020: $2,653,932,000). The notes denominated in Singapore Dollars, US Dollars and Japanese Yen, are unsecured and comprised fixed rate notes due from 2022 to 2042 (2020: from 2022 to 2042) with interest rates ranging from 0.88% to 4.00% (2020: 0.88% to 4.00%) per annum.

(b) At the end of the financial year, notes issued under the US$3,000,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited and its wholly-owned subsidiary, Keppel Land Financial Services Pte. Ltd. amounted to $579,518,000 (2020: $329,767,000). The notes denominated in Singapore Dollars, are unsecured and comprised fixed rate notes due from 2023 to 2026 (2020: 2023), with interest rates ranging from 2.00% to 2.84% (2020: 2.68% to 2.84%) per annum.

At the end of the financial year, notes issued under the US$800,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited amounted to $329,863,000 (2020: $299,850,000). The notes denominated in Singapore Dollars, are unsecured and comprised fixed rate notes due from 2022 to 2024 (2020: 2022 to 2024) with interest rates ranging from 3.80% to 3.90% (2020: 3.80% to 3.90%) per annum.

(c) At the end of the financial year, notes issued under the $500,000,000 Multi-Currency Medium Term Note Programme by Keppel Telecommunications & Transportation Ltd, amounted to $100,000,000 (2020: $100,000,000). The fixed rate notes, due in 2024, are unsecured and carried an interest rate of 2.85% per annum from September 2017 to September 2022 and 3.85% per annum from September 2022 to September 2024 (2020: 2.85% per annum from September 2017 to September 2022 and 3.85% per annum from September 2022 to September 2024).

(d) At the end of the financial year, commercial papers issued under the US$1,000,000,000 Multi-Currency Euro Commercial Paper Programme by the Company amounted to $128,000,000 (2020: $nil). The commercial papers, which are denominated in Singapore Dollars, are unsecured and comprised fixed rate commercial papers due in 2022 (2020: n.a.) with interest rates ranging from 0.58% to 0.64% (2020: n.a.) per annum.

(e) The secured bank loans consist of:

- A term loan of $50,000,000 drawn down by a subsidiary. The term loan is repayable in 2023 and is secured on certain assets of the subsidiary. Interest is based on money market rates range of 0.90% to 2.28% per annum.

- A term loan of $42,732,000 drawn down by a subsidiary. The term loan is repayable in 2032 and is secured on certain assets of the subsidiary. Interest is based on money market rates range of 2.38% to 4.43% per annum.

- A term loan of $40,448,000 drawn down by a subsidiary. The term loan is repayable in 2033 and is secured on certain assets of the subsidiary. Interest is based on money market rates range of 2.38% to 4.43% per annum.

- A term loan of $370,536,000 drawn down by a subsidiary. The term loan is repayable in 2035 and is secured on certain assets of the subsidiary. Interest is based on money market rates of 4.31% per annum.

- Other secured bank loans totalling $222,695,000 (2020: $294,745,000) comprised $92,264,000 (2020: $84,088,000) of loans denominated in Singapore Dollars and $130,431,000 (2020: $210,657,000) of foreign currency loans. They are repayable within one to six (2020: one to seven) years and are secured on investment properties and certain fixed and other assets of the subsidiaries. Interest on foreign currency loans is based on money market rates ranging from 3.90% to 13.25% (2020: 0.70% to 13.25%) per annum.

(f) The unsecured bank loans of the Group totalling $6,837,718,000 (2020: $7,948,947,000) comprised $2,768,820,000 (2020: $4,972,916,000) of loans denominated in Singapore Dollars and $4,068,898,000 (2020: $2,976,031,000) of foreign currency loans. They are repayable within one to ten (2020: one to eleven) years. Interest on loans denominated in Singapore Dollars is based on money market rates ranging from 0.67% to 3.05% (2020: 0.58% to 3.08%) per annum. Interest on foreign currency loans is based on money market rates ranging from 0.06% to 10.95% (2020: 0.50% to 8.58%) per annum.

The unsecured bank loans of the Company totalling $4,558,715,000 (2020: $5,281,637,000) comprised $1,280,000,000 (2020: $3,142,000,000) of loans denominated in Singapore Dollars and $3,278,715,000 (2020: $2,139,637,000) of foreign currency loans. They are repayable within one to four years (2020: one to five years). Interest on loans denominated in Singapore Dollars is based on money market rates ranging from 0.71% to 1.28% (2020: 0.58% to 3.08%) per annum. Interest on foreign currency loans is based on money market rates ranging from 0.06% to 1.46% (2020: 0.50% to 3.24%) per annum.

The Group has mortgaged certain properties and assets of up to an aggregate amount of $2,223,200,000 (2020: $2,220,363,000) to banks for loan facilities.

The fair values of term loans for the Group and Company are $11,304,660,000 (2020: $12,014,024,000) and $7,312,908,000 (2020: $7,845,496,000) respectively. These fair values, under Level 2 of the fair value hierarchy, are computed on the discounted cash flow method using discount rates based upon the borrowing rates which the Group expect would be available as at the balance sheet date.

Loans due after one year are estimated to be repayable as follows:

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Years after year-end:				
After one but within two years	**1,652,688**	2,036,433	**889,922**	1,000,000
After two but within five years	**3,929,770**	4,038,732	**2,476,893**	2,379,017
After five years	**1,213,454**	1,531,429	**746,880**	1,150,000
	6,795,912	7,606,594	**4,113,695**	4,529,017

24. Deferred taxation

	Group 2021 $'000	Group 2020 $'000
Deferred tax liabilities	**426,891**	443,547
Deferred tax assets	**(212,679)**	(159,427)
Net deferred tax liabilities	**214,212**	284,120

Net deferred tax liabilities are determined by offsetting deferred tax assets against deferred tax liabilities of the same entities arising from same tax jurisdiction. Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has unrecognised deferred tax liabilities of $52,622,000 (2020: $61,237,000) for taxes that would be payable on the undistributed earnings of certain subsidiaries and associated companies as these earnings would not be distributed in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences.

The Group has unutilised tax losses and capital allowances of $1,035,843,000 (2020: $893,023,000) for which no deferred tax benefit is recognised in the balance sheet. These tax losses and capital allowances can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. Tax losses amounting to $276,311,000 (2020: $214,920,000) can be carried forward for a period of one to ten years subsequent to the year of the loss, while the remaining tax losses have no expiry date.

Movements in deferred tax liabilities and assets are as follows:

	At 1 January $'000	Charged/ (credited) to profit or loss $'000	Charged/ (credited) to other comprehensive income $'000	Subsidiaries disposed $'000	Reclassification $'000	Exchange differences $'000	At 31 December $'000
Group							
2021							
Deferred Tax Liabilities							
Accelerated tax depreciation	**301,431**	**(101,324)**	**-**	**-**	**-**	**2,399**	**202,506**
Investment properties valuation	**116,697**	**46,223**	**-**	**-**	**-**	**7,237**	**170,157**
Offshore income & others	**82,773**	**5,132**	**(108)**	**(4,224)**	**-**	**3,669**	**87,242**
Total	**500,901**	**(49,969)**	**(108)**	**(4,224)**	**-**	**13,305**	**459,905**
Deferred Tax Assets							
Other provisions	**(113,103)**	**(3,099)**	**-**	**-**	**-**	**(1,323)**	**(117,525)**
Unutilised tax benefits	**(84,213)**	**(20,523)**	**-**	**-**	**-**	**(5,854)**	**(110,590)**
Lease liabilities	**(19,465)**	**1,785**	**-**	**-**	**-**	**102**	**(17,578)**
Total	**(216,781)**	**(21,837)**	**-**	**-**	**-**	**(7,075)**	**(245,693)**
Net Deferred Tax Liabilities	**284,120**	**(71,806)**	**(108)**	**(4,224)**	**-**	**6,230**	**214,212**
2020							
Deferred Tax Liabilities							
Accelerated tax depreciation	295,789	9,906	-	-	(4,197)	(67)	301,431
Investment properties valuation	75,175	38,354	-	-	(148)	3,316	116,697
Offshore income & others	79,430	2,377	73	-	-	893	82,773
Total	450,394	50,637	73	-	(4,345)	4,142	500,901
Deferred Tax Assets							
Other provisions	(18,043)	(94,206)	(212)	-	-	(642)	(113,103)
Unutilised tax benefits	(88,146)	8,972	-	-	(4,701)	(338)	(84,213)
Lease liabilities	(21,631)	(51)	-	-	-	2,217	(19,465)
Total	(127,820)	(85,285)	(212)	-	(4,701)	1,237	(216,781)
Net Deferred Tax Liabilities	322,574	(34,648)	(139)	-	(9,046)	5,379	284,120

25. Revenue

	Group 2021 $'000	Group 2020 $'000
Revenue from contracts with customers		
Revenue from construction contracts	2,269,719	1,705,056
Sale of property	1,538,477	1,176,590
Sale of goods	462,576	396,346
Sale of electricity, utilities and gases	3,050,539	1,912,901
Revenue from telecommunication services	702,263	714,894
Revenue from other services rendered	526,223	575,234
	8,549,797	6,481,021
Other sources of revenue		
Rental income from investment properties	74,916	93,321
	8,624,713	6,574,342

26. Staff costs

	Group 2021 $'000	Group 2020 $'000
Wages and salaries	910,764	893,717
Employer's contribution to Central Provident Fund	81,021	77,722
Share plans granted to Director and employees	37,369	39,882
Other staff benefits	86,496	108,807
	1,115,650	1,120,128

27. Operating profit

Operating profit is arrived at after charging/(crediting) the following:

	Group 2021 $'000	Group 2020 $'000
Included in materials and subcontract costs:		
Fair value (gain)/loss on		
- forward foreign exchange contracts	595	(3,430)
Cost of stocks & contract assets	1,390,762	1,051,028
Direct operating expenses		
- investment properties that generated rental income	32,507	36,473
Included in staff costs:		
Key management's emoluments		
(including executive directors' remuneration)		
- short-term employee benefits	11,928	9,728
- post-employment benefits	110	92
- share plans granted	10,872	10,203
Included in expected credit loss on debtors & receivables, contract assets and financial guarantee:		
Expected credit loss on debtors and receivables (Note 13 & 18)	194,356	219,668
Bad debts written-off	831	572
Expected credit loss on contract assets (Note 16)	23,225	430,842
Expected credit loss on financial guarantee	146,024	-

27. Operating profit (continued)

	Group 2021 $'000	Group 2020 $'000
Included in other operating income - net:		
Government grant income	**(40,718)**	(155,284)
Impairment of associated companies (Note 11)	**35,082**	48,686
Impairment/write-off of fixed and intangible assets	**53,550**	62,075
Provision for stocks	**34,905**	50,502
Fair value gain on investment properties* (Note 8)	**(238,458)**	(265,230)
Fair value (gain)/loss on		
- investments	**(315,540)**	61,023
- forward foreign exchange contracts	**(1,129)**	(11,578)
Gain on differences in foreign exchange	**(6,532)**	(29,806)
(Profit)/Loss on sale of fixed assets	**(9,550)**	1,667
Profit on sale of investments	**(9,833)**	-
Gain on disposal of subsidiaries	**(241,054)**	(63,995)
Gain on disposal of associated companies and joint ventures	**(208,635)**	(34,419)
Gain from sale of units in associated companies	**-**	(48,010)
(Gain)/Loss from change in interest in associated companies	**(8,516)**	1,615
Fair value gain on remeasurement of remaining interest in a joint venture/an associated company	**(69,469)**	(26,034)
Gain from reclassification of associated companies to investments carried at fair value through other comprehensive income	**-**	(124,769)
Fees and other remuneration to Directors of the Company	**2,374**	2,323
Auditors' remuneration		
- auditors of the Company	**3,414**	3,545
- other auditors of subsidiaries	**2,088**	2,099
Non-audit fees paid to		
- auditors of the Company	**1,932**	1,730
- other auditors of subsidiaries	**209**	178

Government grant income of $17,202,000 (2020: $105,327,000) was recognised during the financial year under the Jobs Support Scheme ("JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

Gain on disposal of associated companies and joint ventures was mainly attributable to the divestment of Dong Nai Waterfront City LLC, Nanjing Jinsheng Real Estate Development Co., Ltd., Wuhu Sanshan Port Co., Ltd., and gain from divestment of interest in Keppel Logistics (Foshan) following agreement reached with local authorities on Lanshi port closure compensation. Dong Nai Waterfront City LLC was disposed to an associated company of the Group. In the prior year, gain on disposal of associated companies and joint ventures was mainly attributable to the sale of interest in Business Online Public Company Limited and Taicang Xuchang Property Co., Ltd.

The fair value gain on remeasurement of remaining interest in a joint venture arose from the partial disposal with loss of control over the Group's former wholly-owned subsidiary, Tianjin Fushi Property Development Co., Ltd. In the prior year, the fair value gain on remeasurement of remaining interest in an associated company arose from the partial disposal with loss of control over the Group's former wholly-owned subsidiary, Chengdu Hilltop Development Co Ltd.

* In 2020, the effect of rental guarantee of $3,200,000 to be provided to Keppel REIT, an associated company, as part of the sale consideration for Keppel Bay Tower Pte. Ltd was included in the fair value gain on Keppel Bay Tower.

28. Investment income, interest income and interest expenses

	Group 2021 $'000	Group 2020 $'000
Investment income from:		
Shares - quoted	37,766	20,763
Shares / funds - unquoted	73,186	8,583
	110,952	29,346
Interest income from:		
Bonds, debentures, deposits and others	42,304	81,112
Associated companies and joint ventures	53,688	66,745
Service concession arrangement	14,382	14,196
	110,374	162,053
Interest expenses on notes, loans and overdrafts	(221,090)	(260,126)
Interest expenses on lease liabilities	(31,501)	(31,964)
Fair value gain/(loss) on interest rate caps and swaps	1,570	(176)
	(251,021)	(292,266)

29. Taxation

(a) Income tax expense

	Group 2021 $'000	Group 2020 $'000
Tax expense comprised:		
Current tax	307,720	181,889
Adjustment for prior year's tax	(34,238)	(14,168)
Others	16,854	14,779
	290,336	182,500
Deferred tax (Note 24):		
Current deferred tax	(70,595)	(57,355)
Adjustment for prior year's tax	(1,211)	22,707
	(71,806)	(34,648)
Land appreciation tax:		
Current year	106,454	105,555
	324,984	253,407

The income tax expense on the results of the Group differ from the amount of income tax expense determined by applying the Singapore standard rate of income tax to profit before tax due to the following:

	Group 2021 $'000	Group 2020 $'000
Profit/(Loss) before tax	1,334,996	(254,687)
Share of (profit)/loss of associated companies and joint ventures, net of tax	(466,900)	162,221
Profit/(Loss) before tax and share of profit of associated companies and joint ventures	868,096	(92,466)
Tax calculated at tax rate of 17% (2020: 17%)	147,576	(15,719)
Income not subject to tax	(155,990)	(102,858)
Expenses not deductible for tax purposes	217,497	216,061
Unrecognised tax benefits	26,387	37,444
Effect of different tax rates in other countries	45,128	30,774
Adjustment for prior year's tax	(35,449)	8,539
Land appreciation tax	106,454	105,555
Effect of tax reduction on land appreciation tax	(26,619)	(26,389)
	324,984	253,407

29. Taxation (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
At 1 January	358,802	248,425	29,155	31,523
Exchange differences	14,632	3,528	-	-
Tax expense	307,720	181,889	8,474	5,744
Adjustment for prior year's tax	(34,238)	(14,168)	(5,300)	(13,900)
Land appreciation tax	106,454	105,555	-	-
Net income taxes paid	(259,964)	(177,284)	7,290	5,788
Subsidiaries disposed	(2,182)	-	-	-
Reclassification				
- tax recoverable and others	14,328	19,803	32	-
- deferred tax	-	(4,701)	-	-
- liabilities directly associated with assets classified as held for sale	(73)	(4,245)	-	-
At 31 December	505,479	358,802	39,651	29,155

30. Earnings per ordinary share

	Group			
	2021 $'000		2020 $'000	
	Basic	Diluted	Basic	Diluted
Net profit/(loss) attributable to shareholders of the company	1,022,651	1,022,651	(505,860)	(505,860)
	Number of Shares '000		Number of Shares '000	
Weighted average number of ordinary shares (excluding treasury shares)	1,820,424	1,820,424	1,818,398	1,818,398
Adjustment for dilutive potential ordinary shares	-	10,447	-	9,267
Weighted average number of ordinary shares used to compute earnings per share (excluding treasury shares)	1,820,424	1,830,871	1,818,398	1,827,665
Earnings per ordinary share	56.2 cts	55.9 cts	(27.8) cts	(27.7) cts

31. Dividends

A final cash dividend of 21.0 cents per share tax exempt one-tier (2020: final cash dividend of 7.0 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2021 has been proposed for approval by shareholders at the next annual general meeting to be convened.

Together with the interim cash dividend of 12.0 cents per share tax exempt one-tier (2020: interim cash dividend of 3.0 cents per share tax exempt one-tier), total distributions paid and proposed in respect of the financial year ended 31 December 2021 will be 33.0 cents per share (2020: 10.0 cents per share).

During the financial year, the following distributions were made:

	$'000
A final cash dividend of 7.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the previous financial year	127,402
An interim cash dividend of 12.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the current financial year	218,350
	345,752

In the prior year, total distributions of $273,078,000 were made.

32. Commitments

(a) Capital commitments

	Group	
	2021 $'000	2020 $'000
Capital expenditure/commitments not provided for in the financial statements:		
In respect of contracts placed:		
- for purchase and construction of investment properties	**484,512**	179,635
- for purchase of fixed assets	**252,960**	6,426
- for purchase/subscription of shares	**548,066**	165,437
- for commitments to associated companies and joint ventures	**955,074**	1,011,055
- for commitments to private funds	**60,553**	77,939
Amounts approved by Directors in addition to contracts placed:		
- for purchase and construction of investment properties	**717,065**	931,732
- for purchase of fixed assets	**261,849**	265,833
- for purchase/subscription of shares mainly in property development companies	**32,015**	58,450
	3,312,094	2,696,507
Less: Non-controlling shareholders' share	**(118,362)**	(36,962)
	3,193,732	2,659,545

There was no significant future capital expenditure/commitment for the Company.

(b) Lessee's lease commitments

The Group has adopted SFRS(I) 16 *Leases* on 1 January 2019. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised on balance sheet. The right-of-use assets and lease liabilities are disclosed in Note 9.

33. Contingent liabilities and guarantees

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Guarantees in respect of banks and other loans granted to subsidiaries, associated companies and joint ventures	**561,896**	730,002	**655,005**	823,419
Bank guarantees	**348,074**	299,082	**-**	-
Share of lease rental guarantees granted by associated companies and joint ventures	**147,775**	172,518	**-**	-
	1,057,745	1,201,602	**655,005**	823,419

See Note 2.28(b)(vi) for further disclosures relating to the Group's claims and litigations.

Included in the above guarantees is a bilateral agreement between the Group and financial institutions which guaranteed a revolving credit facility granted to Floatel International Limited, an associated company, amounting to $119,386,000 (2020: $nil). The guarantee is secured on the assets of Floatel International Limited. See further details in Note 11(e).

In the prior year, the above guarantees included a bilateral agreement between the Group and a bank which guaranteed a bank loan granted to KrisEnergy Limited, an associated company, amounting to $247,340,000. The guarantee was secured on the assets of KrisEnergy Limited.

The financial effects of SFRS(I) 9 relating to financial guarantee contracts issued by the Company are not material to the financial statements of the Company and therefore are not recognised.

34. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group has significant related party transactions as follows:

	Group	
	2021 $'000	2020 $'000
Sales of goods, services and/or fixed assets to		
- associated companies	138,885	151,134
- joint ventures	592,784	36,574
- other related parties	143,829	77,721
	875,498	265,429
Purchase of goods and/or services from		
- associated companies	266,007	248,820
- joint ventures	14,331	6,527
- other related parties	177,859	130,038
	458,197	385,385
Treasury transactions with		
- associated companies	1,401	15,074
- joint ventures	7,349	7,294
	8,750	22,368

35. Financial risk management

The Group operates internationally and is exposed to a variety of financial risks, comprising market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Financial risk management is carried out by the Keppel Group Treasury Department in accordance with established policies and guidelines. These policies and guidelines are established by the Group Central Finance Committee and are updated to take into account changes in the operating environment. This committee is chaired by the Chief Financial Officer of the Company and includes Chief Financial Officers of the Group's key operating companies and Head Office specialists.

(a) Market Risk

(i) Derivative financial instruments

	Group			
		Fair Value		
	Contract notional amount $'000	Asset $'000	Liability $'000	Notional amount directly impacted by IBOR reform $'000
2021				
Cashflow hedges				
- Forward foreign currency contracts	5,329,496	47,386	21,652	n.a.
- Cross currency swaps	1,200,775	387	55,955	-
- Interest rate swaps	3,912,772	26,343	32,094	2,140,817
- HSFO forward contracts	400,325	113,369	1,710	n.a.
- Dated Brent forward contracts	6,951	24	224	n.a.
- Electricity futures contracts	94,691	27	237,763	n.a.

	Group		
		Fair Value	
	Contract notional amount $'000	Asset $'000	Liability $'000
2020			
Cashflow hedges			
- Forward foreign currency contracts	4,704,600	76,769	36,897
- Cross currency swaps	930,757	15,870	48,822
- Interest rate swaps	3,750,209	583	176,444
- HSFO forward contracts	476,200	70,890	17,517
- Dated Brent forward contracts	37,602	7,253	2,182
- Electricity futures contracts	43,492	1,763	1,950

The fair value of forward foreign currency contracts is determined using forward exchange market rates at the balance sheet date. The fair value of High Sulphur Fuel Oil ("HSFO") and Dated Brent forward contracts is determined using forward HSFO and Dated Brent prices provided by the Group's key counterparty. The fair value of electricity future contracts is determined based on the Uniform Singapore Energy Price quarterly base load electricity futures prices quoted on the Singapore Exchange. The fair value of interest rate caps and interest rate swaps are based on valuations provided by the Group's bankers.

(ii) **Currency risk**

The Group has receivables and payables denominated in foreign currencies via US Dollars, Renminbi and other currencies. The Group's foreign currency exposures arise mainly from the exchange rate movement of these foreign currencies against the functional currencies of the respective Group entities. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts, cross currency swap agreements and other foreign currency hedging instruments to hedge the Group's exposure to specific currency risks relating to investments, receivables, payables and other commitments. Group Treasury Department monitors the current and projected foreign currency cash flow of the Group and aims to reduce the exposure of the net position in each currency by borrowing in foreign currency and other currency contracts where appropriate.

As at the end of the financial year, the Group has outstanding forward foreign exchange contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the forward foreign exchange contracts. These fair value amounts are recognised as derivative assets and derivative liabilities. As at the end of the financial year, the Company has outstanding forward foreign exchange contracts with notional amounts totalling $4,956,170,000 (2020: $4,704,600,000). The net positive fair value of forward foreign exchange contracts is $22,105,000 (2020: net positive fair value of $39,872,000) comprising assets of $43,757,000 (2020: $76,769,000) and liabilities of $21,652,000 (2020: $36,897,000). These fair value amounts are recognised as derivative assets and derivative liabilities.

As at the end of the financial year, the Group has outstanding cross currency swap agreements. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the cross currency swap agreements. These fair value amounts are recognised as derivative assets and derivative liabilities.

Other than the above hedged foreign currency contracts, the unhedged currency exposure of financial assets and financial liabilities denominated in currencies other than the respective entities' functional currencies are as follows:

	2021				2020			
	USD $'000	**RMB $'000**	**BRL $'000**	**Others $'000**	USD $'000	RMB $'000	BRL $'000	Others $'000
Group								
Financial Assets								
Debtors	**53,890**	**64,300**	**189**	**4,402**	40,209	759	312,242	137,781
Investments	**720,956**	**-**	**-**	**125,455**	410,654	-	-	197,823
Bank balances, deposits & cash	**567,102**	**408,536**	**34**	**210,797**	490,693	613	37	121,781
	1,341,948	**472,836**	**223**	**340,654**	941,556	1,372	312,279	457,385
Financial Liabilities								
Creditors	**111,854**	**603**	**13,903**	**8,189**	40,885	1,105	19,538	11,381
Term loans	**2,610,015**	**-**	**-**	**130,674**	1,787,903	-	-	148,939
Lease liabilities	**-**	**322**	**-**	**1,729**	-	157	-	-
	2,721,869	**925**	**13,903**	**140,592**	1,828,788	1,262	19,538	160,320

	2021			2020		
	USD $'000	**RMB $'000**	**Others $'000**	USD $'000	RMB $'000	Others $'000
Company						
Financial Assets						
Debtors	**1,071**	**58**	**-**	1,274	71	-
Bank balances, deposits & cash	**411,516**	**-**	**193,760**	-	163	6
	412,587	**58**	**193,760**	1,274	234	6
Financial Liabilities						
Creditors	**6,053**	**122**	**107**	4,454	163	75
Term loans	**2,610,015**	**-**	**130,674**	1,784,895	-	97,662
Lease liabilities	**-**	**322**	**-**	-	157	-
	2,616,068	**444**	**130,781**	1,789,349	320	97,737

35. Financial risk management (continued)

Sensitivity analysis for currency risk
If the relevant foreign currency change against SGD by 5% (2020: 5%) with all other variables held constant, the effects will be as follows:

	Profit before tax		Equity	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Group				
USD against SGD				
- Strengthened	**(77,487)**	(72,729)	**8,315**	8,161
- Weakened	**77,487**	72,729	**(8,315)**	(8,161)
RMB against SGD				
- Strengthened	**23,596**	6	**-**	-
- Weakened	**(23,596)**	(6)	**-**	-
BRL against SGD				
- Strengthened	**(568)**	12,149	**-**	-
- Weakened	**568**	(12,149)	**-**	-
Company				
USD against SGD				
- Strengthened	**(89,827)**	(89,604)	**-**	-
- Weakened	**89,827**	89,604	**-**	-
RMB against SGD				
- Strengthened	**(19)**	(4)	**-**	-
- Weakened	**19**	4	**-**	-

(iii) Interest rate risk

The Group is exposed to interest rate risk for changes in interest rates primarily for debt obligations, placements in the money market and investments in bonds. The Group policy is to maintain a mix of fixed and variable rate debt instruments with varying maturities. Where necessary, the Group uses derivative financial instruments to hedge interest rate risks.

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from its Singapore dollar and US dollar variable rate term loans (Note 23). As at the end of the financial year, the Group has interest rate swap agreements. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the interest rate swap agreements for the Group. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group receives variable rates equal to Singapore Swap Offer Rate ("SOR"), Singapore Overnight Rate Average ("SORA") and the United States Dollar London Inter-bank Offer Rate ("USD LIBOR") (2020: SOR and LIBOR) and pays fixed rates of between 0.19% and 3.62% (2020: 0.19% and 3.62%) on the notional amount. These interest rate swap agreements are held for hedging interest rate risk arising from variable rate borrowings, with interest rates ranging from SOR, SORA and USD LIBOR. This amounts to 30% (2020: 26%) of the Group's total amount of borrowings excluding notional amounts of $470,419,000 (2020: $667,720,000) relating to highly probable future borrowings.

During the year, there was a loss of $23,065,000 (2020: $nil) on hedge ineffectiveness in the Energy & Environment segment.

Sensitivity analysis for interest rate risk
If interest rates increase/decrease by 0.5% (2020: 0.5%) with all other variables held constant, the Group's profit before tax would have been lower/higher by $17,560,000 (2020: $22,950,000) as a result of higher/lower interest expense on floating rate loans.

(iv) Price risk

The Group hedges against fluctuations arising on the purchase of natural gas that affect cost. Exposure to price fluctuations is managed via fuel oil forward contracts, whereby the price of natural gas is indexed to benchmark fuel price indices, HSFO 180-CST and Dated Brent. As at the end of the financial year, the Group has outstanding HSFO and Dated Brent forward contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the HSFO and Dated Brent forward contracts for the Group. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group hedges against fluctuations in electricity prices via its daily sales of electricity. Exposure to price fluctuations is managed via electricity futures contracts. As at the end of the financial year, the Group has outstanding electricity futures contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the electricity futures contracts. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group is exposed to equity securities price risk arising from equity investments classified as investments at fair value through profit or loss and investments at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis for price risk
If prices for HSFO and Dated Brent increase/decrease by 5% (2020: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been higher/lower by $25,601,000 (2020: $26,479,000) and $338,000 (2020: $2,118,000) respectively as a result of fair value changes on cash flow hedges.

If prices for electricity futures contracts increase/decrease by 5% (2020: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been lower/higher by $16,623,000 (2020: $2,154,000) as a result of fair value changes on cash flow hedges.

If prices for quoted investments increase/decrease by 5% (2020: 5%) with all other variables held constant, the Group's profit before tax would have been higher/lower by $3,579,000 (2020: $7,226,000) as a result of higher/lower fair value gains on investments at fair value through profit or loss, and the Group's fair value reserve in other comprehensive income would have been higher/lower by $26,458,000 (2020: $27,021,000) as a result of higher/lower fair value gains on investments at fair value through other comprehensive income.

The various sensitivity rates used in the sensitivity analysis for currency, interest rate and price risks represent rates generally used internally by management when assessing the various risks.

(v) Cash flow and fair value interest rate risk
The Group is exposed mainly to the Singapore Swap Offer Rate ("SOR") and the United States Dollar London Inter-bank Offer Rate ("USD LIBOR"). The greatest change will be amendments to the contractual terms of the SOR-referenced floating-rate loans and the associated swaps, the contractual terms of the USD LIBOR-referenced floating-rate loans and the associated swaps and the corresponding update of the relevant hedge designations. Amendments will also be made to the contractual terms of certain receivables that are IBOR-referenced. There is currently uncertainty around the timing and precise nature of these changes.

Hedging relationships for which 'Phase 1' amendments apply
The 'Phase 1' amendments provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly impacted by IBOR reform. The temporary reliefs would end when the uncertainty arising from IBOR reform is no longer present.

The Group has ascertained that IBOR uncertainty is still present with respect to its cash flow hedge of most SOR-linked borrowings and all USD LIBOR-linked borrowings with interest rate fixing dates falling after 30 June 2023, because the hedging instrument and the hedged item have not yet been transitioned to SORA and SOFR respectively.

The following Phase 1 reliefs are applied to the cash flow hedges linked to SOR and USD LIBOR:

- When considering the 'highly probable' requirement, the Group has assumed that the SOR interest rate and USD LIBOR interest rate on which the Group's respective hedged debts are based do not change as a result of IBOR reform;
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the SOR and USD LIBOR interest rates, on which the cash flows of the hedged debts and interest rate swaps that hedges these debts are based, are not altered by the IBOR reform; and
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

Hedging relationships for which 'Phase 2' amendments apply
The Group has judged that IBOR uncertainty is no longer present with respect to its cash flow hedge of S$200 million SOR-linked borrowings with interest rate fixing dates falling after 30 June 2023, once both the hedging instrument and the hedged item have been amended to the alternative benchmark rate with fixed adjustment spreads.

In the current year, the Group has applied the following hedge accounting reliefs provided by the Phase 2 amendments for its hedging relationships that have already transitioned from SOR to SORA:

- Hedge designation: When the Phase 1 amendments cease to apply, the Group has amended its hedge designation to reflect the following changes which are required by IBOR reform:
  - designating SORA as a hedged risk;
  - the contractual benchmark rate of the hedged SGD borrowing has been amended from SOR to SORA plus an adjustment spread; and
  - the variable rate of the hedging interest rate swap has been amended from SOR to SORA plus an adjustment spread.

  These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group amended its hedge designation for changes to its SOR borrowing that is required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve was deemed to be based on SORA. The amount is reclassified to profit or loss in the same periods during which the hedged SORA cash flows affect profit or loss.

35. Financial risk management (continued)

(b) Credit Risk

Credit risk refers to the risk that debtors will default on their obligation to repay the amount owing to the Group. A substantial portion of the Group's revenue is on credit terms that are consistent with market practice. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The credit policy spells out clearly the guidelines on extending credit terms to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered. The Group's policy does not permit non-secured credit risk to be significantly centralised in one customer or a group of customers.

The Group assesses on a forward-looking basis the ECLs associated with its financial assets which are mainly debtors, amounts due from associated companies and joint ventures and bank balances, deposits and cash.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. These events include probability of insolvency, significant financial difficulties of the debtor and default or significant delay in payments.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group uses a provision matrix to measure the ECLs. In measuring the ECLs, assets are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

The Group's credit risk exposure in relation to debtors under SFRS(I) 9 as at 31 December 2021 and 2020 that have not been assessed on a contract-by-contract basis are set out in the provision matrix as follows:

		Trade receivables				
	Contract assets $'000	Current $'000	1 to 3 months $'000	3 to 6 months $'000	> 6 months $'000	Total $'000
2021						
Energy & Environment						
Expected loss rate	**-**	**1.8%**	**16.0%**	**8.7%**	**17.7%**	
Gross carrying amount	**-**	**99,065**	**10,442**	**2,862**	**13,669**	**126,038**
Loss allowance	**-**	**1,801**	**1,666**	**249**	**2,416**	**6,132**
Connectivity						
Expected loss rate	**1.7%**	**0.4%**	**2.7%**	**12.0%**	**35.5%**	
Gross carrying amount	**145,297**	**155,142**	**60,841**	**8,102**	**31,636**	**401,018**
Loss allowance	**2,402**	**684**	**1,664**	**970**	**11,245**	**16,965**
2020						
Energy & Environment						
Expected loss rate	-	2.3%	10.0%	21.6%	30.5%	
Gross carrying amount	-	85,649	20,470	1,583	5,893	113,595
Loss allowance	-	1,932	2,052	342	1,798	6,124
Connectivity						
Expected loss rate	1.4%	0.4%	2.7%	19.7%	29.3%	
Gross carrying amount	177,642	123,005	42,643	14,665	24,851	382,806
Loss allowance	2,402	543	1,165	2,894	7,281	14,285

For the remaining subsidiaries which transact with low volume of customers and customers are monitored individually for credit loss assessment, the receivables (including concession service receivable and contract assets) are assessed individually for lifetime expected credit losses at each reporting date. In calculating the expected credit loss, the Group uses a probability-weighted amount that is determined by evaluating a range of possible outcomes. The possible outcomes include an unbiased estimate of the possibility that a credit loss occurs and the possibility that no credit loss occurs even if the most likely outcome is no credit loss.

Individual customer will be evaluated periodically for its credit risk and the credit risk assessment is based on historical, current and forward-looking information such as:

- Historical financial and default rate of the customer
- Any publicly available information on the customer
- Any macroeconomic or geopolitical information relevant to the customer
- Any other objectively supportable information on the quality and abilities of the customer's management relevant for its performance

Urban Development
For investment properties, the Group manages credit risks arising from tenants defaulting on their rental by requiring the tenants to furnish cash deposits, and/or banker's guarantees. The Group also has a policy of regular review of debt collection and rental contracts are entered into with customers with an appropriate credit history.

In measuring the ECL, trade debtors and contract assets are grouped based on shared credit risk characteristics and days past due. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors and contract assets are written off when there is no reasonable expectation of recovery.

Debtors and amounts due from associated companies and joint ventures that are neither past due nor impaired are substantially companies with good collection track record with the Group or have strong financial capacity.

As at 31 December 2021 and 31 December 2020, there was no significant concentration of credit risks.

Asset Management
The Group minimises credit risk by dealing with companies with good payment track record and by placing cash balances with financial institutions.

In respect of credit exposure to the associated companies and joint ventures, the Group minimises credit risk through regular monitoring of the associated companies and joint ventures' financial standing.

As at 31 December 2021 and 2020, there are no significant financial assets that are past due and/or impaired.

35. Financial risk management (continued)

(c) Liquidity Risk

Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, internally generated cash flows, and the availability of funding resources through an adequate amount of committed credit facilities. Group Treasury Department also maintains a mix of short-term money market borrowings and medium/long term loans to fund working capital requirements and capital expenditures/investments. Due to the dynamic nature of business, the Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time.

Information relating to the maturity profile of loans is given in Note 23. The following table details the liquidity analysis for derivative financial instruments and borrowings of the Group and the Company based on contractual undiscounted cash inflows/(outflows).

	Within one year $'000	Within one to two years $'000	Within two to five years $'000	After five years $'000
Group				
2021				
Gross-settled forward foreign exchange contracts				
- Receipts	**4,734,239**	**309,972**	**318,068**	**-**
- Payments	**(4,683,873)**	**(306,151)**	**(311,080)**	**-**
Gross-settled cross currency swaps				
- Receipts	**16,035**	**17,960**	**26,006**	**959**
- Payments	**(26,676)**	**(25,890)**	**(31,473)**	**(2,345)**
Net-settled interest rate swaps				
- Receipts	**3,248**	**10,945**	**25,618**	**220**
- Payments	**(37,930)**	**(12,300)**	**(18,119)**	**(22,517)**
Net-settled HSFO forward contracts				
- Receipts	**98,110**	**14,978**	**281**	**-**
- Payments	**(1,424)**	**(286)**	**-**	**-**
Net-settled Dated Brent forward contracts				
- Receipts	**1**	**23**	**-**	**-**
- Payments	**(101)**	**(77)**	**(46)**	**-**
Net-settled electricity futures contracts				
- Receipts	**27**	**-**	**-**	**-**
- Payments	**(213,941)**	**(23,822)**	**-**	**-**
Borrowings	**(4,840,394)**	**(1,800,142)**	**(4,182,515)**	**(1,575,900)**
2020				
Gross-settled forward foreign exchange contracts				
- Receipts	2,609,428	2,029,812	122,527	-
- Payments	(2,604,977)	(1,990,822)	(116,080)	-
Gross-settled cross currency swaps				
- Receipts	12,415	12,399	29,355	-
- Payments	(20,846)	(20,686)	(40,678)	-
Net-settled interest rate swaps				
- Receipts	1,970	960	6,341	142
- Payments	(50,178)	(35,181)	(44,385)	(61,031)
Net-settled HSFO forward contracts				
- Receipts	61,533	9,035	322	-
- Payments	(13,667)	(3,840)	(10)	-
Net-settled Dated Brent forward contracts				
- Receipts	7,253	-	-	-
- Payments	(2,182)	-	-	-
Net-settled electricity futures contracts				
- Receipts	1,685	78	-	-
- Payments	(1,851)	(99)	-	-
Borrowings	(4,664,730)	(2,218,566)	(4,351,381)	(1,924,124)

	Within one year $'000	Within one to two years $'000	Within two to five years $'000	After five years $'000
Company				
2021				
Gross-settled forward foreign exchange contracts				
- Receipts	**4,330,930**	**309,972**	**318,068**	**-**
- Payments	**(4,310,546)**	**(306,151)**	**(311,080)**	**-**
Gross-settled cross currency swaps				
- Receipts	**16,035**	**17,960**	**26,006**	**959**
- Payments	**(26,676)**	**(25,890)**	**(31,473)**	**(2,345)**
Net-settled interest rate swaps				
- Receipts	**2,238**	**10,290**	**22,338**	**220**
- Payments	**(24,908)**	**(8,305)**	**(10,703)**	**-**
Borrowings	**(3,418,745)**	**(968,075)**	**(2,618,595)**	**(966,128)**
2020				
Gross-settled forward foreign exchange contracts				
- Receipts	2,609,428	2,029,812	122,527	-
- Payments	(2,604,977)	(1,990,822)	(116,080)	-
Gross-settled cross currency swaps				
- Receipts	12,415	12,399	29,355	-
- Payments	(20,846)	(20,686)	(40,678)	-
Net-settled interest rate swaps				
- Receipts	212	292	4,922	142
- Payments	(28,850)	(25,705)	(29,764)	(1,791)
Borrowings	(3,538,694)	(1,106,646)	(2,586,867)	(1,412,822)

In addition to the above, creditors (Note 21) of the Group and the Company have a maturity profile of within one year from the balance sheet date.

(d) Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The Group's current strategy remains unchanged from the previous financial year. The Group and the Company are in compliance with externally imposed capital undertakings for the financial year ended 31 December 2021. Externally imposed capital undertakings are mainly debt covenants included in certain loans of the Group and the Company requiring the Group or certain subsidiaries of the Company to maintain net gearing to total equity not exceeding ratios ranging from 2.00 to 3.00 times.

Management monitors capital risk based on the Group's net gearing. Net gearing is calculated as net debt divided by total equity. Net debt is calculated as total term loans (Note 23) and total lease liabilities (Note 9) less bank balances, deposits & cash (Note 20).

	Group	
	2021 $'000	2020 $'000
Net debt	**8,400,306**	10,123,385
Total equity	**12,441,361**	11,155,904
Net gearing ratio	**0.68x**	0.91x

35. Financial risk management (continued)

(e) Fair Value of Financial Instruments and Investment Properties

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair value is determined by reference to the net tangible assets of the investments.

The following table presents the assets and liabilities measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2021				
Financial assets				
Derivative financial instruments	-	186,294	-	186,294
Call option	-	-	171,520	171,520
Investments				
- Investments at fair value through other comprehensive income	502,310	-	226,052	728,362
- Investments at fair value through profit or loss	71,314	20,791	627,197	719,302
Short term investments				
- Investments at fair value through other comprehensive income	26,834	-	-	26,834
- Investments at fair value through profit or loss	269	-	-	269
	600,727	207,085	1,024,769	1,832,581
Financial liabilities				
Derivative financial instruments	-	348,112	-	348,112
Non-financial assets				
Investment Properties				
- Commercial and residential, completed	-	-	1,495,780	1,495,780
- Commercial, under construction	-	-	2,760,648	2,760,648
- Associates at fair value through profit or loss	-	-	142,238	142,238
	-	-	4,398,666	4,398,666
Group				
2020				
Financial assets				
Derivative financial instruments	-	173,270	-	173,270
Call option	-	-	156,643	156,643
Investments				
- Investments at fair value through other comprehensive income	504,611	-	317,680	822,291
- Investments at fair value through profit or loss	66,014	102,749	238,438	407,201
Short term investments				
- Investments at fair value through other comprehensive income	35,802	-	-	35,802
- Investments at fair value through profit or loss	78,492	20,340	-	98,832
	684,919	296,359	712,761	1,694,039
Financial liabilities				
Derivative financial instruments	-	283,805	-	283,805
Non-financial assets				
Investment Properties				
- Commercial and residential, completed	-	-	1,166,637	1,166,637
- Commercial, under construction	-	-	2,507,438	2,507,438
- Assets classified as held for sale	-	650,062	-	650,062
- Associates at fair value through profit or loss	-	-	148,529	148,529
	-	650,062	3,822,604	4,472,666

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
2021				
Financial assets				
Derivative financial instruments	**-**	**67,499**	**-**	**67,499**
Investments				
- Investments at fair value through other comprehensive income	**-**	**-**	**24,100**	**24,100**
	-	**67,499**	**24,100**	**91,599**
Financial liabilities				
Derivative financial instruments	**-**	**-**	**102,061**	**102,061**
2020				
Financial assets				
Derivative financial instruments	-	77,494	-	77,494
Investments				
- Investments at fair value through other comprehensive income	-	-	22,196	22,196
	-	77,494	22,196	99,690
Financial liabilities				
Derivative financial instruments	-	158,950	-	158,950

During the year, the fair value measurement of certain investments amounting to $82,443,000 were transferred from Level 2 to Level 3 due to use of inputs not based on market observable data in the valuation techniques. In 2020, the fair values of these investments were categorised under Level 2 as they were based on actual transacted prices.

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
At 1 January	**712,761**	656,877	**22,196**	19,230
Purchases	**41,002**	73,091	**-**	-
Sales	**(47,625)**	(19,224)	**-**	-
Fair value (loss)/gain recognised in other comprehensive income	**(97,219)**	60,350	**1,904**	2,966
Fair value gain/(loss) recognised in profit or loss	**316,867**	(36,852)	**-**	-
Reclassification				
- Associates/Joint Ventures	**14,139**	(44,750)	**-**	-
- Transfer to Level 3	**82,443**		**-**	
- Others	**235**	(559)	**-**	-
Exchange differences	**2,399**	(978)	**-**	-
Distribution	**(193)**	(1,965)	**-**	-
Return on capital	**(40)**	(3,429)	**-**	-
Capitalisation of interest on advances extended to an investee	**-**	30,200	**-**	-
At 31 December	**1,024,769**	712,761	**24,100**	22,196

The following table presents the reconciliation of investment properties measured at fair value based on significant unobservable inputs (Level 3).

	Group	
	2021 $'000	2020 $'000
At 1 January	**3,674,075**	3,022,091
Development expenditure	**229,581**	266,219
Fair value gain	**238,458**	268,430
Reclassification		
- Assets held for sale (Note 37)	**-**	(650,062)
- Stocks (Note 15)	**3,544**	714,733
Exchange differences	**110,770**	52,664
At 31 December	**4,256,428**	3,674,075

The fair value of financial instruments categorised under Level 1 of the fair value hierarchy is based on published market bid prices at the balance sheet date.

The fair value of financial instruments categorised under Level 2 of the fair value hierarchy are fair valued under valuation techniques with market observable inputs. These include forward pricing and swap models utilising present value calculations using inputs such as observable foreign exchange rates (forward and spot rates), interest rate curves and forward rate curves and discount rates that reflects the credit risks of various counterparties.

35. Financial risk management (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments and investment properties categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 31 December 2021 $'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments	853,249	Net asset value, discounted cash flow and binomial option pricing	Net asset value *	Not applicable
			Discount rate	9.00% - 20.00%
			Growth rate	4.26%
			Discount for lack of control	15.00% - 23.30%
Call option	171,520	Direct comparison method and investment method	Transacted price of comparable properties (psf)	S$1,586 - S$3,520
			Capitalisation rate	3.50%
Associates at fair value through profit or loss	142,238	Net asset value	Net asset value	Not applicable
Investment Properties				
- Commercial and hospitality, completed	1,495,780	Discounted cash flow method and/or direct comparison method;	Discount rate	9.50% to 14.50%
			Capitalisation rate	4.25% to 10.50%
		Income capitalisation method	Net initial yield	6.45%
			Transacted price of comparable properties (psm)	$4,690 to $7,504
			Transacted price of comparable properties (psf)	$724 to $3,004
			Terminal capitalisation rate	7.75%
- Commercial, under construction	2,760,648	Direct comparison method, discounted cash flow method, and/or residual value method	Transacted price of comparable land plots (psm)	$7,129 to $9,192
			Gross development value ($'million)	$239 to $2,099
			Discount rate	12.50% to 17.00%
			Capitalisation rate	4.00% to 10.00%
			Transacted price of comparable properties (psf)	$2,468 to $3,171

* Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value or assets measured using valuation techniques that take into account key inputs such as revenue multiples, long term growth rate and discount rate (see further details in Note 2.28(b)(x)).

Description	Fair value as at 31 December 2020 $'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments	556,118	Net asset value, discounted cash flow and binomial option pricing, market comparative	Net asset value *	Not applicable
			Discount rate	8.00%
			Growth rate	6.24%
			Cost of equity	15.85%
			Adjusted market multiple	1.4x
Call option	156,643	Direct comparison method and investment method	Transacted price of comparable properties (psf)	$1,600 to $3,721
			Capitalisation rate	3.50%
Associates at fair value through profit or loss	148,529	Net asset value	Net asset value	Not applicable
Investment Properties				
- Commercial and hospitality, completed	1,166,637	Investment method, discounted cash flow method and/or direct comparison method;	Discount rate	7.25% to 12.50%
			Capitalisation rate	4.25% to 10.50%
		Residual method;	Net initial yield	6.20%
		Capitalisation method	Transacted price of comparable properties (psm)	$4,914 to $6,615
			Transacted price of comparable properties (psf)	$2,835 to $3,046
			Terminal capitalisation rate	9.00%
- Commercial, under construction	2,507,438	Direct comparison method, discounted cash flow method, and/or residual value method	Transacted price of comparable land plots (psm)	$7,930 to $18,770
			Gross development value ($'million)	$527 to $2,042
			Discount rate	12.50% to 18.00%

* Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value or assets measured using valuation techniques that take into account key inputs such as revenue multiples, long term growth rate and discount rate.

The financial instruments and investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective asset/liability.

The total fair value on investments of $853,249,000 as at 31 December 2021 comprises $658,224,000 which are valued based on net asset value. A reasonably possible alternative assumption is when the net asset value of investments increase/decrease by 5%, which would lead to a $32,911,000 increase/decrease in fair valuation.

Valuation process of investment properties is described in Note 8.

36. Segment analysis

The Group is organised into business units based on their products and services, and has five main segments with six reportable operating segments as follows:

(i) Energy & Environment
The Energy & Environment segment is focused on business areas relating to the safe and efficient harvesting of energy sources, serving the offshore & marine industry with an array of vessel solutions and services, renewables, and providing cities with power, as well as solutions for waste and water & wastewater treatment. The segment comprises two reportable operating segments, being Offshore & Marine and Infrastructure & Others.

Offshore & Marine - Principal activities include offshore production facilities and drilling rig design, construction, fabrication and repair, ship conversions and repair and specialised shipbuilding. The operating segment has operations in Brazil, China, Singapore, the United States and other countries. On 24 June 2021, the Company signed two non-binding MOUs; the first with Sembcorp Marine Ltd ("Sembcorp Marine") to enter into exclusive negotiations with a view to combining Keppel Offshore & Marine ("Keppel O&M") and Sembcorp Marine to form a Combined Entity, and the second, with Kyanite Investment Holdings Pte Ltd ("Kyanite"), a wholly owned subsidiary of Temasek, to sell Keppel O&M's legacy completed and uncompleted rigs and associated receivables to a separate Asset Co, which would be majority owned by external investors which Kyanite intends to procure. These two proposed transactions will be inter-conditional and pursued concurrently.

Infrastructure & Others - Principal activities include power generation, renewables, environmental engineering and infrastructure operation and maintenance. The operating segment has operations in China, Singapore, Switzerland, the United Kingdom, and other countries.

(ii) Urban Development
Principal activities include property development and investment, as well as master development. The segment has operations in China, India, Indonesia, Singapore, Vietnam and other countries.

(iii) Connectivity
Principal activities include the provision of telecommunications services, retail sales of telecommunications equipment and accessories, development and operation of data centres and provision of logistics solutions. The segment has operations in China, Singapore and other countries. Keppel Logistics ("KLOG") contributed about 1% and 2% of the Group's total revenue and net profit respectively for the financial year ended 31 December 2021. KLOG accounted for about 1% of the Group's total assets and total liabilities as at 31 December 2021.

(iv) Asset Management
Principal activities include management of private funds and listed real estate investment and business trusts. The segment operates mainly in Singapore.

(v) Corporate & Others
The Corporate & Others segment consists mainly of treasury operations, research & development, investment holdings and provision of management and other support services.

Management monitors the results of each of the above main segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss. Information regarding the Group's reportable operating segments is presented in the following table.

	Energy & Environment								
	Offshore & Marine $'000	Infrastructure & Others $'000	Subtotal $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
2021									
Revenue									
External sales	2,013,377	3,560,370	5,573,747	1,628,768	1,260,152	162,046	-	-	8,624,713
Inter-segment sales	(110)	13,986	13,876	3,789	6,046	9,868	74,072	(107,651)	-
Total	2,013,267	3,574,356	5,587,623	1,632,557	1,266,198	171,914	74,072	(107,651)	8,624,713
Segment Results									
Operating profit	(229,939)	(292,288)	(522,227)	992,963	86,488	112,880	222,950	4,737	897,791
Investment income	6,091	-	6,091	1,512	270	41,632	61,447	-	110,952
Interest income	23,395	59,064	82,459	36,797	304	147	366,147	(375,480)	110,374
Interest expenses	(178,626)	(9,025)	(187,651)	(52,342)	(19,094)	(30,752)	(331,925)	370,743	(251,021)
Share of results of associated companies and joint ventures	168,328	(15,743)	152,585	93,170	18,528	202,617	-	-	466,900
Profit before tax	(210,751)	(257,992)	(468,743)	1,072,100	86,496	326,524	318,619	-	1,334,996
Taxation	49,369	4,603	53,972	(331,263)	(18,567)	(26,188)	(2,938)	-	(324,984)
Profit for the year	(161,382)	(253,389)	(414,771)	740,837	67,929	300,336	315,681	-	1,010,012
Attributable to:									
Shareholders of Company	(160,394)	(253,451)	(413,845)	762,915	63,953	301,296	308,332	-	1,022,651
Perpetual securities holders	-	-	-	-	-	-	3,401	-	3,401
Non-controlling interests	(988)	62	(926)	(22,078)	3,976	(960)	3,948	-	(16,040)
	(161,382)	(253,389)	(414,771)	740,837	67,929	300,336	315,681	-	1,010,012
External revenue from contracts with customers									
- At a point in time	94,392	12,324	106,716	1,376,396	423,065	23,936	-	-	1,930,113
- Over time	1,918,985	3,548,046	5,467,031	181,183	833,360	138,110	-	-	6,619,684
	2,013,377	3,560,370	5,573,747	1,557,579	1,256,425	162,046	-	-	8,549,797
Other sources of revenue	-	-	-	71,189	3,727	-	-	-	74,916
Total	2,013,377	3,560,370	5,573,747	1,628,768	1,260,152	162,046	-	-	8,624,713
Other Information									
Segment assets	8,596,939	2,769,124	11,366,063	13,954,820	3,606,910	3,989,870	12,321,120	(12,915,856)	32,322,927
Segment liabilities	9,473,919	2,455,766	11,929,685	6,955,468	2,525,065	1,708,088	9,679,116	(12,915,856)	19,881,566
Net assets	(876,980)	313,358	(563,622)	6,999,352	1,081,845	2,281,782	2,642,004	-	12,441,361
Investment in associated companies and joint ventures	462,678	164,170	626,848	2,281,122	151,162	2,991,126	-	-	6,050,258
Additions to non-current assets	24,403	38,595	62,998	274,447	270,856	113,237	6,698	-	728,236
Depreciation and amortisation	115,104	31,364	146,468	42,564	201,430	2,796	13,144	-	406,402
Impairment loss on non-financial assets	33,831	58,294	92,125	53,051	1,586	-	-	-	146,762
Allowance for expected credit loss and bad debt written-off	66,325	115,867	182,192	1,346	11,781	-	(132)	-	195,187
Loss on a financial guarantee on a loan granted to an associated company	-	146,024	146,024	-	-	-	-	-	146,024

Geographical information

	Singapore $'000	China/ Hong Kong $'000	Brazil $'000	Other Far East & ASEAN countries $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	6,458,200	1,543,465	73,795	222,502	326,751	-	8,624,713
Non-current assets	7,928,820	3,922,600	160,951	1,803,975	653,202	-	14,469,548

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2021.

Information about a major customer

Revenue of $1,600,705,000 is derived from a single external customer and is attributable to the Energy & Environment segment for the financial year ended 31 December 2021.

Note: Pricing of inter-segment goods and services is at fair market value.

	Offshore & Marine $'000	Energy & Environment Infrastructure & Others $'000	Subtotal $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
2020									
Revenue									
External sales	1,573,455	2,369,889	3,943,344	1,275,473	1,220,011	134,784	730	-	6,574,342
Inter-segment sales	526	10,335	10,861	9,407	5,280	295	76,422	(102,265)	-
Total	1,573,981	2,380,224	3,954,205	1,284,880	1,225,291	135,079	77,152	(102,265)	6,574,342
Segment Results									
Operating profit	(909,633)	87,263	(822,370)	605,488	46,010	273,601	(93,891)	(437)	8,401
Investment income	3,449	-	3,449	1,035	175	23,273	1,414	-	29,346
Interest income	60,429	61,414	121,843	39,518	1,972	6,001	393,668	(400,949)	162,053
Interest expenses	(196,885)	(9,859)	(206,744)	(56,055)	(33,224)	(39,700)	(357,929)	401,386	(292,266)
Share of results of associated companies and joint ventures	(330,421)	(16,594)	(347,015)	129,917	13,689	40,476	712	-	(162,221)
Profit before tax	(1,373,061)	122,224	(1,250,837)	719,903	28,622	303,651	(56,026)	-	(254,687)
Taxation	93,667	(28,262)	65,405	(278,745)	(13,917)	(26,169)	19	-	(253,407)
Profit for the year	(1,279,394)	93,962	(1,185,432)	441,158	14,705	277,482	(56,007)	-	(508,094)
Attributable to:									
Shareholders of Company	(1,274,847)	94,178	(1,180,669)	437,796	13,244	279,525	(55,756)	-	(505,860)
Non-controlling interests	(4,547)	(216)	(4,763)	3,362	1,461	(2,043)	(251)	-	(2,234)
	(1,279,394)	93,962	(1,185,432)	441,158	14,705	277,482	(56,007)	-	(508,094)
External revenue from contracts with customers									
- At a point in time	112,699	10,644	123,343	1,032,449	380,812	12,388	100	-	1,549,092
- Over time	1,460,756	2,359,245	3,820,001	159,962	829,570	122,396	-	-	4,931,929
	1,573,455	2,369,889	3,943,344	1,192,411	1,210,382	134,784	100	-	6,481,021
Other sources of revenue	-	-	-	83,062	9,629	-	630	-	93,321
Total	1,573,455	2,369,889	3,943,344	1,275,473	1,220,011	134,784	730	-	6,574,342
Other Information									
Segment assets	8,777,983	2,484,217	11,262,200	14,516,978	4,020,059	3,974,802	11,359,061	(13,027,221)	32,105,879
Segment liabilities	9,436,503	1,960,318	11,396,821	7,956,375	2,819,371	1,868,694	9,935,935	(13,027,221)	20,949,975
Net assets	(658,520)	523,899	(134,621)	6,560,603	1,200,688	2,106,108	1,423,126	-	11,155,904
Investment in associated companies and joint ventures	360,838	205,170	566,008	2,300,945	203,330	2,920,330	-	-	5,990,613
Additions to non-current assets	61,835	91,090	152,925	537,537	156,757	384,483	1,397	-	1,233,099
Depreciation and amortisation	119,566	31,312	150,878	39,461	213,461	2,655	7,051	-	413,506
Impairment loss/(write-back of impairment loss) on non-financial assets	521,411	42,225	563,636	9,184	27,853	(8,487)	(81)	-	592,105
Allowance for expected credit loss and bad debt written-off	186,818	1,385	188,203	22,902	9,153	-	(18)	-	220,240

Geographical information

	Singapore $'000	China/ Hong Kong $'000	Brazil $'000	Other Far East & ASEAN countries $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	4,563,849	1,161,182	47,252	258,109	543,950	-	6,574,342
Non-current assets	8,400,031	3,660,816	240,893	1,878,137	392,094	-	14,571,971

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2020.

Information about a major customer

No single external customer accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2020.

Note: Pricing of inter-segment goods and services is at fair market value.

37. Assets classified as held for sale and liabilities directly associated with assets classified as held for sale

(i) Keppel Smit Towage Private Limited ("KST") and Maju Maritime Pte Ltd ("Maju")

On 15 November 2021, the Company announced that its indirect wholly-owned subsidiary, KS Investments Pte. Ltd., is divesting its entire 51% shareholding interest in each of KST and Maju to Rimorchiatori Mediterranei Spa. Completion of the divestments, which is expected to take place in the first half of 2022, is conditional upon the receipt of approval from regulatory authorities in Singapore.

(ii) Subsidiary of Keppel Infrastructure Holdings Pte Ltd ("Keppel Infrastructure's subsidiary")

The Company's wholly-owned subsidiary, Keppel Infrastructure, has commenced non-binding negotiation with an interested buyer relating to Keppel Infrastructure's controlling interest in a subsidiary. The completion of the sale is subject to execution of definitive documentation for the transaction and other conditions, including regulatory approval, being fulfilled.

(iii) Keppel Offshore and Marine Ltd's properties ("Keppel O&M's properties")

The Company's wholly-owned subsidiary, Keppel Offshore and Marine Ltd ("Keppel O&M"), is committed to sell five properties (including its plant and equipment) in Singapore. The sale is expected to be completed within one year. The disposals are part of Keppel O&M's strategic review to streamline and dispose its non-core assets.

In accordance to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities of Keppel Infrastructure's subsidiary and Keppel O&M's properties have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale", and the investments in KST and Maju that are accounted for as associated companies and joint ventures have been presented as "assets classified as held for sale" in the condensed consolidated balance sheet as at 31 December 2021. Details of the assets classified as held for sale and liabilities directly associated with assets classified as held for sale are as follows:

	As at 31 December 2021 $'000
Assets classified as held for sale	
Fixed assets	**74,765**
Associated companies and joint ventures	**60,798**
Right-of-use assets	**32,871**
Long term assets	**353,039**
Debtors	**6,407**
	527,880
Liabilities directly associated with assets classified as held for sale	
Creditors	**3,402**
Derivative liabilities	**34,855**
Taxation	**73**
	38,330

The assets and liabilities classified as held for sale pertaining to KST, Maju, Keppel Infrastructure's subsidiary and Keppel O&M's properties are included in Energy & Environment for the purpose of segmental reporting.

38. New accounting standards and interpretations

At the date of authorisation of these financial statements, the following new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s that are relevant to the Group and the Company were issued but not effective:

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment - Proceeds before Intended Use* (effective for annual periods beginning on or after 1 January 2022)

  The amendment to SFRS(I) 1-16 *Property, Plant and Equipment* (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

  Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract* (effective for annual periods beginning on or after 1 January 2022)

  An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current* (effective for annual periods beginning on or after 1 January 2023)

  The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

  The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The management anticipates that the adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

39. Subsequent events

On 27 January 2022, the Company established a $500 million Share Buyback Programme, pursuant to the Share Purchase Mandate granted by its shareholders at the Company's Annual General Meeting. The Share Buyback Programme allows the Company to purchase its shares when such shares may be undervalued due to market conditions. Shares repurchased will be held as treasury shares which will be used in part for the annual vesting of employee share plans, and as possible currency for future merger and acquisition (M&A) activities under Vision 2030.

The Company's Share Purchase Mandate, as approved by shareholders at the last Annual General Meeting in April 2021, allows the purchase of up to a maximum of 2% of its issued shares for the duration of the mandate. The duration required to complete the $500 million Share Buyback Programme will depend on the annual review and parameters of the Share Purchase Mandate as approved by shareholders, and the prices at which the shares are purchased.

40. Significant subsidiaries, associated companies and joint ventures

Information relating to significant subsidiaries consolidated in these financial statements and significant associated companies and joint ventures whose results are equity accounted for is given in the following pages.

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
ENERGY & ENVIRONMENT							
Offshore & Marine							
Subsidiaries							
Keppel Offshore and Marine Ltd	100	100	100	801,720	801,720	Singapore	Investment holding
Keppel FELS Ltd	100	100	100	#	#	Singapore	Construction, fabrication and repair of offshore production facilities and drilling rigs, power barges, specialised vessels and other offshore production facilities
Angra Propriedades & Administracao Ltda[(1)]	100	100	100	#	#	Brazil	Holding of long-term investments and property management
Estaleiro BrasFELS Ltda[(1)]	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas sector, shipyard works and other general business activities
FELS Offshore Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Fernvale Pte Ltd	100	100	100	#	#	Singapore	Construction, fabrication and repair of drilling rigs and offshore production facilities
FSTP Brasil Ltda[(1)]	75	75	75	#	#	Brazil	Procurement of equipment and materials for the construction of offshore production facilities
FSTP Pte Ltd	75	75	75	#	#	Singapore	Project management, engineering and procurement
Guanabara Navegacao LTDA[(1)]	100	100	100	#	#	Brazil	Ship owning
Keppel AmFELS, Inc[(1)]	100	100	100	#	#	USA	Construction and repair of offshore drilling rigs and offshore production facilities
Keppel FELS Brasil SA[(1)]	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas industry
Keppel Letourneau USA, Inc[(1)]	100	100	100	#	#	USA	Design and license of various offshore rigs and platforms
Keppel Offshore & Marine USA Inc[(1)]	100	100	100	#	#	USA	Offshore and marine-related services
KV Enterprises BV[(2)]	100	100	100	#	#	Netherlands	Holding of long-term investments
KVE Adminstradora de Bens Imoveis Ltda[(1)]	100	100	100	#	#	Brazil	Holding of long-term investments and property management
PT Bintan Offshore[(2)]	99	60	60	#	#	Indonesia	Offshore engineering and construction
Bintan Offshore Fabricators[(1)]	60	60	60	#	#	Singapore	Offshore engineering and construction business
Offshore Partners Pte Ltd	100	100	100	#	#	Singapore	Arrange, syndicate and/or provide financing to customers of Keppel Group
Regency Steel Japan Ltd[(1)]	51	51	51	#	#	Japan	Sourcing, fabricating and supply of specialised steel components
FELS Asset Co Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 2 Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
Offshore Partners 2 Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
Lenity Pioneer Pte Ltd	100	100	100	#	#	Singapore	Service activities related to oil and gas extraction

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Keppel Shipyard Ltd	100	100	100	#	#	Singapore	Ship repairing, shipbuilding and conversions
Keppel Philippines Marine Inc(1)	99	99	98	#	#	Philippines	Shipbuilding and repairing
Keppel Nantong Heavy Industry Co Ltd(1)	100	100	100	#	#	China	Engineering and construction of specialised vessels
Keppel Nantong Shipyard Company Ltd(1)	100	100	100	#	#	China	Engineering and construction of specialised vessels
Keppel Subic Shipyard Inc(1)	87+	86+	86+	3,020	3,020	Philippines	Shipbuilding and repairing
KS Investments Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Associated Companies and Joint Ventures							
Asian Lift Pte Ltd	50	50	50	#	#	Singapore	Provision of heavy-lift equipment and related services
Floatel International Ltd(1)	50	50	50	#	#	Bermuda	Operating accommodation and construction support vessels (floatels) for the offshore oil and gas industry
Blue Tern Holding AS(2)	49	49	49	#	#	Norway	Owning and leasing of multi-purpose self-elevating platforms
Arab Heavy Industries PJSC(2)	33	33	33	#	#	UAE	Shipbuilding and repairing
Nakilat - Keppel Offshore & Marine Ltd(2)	20	20	20	#	#	Qatar	Ship repairing
PV Keez Pte Ltd(2)	20	20	20	#	#	Singapore	Chartering of ships, barges and boats with crew
Keppel Smit Towage Pte Ltd	51	51	51	#	#	Singapore	Provision of towage services
Maju Maritime Pte Ltd	51	51	51	#	#	Singapore	Provision of towage services
FueLNG Pte Ltd(2)	50	50	50	#	#	Singapore	Provide end-to-end LNG bunkering supply solution
Infrastructure & Others							
Subsidiaries							
Keppel Infrastructure Holdings Pte Ltd	100	100	100	445,892	445,892	Singapore	Investment holding
Keppel Energy Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Electric Pte Ltd	100	100	100	#	#	Singapore	Electricity, energy and power supply and general wholesale trade
Keppel Gas Pte Ltd	100	100	100	#	#	Singapore	Purchase and sale of gaseous fuels
Keppel DHCS Pte Ltd	100	100	100	#	#	Singapore	Development of district heating and cooling system for the purpose of air cooling and other utility services
Keppel Seghers Pte Ltd	100	100	100	#	#	Singapore	Provision of environmental, technologies, engineering works & construction activities
Keppel Seghers Holdings BV(3)	100	100	100	#	#	Netherlands	Investment holding
Keppel Seghers Belgium NV(1)	100	100	100	#	#	Belgium	Provider of services and solutions to the environmental industry related to solid waste treatment
Keppel Seghers Hong Kong Ltd(1)	100	100	100	#	#	Hong Kong	Investment holding
Keppel Seghers UK Ltd(2)	100	100	100	#	#	United Kingdom	Design and construction of waste-to-energy plants
Marina East Water Pte Ltd	100	100	100	#	#	Singapore	Design and construction of desalination plant

	Gross Interest 2021 %	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Cost of Investment 2021 $'000	Cost of Investment 2020 $'000	Country of Incorporation /Operation	Principal Activities
Keppel Seghers Engineering Singapore Pte Ltd	100	100	100	#	#	Singapore	Engineering works, construction and O&M of plants and facilities
Keppel Integrated Engineering Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel New Energy Pte. Ltd. (formerly known as XTE Investments Pte. Ltd.)	100	100	100	#	#	Singapore	Investment holding
Kepinvest Holdings Pte Ltd	100	100	100	10	10	Singapore	Investment holding
Kepinvest Singapore Pte Ltd	100	100	100	18,425	18,425	Singapore	Investment holding
Associated Companies and Joint Ventures							
Keppel Merlimau Cogen Pte Ltd(2)	49	49	49	#	#	Singapore	Commercial power generation
MET Holding AG(1)	20	20	20	#	#	Switzerland	Integrated energy company
Tianjin Eco-City Energy Investment & Construction Co Ltd(2)	20	20	20	#	#	China	Investment and implementation of energy and utilities related infrastructure
URBAN DEVELOPMENT							
Subsidiaries							
Keppel Land Ltd	100	100	100	4,793,367	4,793,367	Singapore	Holding, management and investment company
Keppel Land China Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Land Estate Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Bay Pte Ltd	100	100	100	#	#	Singapore	Property development
Keppel Philippines Properties Inc(1)	87+	87+	87+	493	493	Philippines	Property development
Bellenden Investments Ltd(3)	67	67	67	#	#	BVI	Investment holding
Broad Elite Investments Ltd(3)	100	100	100	#	#	BVI	Investment holding
Cesario Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Changzhou Fushi Housing Development Pte Ltd(1)	100	100	100	#	#	China	Property development
Chengdu Hillstreet Development Co Ltd(1)	100	100	100	#	#	China	Property development
Corredance Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Dattson Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Davinelle Ltd(3)	67	67	67	#	#	BVI	Investment holding
DC REIT Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Domenico Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Double Peak Holdings Ltd(3)	100	100	100	#	#	BVI	Investment holding
Estella JV Co Ltd(1)	98	98	98	#	#	Vietnam	Property development and investment
Eternal Commercial Ltd(1)	100	100	100	#	#	HK	Investment holding
Elaenia Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Evergro Properties Ltd	100	100	100	#	#	Singapore	Property investment and development
Floraville Estate Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Greenfield Development Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Hillwest Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Harvestland Development Pte Ltd	100	100	100	#	#	Singapore	Property development

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Straits Properties Ltd	100	100	100	#	#	Singapore	Property development
Keppel Point Pte Ltd	100+	100+	100+	122,785	122,785	Singapore	Investment holding
Jencity Ltd[3]	100	100	100	#	#	BVI	Investment holding
K-Commercial Pte Ltd	100	100	100	#	#	Singapore	Property development/ investment
Katong Retail Trust	100	100	100	#	#	Singapore	Investment trust
Kapler Pte Ltd	100	100	100	#	#	Singapore	Investment holding
KeplandeHub Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Heights (Wuxi) Property Development Co Ltd[1]	100	100	100	#	#	China	Property development
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd[1]	100	100	100	#	#	China	Property development
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd[1]	100	100	100	#	#	China	Property development
Keppel Hong Xiang Management Consultancy (Shanghai) Co Ltd[1]	100	100	100	#	#	China	Property services
Keppel Lakefront (Wuxi) Property Development Co Ltd[1]	100	100	100	#	#	China	Property development
Keppel Land (Saigon Centre) Ltd[1]	100	100	100	#	#	HK	Investment holding
Keppel Land (Singapore) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Land Financial Services Pte Ltd	100	100	100	#	#	Singapore	Financial services
Keppel Puravankara Dev Pvt Ltd[2]	51	51	51	#	#	India	Property development
Keppel Land International (Management) Pte Ltd	100	100	100	#	#	Singapore	Property services
Keppel Land Watco IV Co Ltd[1]	84	84	84	#	#	Vietnam	Property development
Keppel Land Watco V Co Ltd[1]	84	84	84	#	#	Vietnam	Property development
Keppel Land Vietnam Co Ltd[1]	100	100	100	#	#	Vietnam	Property services
Keppel Seasons Residences Property Development (Wuxi) Co., Ltd[1]	100	100	100	#	#	China	Property development
Keppel Tianjin Eco-City Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Three Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Two Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Tosalco Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Krystal Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Joysville Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Main Full Ltd[1]	100	100	100	#	#	HK	Investment holding
Mansfield Developments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Merryfield Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Oceansky Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Ocean & Capital Properties Pte Ltd	100	100	100	#	#	Singapore	Investment holding

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
OIL (Asia) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Oscario Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Parksville Development Pte Ltd	100	100	100	#	#	Singapore	Property development
Pasir Panjang Realty Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Peplamo Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Pembury Properties Ltd(3)	100	100	100	#	#	BVI	Investment holding
Pisamir Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Portsville Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Pre-1 Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
PT Harapan Global Niaga(1)	100	100	100	#	#	Indonesia	Property development
PT Kepland Investama(1)	100	100	100	#	#	Indonesia	Property investment
PT Puri Land Development(1)	100	100	100	#	#	Indonesia	Property development
PT Sukses Manis Indonesia(1)	100	100	100	#	#	Indonesia	Property development
PT Sukses Manis Tangguh(1)	100	100	100	#	#	Indonesia	Property development
Primus I Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Primus II Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Riviera Point LLC(1)	100	100	75	#	#	Vietnam	Property development
Saigon Centre Investment Ltd(3)	100	100	100	#	#	BVI	Investment holding
Saigon Sports City Ltd(1)	100	100	100	#	#	Vietnam	Property development
Taicang Xinwu Business Consulting Co Ltd(1)	100	100	100	#	#	China	Investment holding
Beijing Changsheng Consultant Co Ltd(1)	100	100	100	#	#	China	Property investment
Beijing Changsheng Property Management Co Ltd(1)	100	100	100	#	#	China	Property investment
Shanghai Floraville Land Co Ltd(1)	99	99	99	#	#	China	Property investment
Shanghai Hongda Property Development Co Ltd(1)	100	99	99	#	#	China	Property development
Shanghai Ji Lu Land Co Ltd(1)	100	99	99	#	#	China	Property investment
Shanghai Ji Xiang Land Co Ltd(1)	100	100	100	#	#	China	Property development
Shanghai Jinju Real Estate Development Co Ltd(1)	100	99	99	#	#	China	Property development
Shanghai Maowei Investment Consulting Co Ltd(1)	100	99	99	#	#	China	Investment holding
Shanghai Merryfield Land Co Ltd(1)	99	99	99	#	#	China	Property development
Shanghai Pasir Panjang Land Co Ltd(1)	99	99	99	#	#	China	Property development
Spring City Golf & Lake Resort Co Ltd(1)	80	69	69	#	#	China	Golf club operations and development and property development
Spring City Resort Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Straits Greenfield Ltd(2)	100	100	100	#	#	Myanmar	Hotel ownership and operations
Straits Property Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Group Eco-City Investments Pte Ltd	100+	100+	100+	126,744	126,744	Singapore	Investment holding
Singapore Tianjin Eco-City Investment Holdings Pte Ltd	90+	90+	90+	#	#	Singapore	Investment holding

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Substantial Enterprises Ltd(3)	100+	100+	100+	#	#	BVI	Investment holding
Tianjin Fulong Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
China The9 Interactive (Shanghai) Ltd(1)	100	100	100	#	#	China	Property investment
The9 Computer Technology Consulting (Shanghai) Ltd(1)	100	100	100	#	#	China	Property investment
Associated Companies and Joint Ventures							
Chengdu Taixin Real Estate Development Co Ltd(2)	35	35	35	#	#	China	Property development
Chengdu Wanji Real Estate Development Co Ltd(2)	30	30	30	#	#	China	Property development
City Square Office Co Ltd(2)	40	40	40	#	#	Myanmar	Property development
Empire City LLC(2)	40	40	40	#	#	Vietnam	Property development
EM Services Pte Ltd	25	25	25	#	#	Singapore	Property management
Garden Development Pte Ltd	60	60	60	#	#	Singapore	Property development
Kapstone Construction Private Limited(1)	49	49	49	#	#	India	Real estate construction and development
Keppel Land Watco I Co Ltd(1)	61	61	61	#	#	Vietnam	Property investment and development
Keppel Land Watco II Co Ltd(1)	61	61	61	#	#	Vietnam	Property investment and development
Keppel Land Watco III Co Ltd(1)	61	61	61	#	#	Vietnam	Property investment and development
Harbourfront Three Pte Ltd	39	39	39	#	#	Singapore	Property investment and development
Nam Long Investment Corporation(2)	8	8	10	#	#	Vietnam	Trading of development properties
Nanjing Zhijun Property Development Co Ltd(2)	25	25	25	#	#	China	Property development
Nha Be Real Estate JSC(1)	60	60	60	#	#	Vietnam	Property development
North Bund Pte Ltd(2)	30	30	30	#	#	Singapore	Investment holding
Raffles Quay Asset Management Pte Ltd(2)	33	33	33	#	#	Singapore	Property management
Renown Property Holdings (M) Sdn Bhd(1)	40	40	40	#	#	Malaysia	Property investment
Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd(1)	50	45	45	#	#	China	Property development
South Rach Chiec LLC(1)	42	42	42	#	#	Vietnam	Property development
Suzhou Property Development Pte Ltd(2)	25	25	25	#	#	Singapore	Investment holding
Taicang Zhuchong Business Consulting Co Ltd(2)	15	15	15	#	#	China	Investment holding
Vietcombank Tower 198 Ltd(2)	30	30	30	#	#	Vietnam	Property investment
Vision (III) Pte Ltd(2)	30	30	30	#	#	Singapore	Investment holding
Win Up Investment Ltd(2)	30	30	30	#	#	China	Investment holding

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
CONNECTIVITY							
Subsidiaries							
Keppel Telecommunications & Transportation Ltd	100	100	100	621,299	621,299	Singapore	Investment, management and holding company
Keppel Logistics Pte Ltd	100	100	100	#	#	Singapore	Integrated logistics services and supply chain solutions
Keppel Wanjiang International Coldchain Logistics Park (Anhui) Co Ltd[2]	60	60	60	#	#	China	Integrated logistics services, food trading hub, warehousing and distribution
Keppel Data Centres Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Data Centres Holding Pte Ltd	100+	100+	100+	#	#	Singapore	Investment holding and management services
Keppel Communications Pte Ltd	100	100	100	#	#	Singapore	Trading and provision of communications systems and accessories
Keppel Telecoms Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Konnect Pte Ltd	100	100	100	1	1	Singapore	Investment holding
Konnectivity Pte Ltd	80	80	80	#	#	Singapore	Investment holding
Apsilon Ventures Pte Ltd	100	100	100	#	#	Singapore	Investment holding
M1 Limited	100+	84+	84+	#	#	Singapore	Telecommunications services
M1 Net Ltd	100+	84+	84+	#	#	Singapore	Provision of fixed and other related telecommunication services
AsiaPac Technology Pte. Ltd.	100+	84+	84+	#	#	Singapore	ICT Solutions Provider
Associated Companies and Joint Ventures							
Asia Airfreight Terminal[2]	10	10	10	#	#	HK	Operation of an air cargo handling terminal
Computer Generated Solutions Inc[2]	21	21	21	#	#	USA	IT consulting and outsourcing provider
M1 Network Private Limited[n]	50+	42+	-	#	#	Singapore	Telecommunications services
SVOA Public Company Ltd[2]	32	32	32	#	#	Thailand	Distribution of IT products and telecommunications services
ASSET MANAGEMENT							
Subsidiaries							
Keppel Capital Holdings Pte Ltd	100	100	100	783,000	783,000	Singapore	Investment holding
Keppel Capital Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Alpha Investment Partners Ltd	100	100	100	#	#	Singapore	Fund management
Keppel DC REIT Management Pte Ltd	100+	100+	100+	#	#	Singapore	Real estate investment trust management and investment holding
Keppel Capital Three Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Capital US Holding Inc[3]	100	100	100	#	#	USA	Investment holding
Keppel REIT Management Ltd	100	100	100	#	#	Singapore	Investment advisory and property fund management
Aintree Assets Ltd[3]	100	100	100	#	#	BVI	Investment holding
Keppel REIT Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel DC Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Funds Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Associated Companies and Joint Ventures							
Keppel DC REIT	20	20	21	#	#	Singapore	Data centre facilities and colocation services
Keppel REIT	47+	47+	49+	#	#	Singapore	Real estate investment trust
Keppel Pacific Oak US REIT(2)	7	7	7	#	#	Singapore	Real estate investment trust
CORPORATE & OTHERS							
Subsidiaries							
Kephinance Investment Pte Ltd	100	100	100	90,000	90,000	Singapore	Investment holding
Keppel Capital One Pte Ltd	100	100	100	#	#	Singapore	To arrange, syndicate and/or provide financing to customers of Keppel Group
Keppel Investment Ltd	100	100	100	#	#	Singapore	Investment company
Keppel Ventures (Property) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Oil & Gas Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Kepventure Pte Ltd	100	100	100	594,922	594,922	Singapore	Investment holding
Total Subsidiaries				**8,401,678**	**8,401,678**		

Notes:

(i) All the companies are audited by PricewaterhouseCoopers LLP, Singapore except for the following:
(1) Audited by PricewaterhouseCoopers firms outside Singapore;
(2) Audited by other firms of auditors; and
(3) Not required to be audited by law in the country of incorporation and companies disposed, liquidated and struck off.
In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies and joint ventures does not compromise the standard and effectiveness of the audit of the Company.

(ii) + The shareholdings of these companies are held jointly with other subsidiaries.

(iii) # The shareholdings of these companies are held by subsidiaries of Keppel Corporation Limited.

(iv) (n) These companies were incorporated/acquired during the financial year.

(v) The subsidiaries' place of business is the same as its country of incorporation, unless otherwise specified.

(vii) Abbreviations:
British Virgin Islands (BVI) United Arab Emirates (UAE)
Hong Kong (HK) United States of America (USA)

(viii) The Company has 215 significant subsidiaries, associated companies and joint ventures as at 31 December 2021. Subsidiaries, associated companies and joint ventures are considered as significant (a) in accordance to Rule 718 of The Singapore Exchange Securities Trading Limited – Listing Rules, or (b) by reference to the significance of their economic activities.

INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 23 April 2021. During the financial year, the following interested person transactions were entered into by the Group:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)
		2021 $'000	2021 $'000
Transaction for the Sale of Goods and Services			
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	1,104	1,821
CapitaLand Group		–	2,600
Clifford Capital Group		–	2,432
Keppel Infrastructure Trust Group		160,222	55,853
PSA International Group		–	878
SembCorp Marine Group		–	2,971
Singapore Technologies Engineering Group		184	1,926
Singapore Telecommunications Group		530	6,953
StarHub Group		–	28,491
Transaction for the Purchase of Goods and Services			
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	152	1,789
Clifford Capital Group		–	1,020
Keppel Infrastructure Trust Group		64	–
Lan Ting Holdings Group		–	71,000
PSA International Group		195	632
SembCorp Marine Group		3	1,388
Singapore Technologies Engineering Group		–	6,804
Singapore Technologies Telemedia Group		–	2,485
Singapore Telecommunications Group		40	36,122
SMRT Corporation Group		–	1,047
StarHub Group		–	33,891
Surbana Jurong Group		281	1,158
Treasury Transactions			
Keppel Infrastructure Trust Group	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The named interested persons are its associates.	43,945	–
Lan Ting Holdings Group		–	8,987
SembCorp Industries Group		–	52
SembCorp Marine Group		30	–
Joint Venture			
Clifford Capital Group	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested person is its associate.	1,081	–
Total Interested Person Transactions		207,831	270,300

Save for the interested person transactions disclosed above, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of its chief executive officer, directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

KEY EXECUTIVES

Chan Hon Chew, 56
Bachelor of Accountancy (Honours), National University of Singapore; CFA® charterholder; Member of Chartered Accountants Australia and New Zealand and Fellow Member of the Institute of the Singapore Chartered Accountants.

Mr Chan is the Chief Financial Officer of Keppel Corporation Limited, appointed with effect from 1 February 2014.

Prior to joining Keppel Corporation, Mr Chan was with Singapore Airlines Limited (SIA) and served as Senior Vice President (SVP) of Finance since June 2006. As SVP of Finance, Mr Chan was responsible for a diverse range of functions including investor relations, corporate accounting and reporting, treasury, risk management and insurance. He was also involved in SIA's strategic planning process and had represented SIA as Director on the Boards of various companies including Tiger Airways and Virgin Atlantic Airways Limited.

Prior to joining SIA, Mr Chan was Assistant General Manager for Finance and Corporate Services at Wing Tai Holdings Limited, where he oversaw all financial matters as well as tax, legal and corporate secretarial functions from 1998 to 2003.

Mr Chan was appointed as a member of the Accounting Advisory Board of National University of Singapore Business School since 1 May 2021.

Mr Chan's principal directorships include Keppel Offshore & Marine Ltd, Keppel Land Limited, Keppel Infrastructure Holdings Pte Ltd, Keppel Telecommunications & Transportation Ltd, Keppel Capital Holdings Pte Ltd and M1 Limited.

Past principal directorships in the last five years
KrisEnergy Ltd and Keppel DC REIT Management Pte Ltd (the Manager of Keppel DC REIT).

Christina Tan Hua Mui, 56
Bachelor of Accountancy (Honours), National University of Singapore; CFA® charterholder.

Ms Tan is the Chief Executive Officer of Keppel Capital Holdings Pte Ltd (Keppel Capital), Chairman of Keppel DC REIT Management Pte Ltd (the Manager of Keppel DC REIT) and Deputy Chairman of Alpha Investment Partners Limited (Alpha).

Ms Tan has more than 20 years of experience and expertise in investing and fund management across the United States, Europe and Asia. She previously served as the Chief Financial Officer of GRA (Singapore) Private Limited, the Asian real estate fund management arm of the Prudential Insurance Company of America, managing more than US$1 billion in real estate funds. Prior to that, she was the Treasury Manager with Chartered Industries of Singapore, managing the group's cash positions and investments. Ms Tan started her career with Ernst & Young before joining the Government of Singapore Investment Corporation.

Ms Tan's principal directorships include Keppel Capital, Keppel REIT Management Limited (the Manager of Keppel REIT), Keppel DC REIT Management Pte Ltd (the Manager of Keppel DC REIT), Keppel Infrastructure Fund Management Pte Ltd (the Trustee-Manager of Keppel Infrastructure Trust) and the two private fund managers under Keppel Capital, being Alpha and Keppel Capital Alternative Asset Pte Ltd (KCAA). She also sits on the Investment Committees for the private funds managed by Alpha and KCAA.

Past principal directorships in the last five years
Nil

Chris Ong Leng Yeow, 47
Master and Bachelor of Electrical and Electronics Engineering, National University of Singapore.

Mr Ong is the Chief Executive Officer of Keppel Offshore & Marine Ltd (Keppel O&M) with effect from 1 July 2017. Prior to this appointment, he was Acting Chief Executive Officer of Keppel O&M. Mr Ong's career began in Keppel FELS in 1999 as a Commissioning Superintendent (E&I) and he has held appointments such as Project Engineer, Section Manager, Deputy Engineering Manager, Assistant General Manager (Engineering), General Manager (Engineering), Acting Executive Director (Operations), Executive Director (Commercial) and Managing Director of Keppel FELS Limited.

In addition to his current appointment, Mr Ong is also board member of The Institute of Technical Education Board of Governors, and he has been re-appointed as a board member of the Maritime and Port Authority of Singapore till 1 February 2024.

Mr Ong is a member of the American Bureau of Shipping; member of the Council of Stiftelsen Det Norske Veritas, DNV GL South East Asia and Pacific Committee, as well as Bureau Veritas Asia-Australia Committee.

Mr Ong is the Chairman of Keppel Amfels INC, Asian Lift Pte Ltd, Keppel FELS Brasil S.A. and FueLNG Pte Ltd. He is also a director of various subsidiaries or associated companies of Keppel O&M. He is also a Director of Keppel Technology and Innovation Pte Ltd, Keppel Renewable Energy Pte Ltd, Keppel Infrastructure Holding Pte Ltd and Keppel Renewable Investments Pte. Ltd.

Past principal directorships in the last five years
Various subsidiaries and associated companies of Keppel O&M.

Thomas Pang Thieng Hwi, 57
Bachelor of Arts (Engineering) and Master of Arts (Honorary Award), University of Cambridge.

Mr Pang is currently Chief Executive Officer of Keppel Telecommunications & Transportation Ltd (Keppel T&T), a position he held since July 2014. From June 2010 to June 2014, he was Chief Executive Officer of Keppel Infrastructure Fund Management Pte Ltd, the Trustee-Manager of Keppel Infrastructure Trust (KIT).

Mr Pang joined Keppel Offshore & Marine Ltd (Keppel O&M) in 2002 as a Senior Manager (Merger Integration Office) to assist in the merger and integration of Keppel FELS Limited and Keppel Shipyard Limited. He was promoted to General Manager (Corporate Development) in 2007 and oversaw the investment, mergers and acquisitions, as well as strategic planning of Keppel O&M. Prior to that, Mr Pang was an investment manager with Vertex Management (United Kingdom) from 1998 to 2001. Mr Pang was also the Vice President (Central USA) of the Singapore Tourism Board from 1995 to 1998, as well as the Assistant Head (Services Group, Enterprise Development Division) at the Economic Development Board of Singapore from 1988 to 1995.

Mr Pang currently holds directorships in several subsidiaries, associates and joint venture companies of Keppel T&T. He is also a Director of Keppel Capital Holdings Pte Ltd, Keppel DC REIT Management Pte Ltd (the Manager of Keppel DC REIT), Keppel Technology and Innovation Pte Ltd and M1 Limited.

Past principal directorships in the last five years
Various subsidiaries and associated companies of Keppel T&T and Keppel DC REIT.

Manjot Singh Mann, 56
Master of Management Studies (Marketing and Sales Management), University of Bombay; Bachelor of Engineering (Mechanical Engineering), University of Jabalpur.

Mr Mann assumed the Chief Executive Officer role at M1 Limited (M1) on 6 December 2018 and was appointed to the Board of M1 on 11 June 2019.

Mr Mann is concurrently the Chief Digital Officer of Keppel Corporation Limited, appointed with effect from 1 March 2022.

Mr Mann has about 30 years of operational leadership experience across diverse geographical markets and a unique blend of insights and perspectives in the rapidly evolving telecommunications industry.

Prior to joining M1, Mr Mann served as CEO at Pareteum Asia, a leading cloud software platform company, where he was appointed to expand NASDAQ-listed Pareteum Corporation's footprint in Asia. He was previously Global CEO (Communications and Convergence) of Lebara Mobile (UK), one of the largest multinational, pan-European mobile virtual network operators in the world. He was also the former CEO of Hutchison Telecommunication in Jakarta, Indonesia.

Mr Mann was appointed as a Director of Keppel Telecommunications & Transportation Ltd with effect from 1 October 2021.

Past principal directorship in the last five years
Pareteum Asia Pte Ltd and Lebara Service Centre Limited.

Louis Lim, 49
Master and Bachelor of Economics (Sigma Xi), Massachusetts Institute of Technology; MBA, INSEAD.

Mr Lim was appointed the Chief Executive Officer of Keppel Land Limited in 15 February 2021, after having served as its Chief Operating Officer since January 2018.

Mr Lim was previously Director of Group Strategy & Development at Keppel Corporation Limited, where he was responsible for Keppel's corporate strategy and worked with Keppel's business units on their strategic priorities. He was concurrently Managing Director of Keppel Technology and Innovation Pte Ltd, a change agent and innovation catalyst for the Keppel Group which aims to transform how Keppel harnesses technology and innovation to create value for stakeholders.

Prior to joining the Keppel Group in 2016, Mr Lim was a Partner with Bain & Company where he led the firm's Consumer Products & Retail as well as Change Management and Organisation practices in Southeast Asia. He began his career with the firm in 1997, working across Bain's Southeast Asia, as well as Melbourne, San Francisco and Tokyo offices, on projects that spanned from Papua New Guinea to Nigeria. Mr Lim's leadership roles at Bain included heading Human Resources and Recruiting for Southeast Asia.

Mr Lim is a board member of Keppel Infrastructure Holdings Pte Ltd and is also a director of various subsidiaries of Keppel Corporation Limited and Keppel Land Limited. He was appointed as a Director of Keppel Capital Holdings Pte Ltd with effect from 1 October 2021. Mr Lim is currently a member of the INSEAD Facilities Committee and he also sits on the board of Glyph Community Limited with effect from 1 December 2021.

Past principal directorships in the last five years
Nil

KEY EXECUTIVES

Cindy Lim, 44
Bachelor of Engineering (Mechanical & Production) (Second Upper Honours) from Nanyang Technological University; Executive MBA, Singapore Management University.

Ms Lim joined Keppel in 2001. She was appointed the Chief Executive Officer of Keppel Infrastructure Holdings Pte Ltd (Keppel Infrastructure) on 15 February 2021.

In her 20 years with Keppel, Ms Lim has held various leadership positions. She was the Director of Group Corporate Development (GCD) of Keppel Corporation Limited and concurrently the Managing Director of Keppel Urban Solutions Pte Ltd (KUS), an end-to-end integrated master developer of liveable, smart and sustainable precincts and townships in the Asia-Pacific region. As the Director of GCD, she focused on harnessing collaboration and synergies across the business units and functions within the Keppel Group. As the Managing Director of KUS, she led the unit to capture business opportunities, tapping on the megatrends of rapid urbanisation and the increasing global focus on sustainability.

Prior to these, Ms Lim was the Executive Director of Infrastructure Services in Keppel Infrastructure, where she stewarded the business by driving plants' efficiency and reliability, health, safety & environment (HSE) performance, as well as developing procurement strategies. She has diverse experience in operation and process excellence, as well as people and organisation management.

Her principal directorships include Keppel Infrastructure Holdings, Keppel Water Services Pte Ltd, Keppel Urban Solutions Pte Ltd, Primus I Investment Holdings Pte Ltd, Primus II Investment Holdings Pte Ltd, Keppel Kobleen Pte Ltd, MET Holding AG, Keppel Seghers Pte Ltd, Keppel Energy Pte Ltd, Keppel Electric Pte Ltd, Keppel Gas Pte Ltd, Keppel New Energy Pte Ltd, Keppel DHCS Pte Ltd, Keppel Energy Transition Centre Pte Ltd and Keppel Capital Holdings Pte Ltd.

Past principal directorships in the last five years
Keppel Infrastructure Fund Management Pte Ltd (Trustee-Manager of Keppel Infrastructure Trust), Keppel Rewards Pte Ltd, Vietnam Growth Pte Ltd (formerly known as Mulwort Pte Ltd) and Vietnam Success Pte Ltd (formerly known as Leklier Pte Ltd).

Bridget Lee Siow Pei, 50
Master of Management, JL Kellogg Graduate School of Management, Northwestern University; Bachelor of Accountancy, Nanyang Technological University.

Ms Lee is the Chief Executive Officer (CEO) and Executive Director of Keppel Capital Alternative Asset Pte Ltd (KCAA), a wholly-owned subsidiary of Keppel Capital Holdings Pte Ltd (Keppel Capital). Ms Lee is concurrently the Chief Operating Officer (COO) of Keppel Capital. Prior to assuming her dual roles as COO of Keppel Capital and CEO of KCAA, Ms Lee helped to spearhead the efforts in the investment of new platforms and initiatives in Keppel Capital. Ms Lee is also a Non-Executive Director of Keppel Pacific Oak US REIT Management Pte. Ltd. (the Manager of Keppel Pacific Oak US REIT), with effect from 20 October 2021.

Ms Lee has more than 20 years of experience in investment, corporate finance and mergers and acquisitions with various financial institutions in Asia and the United States. Her track record in transactions ranges from private equity, joint ventures, capital market transactions, as well as listed companies' merger and acquisitions, to funds and real assets investments.

Prior to joining Keppel Capital, Ms Lee was with Mapletree Investments as Senior Vice President of Investment overseeing the China market. She was also with other global financial organisations including Temasek Holdings.

Past principal directorships in last five years
Nil

Koh Wee Lih, 49
Master of Business Administration, Master of Science in Industrial and Operations Engineering, Bachelor of Science (Summa Cum Laude) in Aerospace Engineering; University of Michigan

Mr Koh was appointed Chief Executive Officer of Keppel REIT Management Limited (the Manager of Keppel REIT) with effect from 1 December 2021.

Mr Koh has over 25 years of experience in investment, corporate finance and asset management, of which more than 17 years are in direct real estate – covering investments, developments, asset management and real estate private equity in the Asia Pacific region.

Prior to joining the Manager, Mr Koh was the Executive Director and CEO of AIMS APAC REIT Management Limited, the manager of AIMS APAC REIT (AA REIT) from 2014 to 2021, where he was responsible for the overall planning, management and operation of AA REIT. Before that, Mr Koh held various senior positions at AA REIT as well as other private funds and a developer, overseeing regional investment and asset management.

Past principal directorships in last five years
AIMS APAC REIT Management Limited and various subsidiaries and associated companies of Keppel REIT.

Jopy Chiang, 37
Master of Finance, University of Cambridge; Bachelor of Business Administration, National University of Singapore; CFA® Charterholder

Mr Jopy Chiang was appointed Chief Executive Officer of Keppel Infrastructure Fund Management Pte Ltd, the Trustee-Manager of Keppel Infrastructure Trust (KIT), with effect from 1 August 2021.

Mr Chiang joined Keppel Capital in 2019 as Senior Vice President (Investments). He has over a decade of experience across infrastructure investing and investment banking, with US$10 billion of transaction and advisory experience in developed and emerging markets of Asia-Pacific, Europe and North America. Mr Chiang's investment experience spans the infrastructure spectrum across renewables, regulated utilities, conventional energy, distribution & transmission, transportation, water, waste and digital infrastructure, with transactions closed in key markets such as ASEAN, Australia, China, Japan, UK and USA, and a track record of successful returns to investors.

Mr Chiang was previously the Head of Execution at Mizuho Asia Infra Capital, a captive infrastructure fund owned by Mizuho Bank. Prior to that, he worked at Partners Group, Arcapita and Barclays Capital, and was based in Hong Kong, London and Singapore over the tenure of his career. While in Keppel Capital, Mr Chiang played a key role in the successful launch of the Keppel Asia Infrastructure Fund.

Mr Chiang's principal directorships include City Energy Pte Ltd (Chairman), Keppel Merlimau Cogen Pte Ltd (Chairman), KM Infrastructure Holdings, Inc. (President, Chairman) and Ixom Holdings Pty Ltd., Australia.

Past principal directorships in last five years
Nil

Anthea Lee, 48
Bachelor of Science (Estate Management), Second Class Honours (Upper Division), National University of Singapore; Master of Science (International Construction Management), Nanyang Technological University.

Ms Lee was appointed the Chief Executive Officer of Keppel DC REIT Management Pte Ltd (the Manager of Keppel DC REIT) with effect from 15 February 2021. She has more than 24 years of experience in real estate investment, business development, asset management and project management.

Ms Lee joined the Manager when Keppel DC REIT was listed, as Head of Portfolio Management, taking charge of investments and asset management and has been instrumental in growing Keppel DC REIT through various accretive acquisitions and portfolio management. She was appointed Deputy CEO and Head of Investment in 2018, and has been actively involved in all aspects of Keppel DC REIT's business.

Prior to joining the Manager, Ms Lee was Vice President, Investment at Keppel REIT Management Limited, managing regional investments and divestments. Before joining the Keppel Group in 2006, she was with JTC Corporation and Ascendas Land, where she was responsible for business development, asset management and project management of industrial and business park facilities for approximately 10 years.

Past principal directorships in the last five years
Various subsidiaries and associated companies of Keppel DC REIT.

David Eric Snyder, 51
Bachelor of Science in Business Administration, Biola University.

Mr Snyder was part of the management team that led the successful listing of Keppel Pacific Oak US REIT and has been the Chief Executive Officer and Chief Investment Officer since its listing on 9 November 2017. Prior to his current appointment, Mr Snyder was a consultant to KBS Capital Advisors where he managed the AFRT portfolio.

From 2008 to 2015, Mr Snyder was the Chief Financial Officer (CFO) of KBS Capital Advisors and five of its non-traded REITs. In addition to his CFO responsibilities, he led the negotiation for the transfer of the AFRT portfolio comprised of over 800 properties valued at over US$1.7 billion. He subsequently managed that portfolio for KBS Real Estate Investment Trust.

From 1998 to 2008, Mr Snyder was the Financial Controller for Nationwide Health Properties, a publicly-traded healthcare REIT. Prior to that he was the Director of Financial Reporting for Regency Health Services.

Mr Snyder started his career as an auditor at Arthur Andersen LLP after graduating from Biola University.

Past principal directorships in the last five years
Nil

KEY EXECUTIVES

Alvin Mah, 50
Bachelor of Business Administration (Honours), National University of Singapore; CFA® charterholder.

Mr Mah is the Chief Executive Officer of Alpha Investment Partners Limited (Alpha). He currently sits on the Investment Committee for various funds under management and is also an Executive Director of Alpha's Board. Prior to his current appointment, Mr Mah served as the Chief Investment Officer, leading all investment efforts including crafting the investment strategies for the various funds.

Mr Mah has been active in Asian finance and investment activities for about 25 years and has conducted investments in key Asian markets. He is well-versed in various aspects of investment and finance, having played key leadership roles in investment and banking. With a wide-ranging exposure to finance, he has been able to customise structured solutions to meet specific investment objectives and has done pioneering work for structured real estate investments, including Real Estate Investment Trusts and securitisation.

Past principal directorships in last five years
Nil

Devarshi Das, 50
Master of Business Administration, University of Chicago Booth School of Business; Master of Science in Civil Engineering, Purdue University; Bachelor of Technology in Civil Engineering, Indian Institute of Technology.

Mr Das is the Chief Executive Officer (CEO), Infrastructure, Keppel Capital Alternative Asset Pte Ltd, a wholly-owned subsidiary of Keppel Capital Holdings Pte Ltd (Keppel Capital). He joined Keppel Capital in January 2019 and is focused on building the private infrastructure fund business. Mr Das has more than 22 years of private equity, principal investment and financial services experience.

Prior to Keppel Capital, Mr Das was the CEO of Capital Advisors Partners Asia Pte Ltd (CapAsia). Mr Das joined CapAsia, an infrastructure private equity fund manager specialising in mid-market energy and infrastructure companies and assets, at the launch of its first fund in 2006. Over a tenure of more than 12 years in CapAsia, Mr Das was involved in all aspects of fund management of multiple funds and a key executive of their funds. He was on the board of various portfolio companies representing the power, transportation, renewable energy and telecommunications sectors.

Prior to CapAsia, Mr Das was with Australia and New Zealand Bank in their Project and Structured Finance group in Singapore. Mr Das also has principal investment experience in the United States (US). He worked in the US energy industry for Enron Energy Services as an asset investment manager, and also worked for Sempra Energy Solutions on investments into their contracted energy assets. Mr Das has also acted as a product manager for the commercial auto insurance product of Progressive Insurance where he was responsible for the product profitability across various midwestern states in the US.

Past principal directorships in last five years
Nil

Than Su Ee, 51
Master of Philosophy in Management Studies, Cambridge University; Master of Engineering (Industrial & Systems Engineering) and Bachelor of Engineering (Mechanical & Production Engineering), National University of Singapore.

Mr Than joined Keppel Capital in June 2021 as Chief Executive Officer for the Core Infrastructure division. He brings with him over 20 years of experience in investment banking and private equity, having worked across various countries in Southeast Asia, Greater China and the United Kingdom.

Mr Than was previously Managing Director of China-ASEAN Investment Cooperation Fund, an offshore quasi-sovereign equity fund that targets investment opportunities in infrastructure, energy and natural resources in the ASEAN region. Prior to that, he was Head of Global Investment Banking for Greater China at OCBC Bank, overseeing the investment banking activities including loan syndication, fixed income, private equity, mergers and acquisitions, as well as equity capital market businesses. He was also the Global Head for Mezzanine Capital Unit (Private Equity & Special Opportunities) at OCBC Bank, responsible for its private equity activities in Southeast Asia and Greater China. Mr Than started his career at Citigroup and was part of the direct investment team covering Australasia and Southeast Asia.

Over the course of his career, Mr Than has held senior management roles and sat on various investment and management committees. He is currently an Advisory Panel member of the China-ASEAN Business Alliance. He has invested in more than 50 companies and originated strategic investments into three private equity funds in China and Indonesia. His investment banking track record includes more than US$30 billion in corporate advisory, loan syndication and bond transactions. He also successfully led and established OCBC Bank's maiden investment fund, with strong support from sovereign wealth fund, insurance company, regional banks, private banks fund-of-funds and family offices.

Past principal directorships in last five years
OCBC Capital (Shanghai) Equity Investment Management Co Ltd and Reed International Limited.

MAJOR PROPERTIES

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Completed properties					
Keppel REIT	47%	Ocean Financial Centre Collyer Quay, Singapore	Land area: 6,221 sqm 43-storey office tower with ancillary retail space	999 years leasehold	Commercial office building with rentable area of 81,195 sqm
		One Raffles Quay, Singapore	Land area: 15,497 sqm Two office towers of 50-storey and 29-storey	99 years leasehold	Commercial office building with rentable area of 122,901 sqm
		Marina Bay Financial Centre Towers 1 and 2, and Marina Bay Link Mall Marina Boulevard, Singapore	Land area: 33,220 sqm Two office towers of 33-storey and 50-storey with ancillary retail space	99 years leasehold	Commercial office building with rentable area of 160,866 sqm
		Marina Bay Financial Centre Tower 3 Marina Boulevard, Singapore	Land area: 9,710 sqm 46-storey office tower with retail podium	99 years leasehold	Commercial office building with rentable area of 124,114 sqm
		Keppel Bay Tower HarbourFront Avenue, Singapore	Land area: 10,441 sqm 18-storey office tower with a six-storey podium	99 years leasehold	Commercial office building with rentable area of 35,881 sqm
		8 Exhibition Street Melbourne, Australia	Land area: 4,329 sqm 35-storey office tower with ancillary retail space	Freehold	Commercial office building with rentable area of 45,031 sqm
		8 Chifley Square Sydney, Australia	Land area: 1,581 sqm 30-storey office tower	99 years leasehold	Commercial office building with rentable area of 19,334 sqm
		David Malcolm Justice Centre Perth, Australia	Land area: 2,947 sqm 33-storey office tower	99 years leasehold	Commercial office building with rentable area of 31,175 sqm
		Victoria Police Centre Melbourne, Australia	Land area: 5,136 sqm 40-storey office tower	Freehold	Commercial office building with rentable area of 67,666 sqm
		Pinnacle Office Park Sydney, Australia	Land area: 22,040 sqm Three office towers of 8-storey, 7-storey and 4-storey	Freehold	Commercial office building with rentable area of 34,857 sqm
		T Tower Seoul, South Korea	Land area: 5,346 sqm 28-storey office tower	Freehold	Commercial office building with rentable area of 21,216 sqm
Keppel DC REIT	20%	Keppel DC Singapore 1 Serangoon, Singapore	Land area: 7,333 sqm 6-storey data centre	30 years lease with option for another 30 years	Data centre with rentable area of 10,193 sqm
		Keppel DC Singapore 2 Tampines, Singapore	Land area: 5,000 sqm 5-storey data centre	30 years lease and extended for another 30 years	Data centre with rentable area of 3,575 sqm
		Keppel DC Singapore 3 Tampines, Singapore	Land area: 5,000 sqm 5-storey data centre	30 years lease and extended for another 30 years	Data centre with rentable area of 5,103 sqm
		Keppel DC Singapore 4 Tampines, Singapore	Land area: 6,805 sqm 5-storey data centre	30 years lease and extended for another 30 years	Data centre with rentable area of 7,854 sqm
		Keppel DC Singapore 5 Jurong, Singapore	Land area: 7,742 sqm 5-storey data centre	30 years lease	Data centre with rentable area of 8,717 sqm

MAJOR PROPERTIES

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
		DC1 Riverside Road, Singapore	Land area: 8,538 sqm 5-storey data centre	70 years and 5 months lease	Data centre with rentable area of 19,864 sqm
		Gore Hill Data Centre Sydney, Australia	Land area: 6,692 sqm 4-storey data centre	Freehold	Data centre with rentable area of 8,450 sqm
		Intellicentre Campus Sydney, Australia	Land area: 20,031 sqm 2-storey and 5-storey data centres	Freehold	Data centre with rentable area of 16,169 sqm
		Almere Data Centre Amsterdam, Netherlands	Land area: 7,930 sqm 3-storey data centre	Freehold	Data centre with rentable area of 11,000 sqm
		Keppel DC Dublin 1 Dublin, Ireland	Land area: 20,275 sqm 2-storey data centre	999 years leasehold	Data centre with rentable area of 6,328 sqm
		Keppel DC Dublin 2 Dublin, Ireland	Land area: 13,900 sqm Single-storey data centre	999 years leasehold	Data centre with rentable area of 2,613 sqm
		maincubes Data Centre Offenbach am Main, Germany	Land area: 5,596 sqm 4-storey data centre	Freehold	Data centre with rentable area of 9,016 sqm
		Kelsterbach Data Centre Kelsterbach, Germany	Land area: 46,369 sqm 5-storey data centre	Freehold	Data centre with rentable area of 50,248 sqm
		Guangdong Data Centre Guangdong, China	Land area: 78,021 sqm 7-storey data centre	50 years leasehold	Data centre with rentable area of 20,596 sqm
Keppel Pacific Oak US REIT	7%	The Plaza Buildings 8th Street, Bellevue, Washington, USA	Land area: 16,295 sqm 16 and 10 storey multi-tenanted office buildings	Freehold	Commercial office building with rentable area of 45,615 sqm
		Bellevue Technology Center 24th Street, Bellevue, Washington, USA	Land area: 188,570 sqm Office campus featuring 9 multi-tenanted office buildings	Freehold	Commercial office buildings with rentable area of 30,705 sqm
		The Westpark Portfolio 8200-8644 154th Avenue NE Redmond, Washington, USA	Land area: 167,621 sqm Business campus comprising 19 office buildings and 2 flex buildings which are multi-tenanted	Freehold	Commercial office and flex buildings with rentable area of 72,650 sqm
		Westmoor Center Westmoor Drive, Colorado, USA	Land area: 176,953 sqm Business campus featuring 6 multi-tenanted office buildings	Freehold	Commercial office building with rentable area of 56,939 sqm
		1800 West Loop South Houston, USA	Land area: 7,627 sqm A 21-storey high rise office multi-tenanted property	Freehold	Commercial office building with rentable area of 37,171 sqm
		Maitland Promenade I & II 485 & 495 N Keller Road, Florida, USA	Land area: 78,379 sqm Office campus featuring 2 multi-tenanted office buildings	Freehold	Commercial office building with rentable area of 42,804 sqm
		One Twenty Five 125 East John Carpenter Freeway, Texas, USA	Land area: 25,576 sqm Office complex comprising 2 office buildings and a 7-storey parking garage which are multi-tenanted	Freehold	Commercial office building with rentable area of 41,996 sqm

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Keppel Bay Pte Ltd	100%	Reflections at Keppel Bay Singapore	Land area: 83,538 sqm	99 years leasehold	A 1,129-unit waterfront condominium development
	100%	Corals at Keppel Bay Singapore	Land area: 38,830 sqm	99 years leasehold	A 366-unit waterfront condominium development
Katong Retail Trust	100%	I12 Katong East Coast Road, Singapore	Land area: 7,261 sqm	99 years leasehold	A 6-storey shopping mall with rentable area of 19,800 sqm
Beijing Changsheng Property Management Co Ltd	100%	Linglong Tiandi Beijing, China	Land area: 3,546 sqm	50 years lease (office) 40 years lease (retail)	A 11-storey office tower with ancillary retail space in Haidian District
China The9 Interactive (Shanghai) Ltd, The9 Computer Technology Consulting (Shanghai) Ltd and Shanghai Kai E Information Technology Co Ltd	100%	The Kube Shanghai, China	Land area: 3,686 sqm	50 years lease	A 4-storey office building at the core area of Zhangjiang high-tech Park
Win Up Investment Ltd	30%	Westmin Plaza Guangzhou, China	Land area: 9,278 sqm	50 years lease (office) 40 years lease (retail)	A 17-storey office tower with ancillary retail space in Liwan District
Spring City Golf & Lake Resort Co (owned by Kingsdale Development Pte Ltd)	69%	Spring City Golf & Lake Resort Kunming, China	Land area: 2,507,653 sqm Two 18-hole golf courses, 73 guests rooms and 527 resort homes	70 years lease (residential) 50 years lease (golf course)	Integrated resort comprising golf courses, resort homes and resort facilities
North Bund Pte Ltd	30%	International Bund Gateway Shanghai, China	Land area: 13,373 sqm	50 years lease (office) 40 years lease (retail)	A mixed-use development in Hongkou District
Vision (III) Pte Ltd	30%	Trinity Tower Shanghai, China	Land area: 16,427 sqm	50 years lease (office) 40 years lease (retail)	A mixed-use development in Hongkou District
PT Kepland Investama	100%	International Financial Centre (Tower 2) Jakarta, Indonesia	Land area: 10,428 sqm	20 years lease with option for another 20 years	A Grade A office development in Jakarta CBD with rentable area of 50,200 sqm
Tanah Sutera Development Sdn Bhd	18%	Taman Sutera and Taman Sutera Utama Johor Bahru, Malaysia	Land area: 2,018,390 sqm	Freehold	A township comprising residential units, commercial space and recreational facilities in Skudai
City Square Office Co Ltd	40%	Junction City Tower (Phase 1) Yangon, Myanmar	Land area: 26,406 sqm	50 years BOT with option for another two 10-years	A mixed-use development in CBD
Straits Greenfield Ltd	100%	Sedona Hotel Yangon Yangon, Myanmar	Land area: 32,000 sqm	50 years BOT with option for another two 10-years	A 5-star hotel in Yangon with 789 rooms
Keppel Land Watco I Co Ltd	61%	Saigon Centre (Phase 1) Ho Chi Minh City, Vietnam	Land area: 2,730 sqm 25-storey office, retail cum serviced apartments development	50 years leasehold	Commercial building with rentable area of 11,683 sqm office and 10,099 sqm of serviced apartments
Keppel Land Watco II & III Co Ltd	61%	Saigon Centre (Phase 2) Ho Chi Minh City, Vietnam	Land area: 8,355 sqm	50 years leasehold	Commercial building with rentable area of 37,600 sqm retail, 34,000 sqm office and 195 units of serviced apartments

MAJOR PROPERTIES

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Properties under development					
K-Commercial Pte Ltd	100%	Keppel Towers Hoe Chiang Road, Singapore	Land area: 9,126 sqm	Freehold	Commercial office buildings *(2024)
Parksville Development Pte Ltd	100%	19 Nassim Nassim Hill, Singapore	Land area: 5,785 sqm	99 years leasehold	A 101-unit condominium development *(2023)
Keppel Bay Pte Ltd	100%	Keppel Bay Plot 6 Singapore	Land area: 43,701 sqm	99 years leasehold	A proposed 86-unit waterfront condominium development
Alpha DC Fund	65%	3 Broadcast Way, Artarmon, New South Wales, Australia	Land area: 3,840 sqm 5-storey data centre	Freehold	Data centre with rentable area of 3,975 sqm
		Tonghu Science City, Zhongkai High-Tech Area, Huizhou City, Guangdong Province, China	Land area: 41,487 sqm 4-storey internet data centre block	50 years leasehold	Internet data centre with rentable IT load of 36.8MW
Keppel DC Fund II	41%	No. 699 Songying Road, Xianghuaqiao Street, Qingpu District, Shanghai	Land area: 22,226 sqm 5-storey internet data centre block	50 years leasehold	Internet data centre with rentable IT load of 19.8MW
Keppel REIT	47%	Blue & William Sydney, Australia	Land area: 2,309 sqm 10-storey Grade A office building under development	Freehold	Commercial office building with rentable area of 14,183 sqm
Shanghai Floraville Land Co Ltd	99%	Park Avenue Central Shanghai, China	Land area: 27,958 sqm	40 years lease (retail) 50 years lease (office)	An office and retail development *(2023)
Shanghai Jinju Real Estate Development Co Ltd	99%	Sheshan Riviera Shanghai, China	Land area: 175,191 sqm	70 years lease (residential) 40 years lease (commercial)	A 217-unit landed development in Sheshan *(2022 Phase 2)
Harbourfront Three Pte Ltd	39%	The Reef at King's Dock Singapore	Land area: 28,579 sqm	99 years leasehold	A 429-unit waterfront condominium development *(2025)
Keppel Heights (Wuxi) Property Development Co Ltd	100%	Park Avenue Heights Wuxi, China	Land area: 66,010 sqm	70 years lease (residential) 40 years lease (commercial)	A mixed-use development with 1,281 residential units with commercial facilities in Liangxi District (*2022 Phase 4)
Keppel Lakefront (Wuxi) Property Development Co Ltd	100%	Waterfront Residences Wuxi, China	Land area: 215,230 sqm	70 years lease (residential) 40 years lease (commercial)	A 1,403-unit residential development with commercial and SOHO facilities in Binhu District *(2023 Phase 7)
Keppel Seasons Residences Property Development (Wuxi) Co Ltd	100%	Seasons Residences Wuxi, China	Land area: 180,258 sqm	70 years lease (residential) 40 years lease (commercial)	A 2,904-unit residential development with integrated facilities in Xinwu District *(2022 Phase 5b)
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd/Keppel Hong Tai (Tianjin Eco-City) Property Development Co Ltd/ Keppel Hong Teng (Tianjin Eco-City) Property Development Co Ltd	100%	Seasons City in Sino-Singapore Tianjin Eco-City Tianjin, China	Land area: 40,451 sqm	40 years leasehold	A commercial sub-centre comprising of two office towers

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Nanjing Zhijun Property Development Co Ltd	25%	Noblesse IX Nanjing, China	Land area: 38,285 sqm	70 years lease (residential) 40 years lease (commercial)	A mixed-use development with about 181 residential units and 417 commercial units in Xuanwu District *(2022)
Shanghai Xindi Real Estate Co Ltd	15%	Upview, Shanghai Shanghai, China	Land area: 84,000 sqm	70 years lease (residential)	A 1,566-unit residential development in Jiading District (*2022)
Tianjin Fushi Property Development Co Ltd	49%	North Island mixed-use development Tianjin, China	Land area: 226,972 sqm	70 years lease (residential) 40 years lease (commercial)	A mixed-used development in North Island within Sino-Singapore Tianjin Eco-City (*2023-2026)
Tianjin Fulong Property Development Co Ltd	100%	North Island mixed-use development Tianjin, China	Land area: 664,492 sqm	70 years lease (residential) 40 years lease (commercial)	A mixed-use development in North Island within Sino-Singapore Tianjin Eco-City
PT Kepland Investama	100%	International Financial Centre (Tower 1) Jakarta, Indonesia	Land area: 10,428 sqm	20 years lease with option for another 20 years	A prime office development with rentable area of 70,000 sqm
PT Harapan Global Niaga	100%	West Vista at Puri Jakarta, Indonesia	Land area: 28,851 sqm	30 years lease with option for another 20 years	A 2,855-unit residential development with ancillary shop houses
Tanah Sutera Development Sdn Bhd	18%	Taman Sutera and Taman Sutera Utama Johor Bahru, Malaysia	Land area: 2,850,774 sqm	Freehold	A township comprising residential units, commercial space and recreational facilities in Skudai
City Square Tower Co Ltd	40%	Junction City Tower (Phase 2) Yangon, Myanmar	Land area: 26,406 sqm	50 years BOT with option for another two 10-years	A 23-storey Grade A office building within a mixed use development in CBD
Saigon Sports City Ltd	100%	Saigon Sports City Ho Chi Minh City, Vietnam	Land area: 638,737 sqm	50 years leasehold	A township with about 4,300 apartments, commercial complexes and public sports facilities *(2024 Phase 1)
Empire City LLC	40%	Empire City Ho Chi Minh City, Vietnam	Land area: 146,000 sqm	50 years leasehold	A residential development with about 2,350 units and commercial space in Thu Thiem New Urban Area, District 2 *(2022 Phase 3)
South Rach Chiec LLC	42%	Palm City Ho Chi Minh City, Vietnam	Land area: 289,365 sqm	50 years leasehold	A residential township with more than 3,000 units and commercial space at South Rach Chiec, District 2
Kapstone Construction Private Limited	49%	Urbania Township Mumbai, India	Land area: 60,349 sqm	Freehold	A 7,505 residential unit integrated township development located in Thane (*2031)
Keppel Puravankara Development Pvt Ltd	51%	KPDL Grade-A Office Tower	Land area: 30,898 sqm	Freehold	A Grade A office development located in the prime commercial hub of Yeshwantpur (*2026)

MAJOR PROPERTIES

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Industrial properties					
Keppel FELS Limited	100%	Pioneer and Crescent Yard, Singapore	Land area: 522,097 sqm buildings, workshops, building berths, drydocks and wharves	16 - 30 years leasehold	Offshore oil rig construction and repair
Keppel Shipyard Limited	100%	Benoi and Pioneer Yard, Singapore	Land area: 800,375 sqm buildings, workshops, drydocks and wharves	30 years leasehold	Shiprepairing, shipbuilding and marine construction

* Expected year of completion

GROUP FIVE-YEAR PERFORMANCE

	2017	2018	2019	2020	**2021**
Selected Profit & Loss Account Data					
($ million)					
Revenue	5,964	5,965	7,580	6,574	**8,625**
Operating profit	801	1,055	877	8	**898**
Profit before tax	442^	1,245	954	(255)	**1,335**
Net profit attributable to shareholders of the Company	196^	948	707	(506)	**1,023**
Selected Balance Sheet Data					
($ million)					
Fixed assets, investment properties & right-of-use assets	5,894	5,224	6,684	6,972	**6,830**
Associated companies, joint ventures and investments	6,575	6,825	7,121	7,355	**7,525**
Stocks, contract assets, debtors, cash, assets held for sale & long term assets	16,084	14,410	15,834	16,170	**16,379**
Intangibles	133	129	1,683	1,609	**1,589**
Total assets	28,686	26,588	31,322	32,106	**32,323**
Less:					
Creditors	8,298	6,912	7,325	7,585	**7,210**
Borrowings & lease liabilities	7,793	7,549	11,657	12,603	**12,017**
Other liabilities	622	550	694	762	**655**
Net assets	11,973	11,577	11,646	11,156	**12,441**
Share capital & reserves	11,443	11,268	11,211	10,728	**11,655**
Perpetual Securities	-	-	-	-	**401**
Non-controlling interests	530	309	435	428	**385**
Total Equity	11,973	11,577	11,646	11,156	**12,441**
Per Share					
Earnings (cents) (Note 1):					
Before tax	23.3^	67.7	48.8	(14.3)	**73.7**
After tax	10.8^	52.3	38.9	(27.8)	**56.2**
Total distribution (cents)	22.0	30.0*	20.0	10.0	**33.0**
Net assets ($)	6.29	6.22	6.17	5.90	**6.41**
Net tangible assets ($)	6.22	6.15	5.25	5.02	**5.53**
Financial Ratios					
Return on shareholders' funds (%) (Note 2):					
Profit before tax	3.7	10.8	7.9	(2.4)	**12.0**
Net profit	1.7	8.4	6.3	(4.6)	**9.1**
Dividend cover (times)	0.5	1.7*	1.9	(2.8)	**1.7**
Net cash/(gearing) (times)	(0.46)	(0.48)	(0.85)	(0.91)	**(0.68)**
Employees					
Average headcount (number)	21,862	18,186	18,297	18,452	**16,393**
Wages & salaries ($ million)	1,107	1,018	1,187	1,166	**1,151**

^ Includes the one-off financial penalty from the global resolution and related costs of $619 million.
* Includes the special dividend paid of 5.0 cents per share.

Notes:
1. Earnings per share are calculated based on the Group profit by reference to the weighted average number of shares in issue during the year.
2. In calculating return on shareholders' funds, average shareholders' funds has been used.

GROUP FIVE-YEAR PERFORMANCE

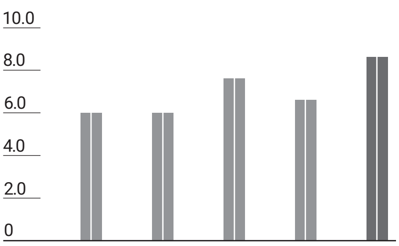
2021

Group revenue of $8,625 million was $2,051 million or 31% higher than the preceding year. Revenue from Energy & Environment increased by $1,631 million or 41% to $5,574 million, led by higher electricity and gas sales, higher progressive revenue recognition from the Tuas Nexus Integrated Waste Management Facility project in Singapore which was secured in April 2020, higher progressive revenue recognition from the Hong Kong Integrated Waste Management Facility project, as well as higher revenue from the offshore & marine business. These were partially offset by the completion of Keppel Marina East Desalination Plant project in June 2020, as well as the absence of revenue from the Doha North Sewage Treatment Works due to the cessation of the operation and maintenance contract in July 2020. The higher revenue in the offshore & marine business was mainly due to higher revenue recognition from certain ongoing projects and revenue from new projects in 2021, which were partly offset by cessation of revenue recognition on Awilco contracts and deferment of some projects. Major jobs delivered by the offshore & marine business in 2021 include two LNG bunker vessels, an LNG carrier, a FLNG turret, four Floating Production Storage and Offloading vessel (FPSO) modification and upgrading projects, and a Floating Storage Regasification Unit (FSRU) conversion project. Revenue from Urban Development increased by $354 million to $1,629 million mainly due to higher revenue from property trading projects in China and Singapore. Revenue for Connectivity of $1,260 million was marginally above that of 2020. Higher revenues from the logistics and data centre businesses, and higher handset and equipment sales in M1, were partly offset by the lower service revenue in M1. Revenue from Asset Management increased by $27 million to $162 million mainly due to higher fees resulting from increased acquisition and divestment activities, and from additional fund commitments secured during the year.

Group pre-tax profit was $1,335 million, as compared to pre-tax loss of $255 million in 2020. All segments recorded improved pre-tax results. The Energy & Environment's pre-tax loss was $469 million as compared to pre-tax loss of $1,251 million in 2020. This was largely due to lower impairments and share of Floatel's restructuring gain. Excluding impairments of $477 million and share of Floatel's restructuring gain of $269 million, pre-tax loss of the segment was $261 million, as compared to pre-tax loss of $269 million (excluding impairments) in 2020. Pre-tax results for the offshore & marine business were better than last year's despite lower government relief measures related to the COVID-19 pandemic. This was mainly driven by savings from overheads reduction and lower share of losses from associated companies, partly offset by higher net interest expense. There was lower contribution from the power & renewables business, as well as loss on hedge ineffectiveness on interest rate swaps following the refinancing plan for an asset. Pre-tax profit from Urban Development increased by $352 million to $1,072 million, mainly due to higher contribution from property trading projects in China and Vietnam, as well as gains from the disposal of interests in the Dong Nai project in Vietnam, Serenity Villas project in Chengdu, and China Chic project in Nanjing, and divestment of a partial interest in Tianjin Fushi Real Estate Development Co Ltd. These were partly offset by lower fair value gains from investment properties, impairment provision for a hotel in Myanmar, as well as lower contribution from the Sino-Singapore Tianjin Eco-City. Connectivity's pre-tax profit of $86 million was $57 million higher than 2020. This was mainly due to the gains from divestment of interests in Wuhu Sanshan Port Company Limited and in Keppel Logistics (Foshan) following agreement reached with local authorities on the compensation for the closure of Lanshi port , as well as lower net interest expense. These were partly offset by lower contribution from M1, and absence of gain from the disposal of interest in Business Online Public Company Limited in 2020. Pre-tax profit from Asset Management increased by $23 million to $327 million. In 2020, there was a mark-to-market gain recognised from the reclassification of the Group's interest in KIT from an associated company to an investment following the loss of significant influence over KIT. Excluding the reclassification gain, pre-tax profit was $154 million higher than 2020. For 2021, the segment recorded higher fee income arising from acquisitions and divestments completed, and from additional fund commitments secured during the year. In addition, there was recognition of mark-to-market gains from investments, higher dividend income from KIT, as well as fair value gains on investment properties and data centres from Keppel REIT, Keppel DC REIT, Alpha Data Centre Fund and Keppel Data Centre Fund II. In 2020, there was the recognition of gains from the sale of units in Keppel DC REIT, divestment of interest in Gimi MS Corporation, and mark-to-market losses from investments. Corporate & Others recorded pre-tax profit of $319 million in 2021 as compared to pre-tax loss of $57 million in the prior year. This was mainly due to fair value gain instead of loss on investments, and higher investment income. The fair value gains were largely from investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P..

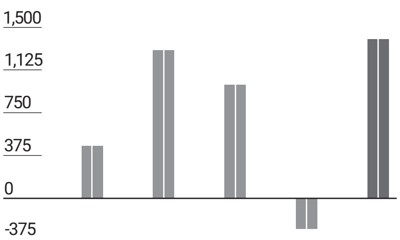
Taxation expenses increased by $71 million mainly due to higher taxable profit at Urban Development. Taking into account income tax expenses, non-controlling interests and profit attributable to holders of perpetual securities, net profit attributable to shareholders was $1,023 million as compared to net loss of $506 million in the preceding year. Profits from Urban Development, Asset Management and Connectivity businesses were partly offset by losses at Energy & Environment.

Revenue ($ billion)



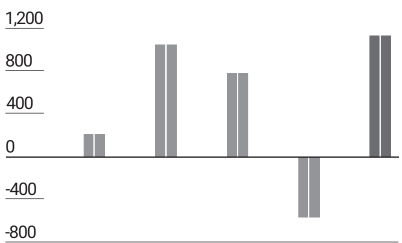
2017	2018	2019	2020	**2021**
6.0	6.0	7.6	6.6	**8.6**

Pre-Tax Profit ($ million)



2017	2018	2019	2020	**2021**
442^	1,245	954	(255)	**1,335**

Net Profit ($ million)



2017	2018	2019	2020	**2021**
196^	948	707	(506)	**1,023**

^ Includes the one-off financial penalty and related costs of $619 million.

2020

Group revenue of $6,574 million for 2020 was $1,006 million or 13% lower than the preceding year. Revenue from Energy & Environment decreased by $1,026 million or 21% to $3,943 million led by lower revenue in the offshore & marine business due to slower progress from certain on-going projects as a result of COVID-19 related disruptions, suspension of revenue recognition on Awilco contracts, fewer new contracts secured in 2020 and deferment of some projects, which were partly offset by revenue from new projects. The lower revenue was also due to lower electricity sales, lower progressive revenue recognition from the Hong Kong Integrated Waste Management Facility project, as well as the completion of Keppel Marina East Desalination Plant project in 2Q 2020 in the infrastructure business. Major jobs delivered by the offshore & marine business in 2020 include two jackup rigs, a dual-fuel bunker tanker, a Floating Production Storage and Offloading vessel (FPSO) modification and upgrading project, a LNG Carrier, a Dredger and a Production Barge. 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, which were partly offset by higher revenue from property trading projects in China. Revenue for Connectivity grew by $92 million to $1,220 million mainly due to M1 which was consolidated from March 2019, partly offset by lower contribution from the logistics business following the divestment of some China logistics assets in November 2019. Revenue from Asset Management decreased by $10 million to $135 million mainly due to lower acquisition and divestment fees, partly offset by higher management fees.

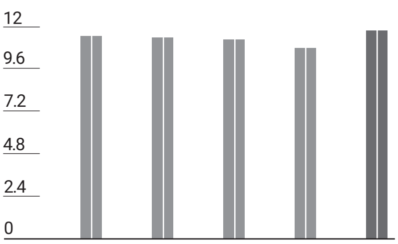
Group pre-tax loss for 2020 was $255 million, as compared to pre-tax profit of $954 million in 2019. Excluding impairments of $1,030 million, pre-tax profit of the Group was $775 million, which was $302 million or 28% lower than $1,077 million (excluding impairments) in 2019. Energy & Environment's pre-tax loss was $1,251 million as compared to pre-tax loss of $121 million in 2019. Excluding impairments of $982 million, the pre-tax loss was $269 million. This was largely due to weaker performance in the offshore & marine business, which had been impacted by slower progress on projects due principally to significant downtime as a result of COVID-19, share of losses from associated companies and joint ventures, higher net interest expense, and fair value loss on investment, which were partially offset by lower overheads and government relief measures related to the COVID-19 pandemic. These were partly offset by higher contributions from the energy infrastructure and environmental infrastructure businesses, as well as the absence of share of loss from KrisEnergy and fair value loss on KrisEnergy warrants as compared to 2019. Pre-tax profit from Urban Development increased by $44 million to $720 million mainly due to higher fair value gains from investment properties, higher contribution from property trading projects in China, as well as higher contribution from the Sino-Singapore Tianjin Eco-City. These were partly offset by lower contribution from associated companies and joint ventures. Pre-tax profit of Connectivity was $29 million, which was $167 million below that in 2019. This was mainly due to the absence of fair value gain recognised in 2019 from the remeasurement of previously held interest in M1 at acquisition date, as well as lower contribution from M1. These were partly offset by gain from the disposal of interest in Business Online Public Company Limited, and lower losses from the logistics business. Pre-tax profit from Asset Management increased by $65 million to $304 million mainly due to mark-to-market gain recognised from the reclassification of the Group's interest in KIT from an associated company to an investment following the loss of significant influence over KIT, gain from sale of units in Keppel DC REIT, gain from divestment of interest in Gimi MS Corporation, as well as dividend income from KIT and higher contribution from Keppel DC REIT. These were partly offset by mark-to-market losses from investments, lower investment income and lower contributions from Keppel REIT and Alpha Data Centre Fund, as well as absence of dilution gain arising from Keppel DC REIT's private placement exercise in 2019.

Taxation expenses increased by $61 million or 32% mainly due to lower write-backs of tax provision as compared to 2019 and higher taxation from property trading projects in China, partly offset by the deferred tax credit recognised in 2020 in relation to the impairment provisions for contract assets. Non-controlling interests were $57 million lower than the preceding year. Taking into account income tax expenses and non-controlling interests, net loss attributable to shareholders for 2020 was $506 million as compared to net profit of $707 million in the preceding year. Losses in the Energy & Environment business were partly offset by profits from the Urban Development, Asset Management and Connectivity businesses.

2019

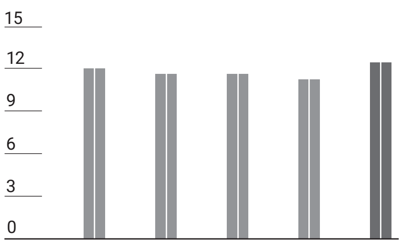
Group revenue of $7,580 million for 2019 was $1,615 million or 27% higher than in the preceding year. Revenue from Energy & Environment improved by $647 million or 15% to $4,969 million mainly due to higher revenue recognition from ongoing projects in the offshore & marine business, increased sales in the power and gas business as well as higher progressive revenue recognition from the Keppel Marina East Desalination Plant project and the Hong Kong Integrated Waste Management Facility project, partly offset by the absence of revenue recognised in 2018 from the sale of jackup rigs to Borr Drilling Limited. Major jobs delivered by the offshore & marine business in 2019 include five jackup rigs, three FPSO/FSRU conversions and four dredgers. Revenue from Urban Development decreased marginally by $4 million to $1,336 million mainly due to lower revenue from property trading projects in Singapore, partly offset by higher revenue from property trading projects in China. Revenue from Connectivity increased by $946 million to $1,128 million mainly due to the consolidation of M1. Revenue from Asset Management increased by $26 million to $145 million as a result of higher asset management and acquisition fees.

Shareholders' Fund ($ billion)



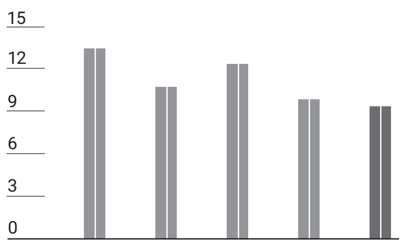
2017	2018	2019	2020	**2021**
11.4	11.3	11.2	10.7	**11.7**

Total Equity ($ billion)



2017	2018	2019	2020	**2021**
12.0	11.6	11.6	11.2	**12.4**

Market Capitalisation ($ billion)



2017	2018	2019	2020	**2021**
13.4	10.7	12.3	9.8	**9.3**

Group pre-tax profit for the current year was $954 million, $291 million or 23% below the previous year. Energy & Environment's pre-tax loss was $121 million as compared to pre-tax loss of $168 million in 2018. The lower loss was mainly due to higher operating results arising from higher revenue, lower impairment provisions and lower net interest expense from the offshore & marine business, as well as higher contributions from energy infrastructure and environmental infrastructure, and lower provision for impairment of an associated company, partly offset by share of losses from associated companies and the absence of write-back of provisions for claims in 2018 in the offshore & marine business, higher fair value loss on KrisEnergy warrants and lower contributions from infrastructure services. Pre-tax profit from Urban Development decreased by $525 million to $676 million mainly due to the lower gains from the en-bloc sale of development projects in 2019 (disposal of a partial interest in the Dong Nai project in Vietnam) as compared to 2018 (Keppel China Marina Holdings Pte Ltd, Keppel Bay Property Development (Shenyang) Co. Ltd., Keppel Township Development (Shenyang) Co. Ltd. and Quoc Loc Phat Joint Stock Company), the absence of gain from divestment as compared against 2018 (Aether Limited), lower contribution from property trading projects in Singapore, higher net interest expense and lower share of profit from the Sino-Singapore Tianjin Eco-City, partly offset by higher contribution from property trading projects in China, higher fair value gains on investment properties and higher contribution from associated companies. Pre-tax profit of Connectivity increased by $191 million to $196 million mainly due to fair value gain from the remeasurement of the previously held interest in M1 at acquisition date and higher contributions from M1 resulting from the consolidation, partly offset by financing cost and amortisation of intangibles arising from the acquisition of M1 and lower contribution from the logistics business. Pre-tax profit of Asset Management increased by $19 million to $239 million mainly due to higher asset management fees and investment income, and higher fair value gains on data centres, partly offset by lower share of associated companies' profits as well as the absence of gain arising from the sale of stake in Keppel DC REIT in 2018.

Taxation expenses decreased by $92 million or 32% mainly due to lower taxable profits. Non-controlling interests were $42 million higher than in the preceding year. Taking into account income tax expenses and non-controlling interests, net profit attributable to shareholders for 2019 was $707 million, a decrease of $241 million from $948 million in 2018. Urban Development was the largest contributor to the Group's net profit with a 68% share, followed by Asset Management's 30% and Connectivity's 19%, while Energy & Environment and Corporate & Others contributed negative 14% and negative 3% to the Group's net profit respectively.

2018

Group revenue of $5,965 million for 2018 was at almost the same level as in 2017. Revenue from Energy & Environment improved by $490 million or 13% to $4,322 million mainly due to revenue recognition in relation to the jackup rigs sold to Borr Drilling Limited and higher revenue recognition from ongoing projects in the offshore & marine business, as well as increased sales in the power and gas business, partly offset by lower progressive revenue recognition from the Keppel Marina East Desalination Plant project. Major jobs completed and delivered by the offshore & marine business in 2018 included two jackup rigs, a gas carrier refurbishment, two Floating Production Storage and Offloading (FPSO) conversions, a Roll-on/Roll-off (RORO) conversion and two dual-fuel Liquified Natural Gas (LNG) tugs. Revenue from Urban Development decreased by $442 million to $1,340 million mainly due to lower revenue from Singapore, China and Vietnam property trading. Revenue from Connectivity increased by $5 million to $182 million mainly due to higher contribution from the data centre business. Revenue from Asset Management decreased by $20 million to $119 million mainly due to lower asset management fees.

Group pre-tax profit for the current year was $1,245 million, $803 million or 182% above the previous year. Group pre-tax profit for 2017 included $619 million for the one-off financial penalty and related costs. Excluding the one-off financial penalty and related costs from 2017, Group pre-tax profit for 2018 of $1,245 million was $184 million or 17% above the pre-tax profit of $1,061 million for 2017.

Energy & Environment's pre-tax loss was $168 million as compared to pre-tax loss, excluding the one-off financial penalty and related costs, of $202 million in 2017. This was mainly due to higher operating results in the offshore & marine business arising from higher revenue, write-back of provisions for claims and lower net interest expense, lower share of loss from KrisEnergy and higher contribution from environmental infrastructure and infrastructure services, partly offset by higher impairment provisions in the offshore & marine business, absence of gain from divestment of Keppel Verolme, lower contribution from energy infrastructure, provision for impairment of an associated company, and absence of gain from divestment of GE Keppel Energy Services Pte Ltd compared against last year. Pre-tax profit from Urban Development increased by $273 million to $1,201 million mainly due to en-bloc sales of development projects (Keppel China Marina Holdings Pte Ltd, Keppel Bay Property Development (Shenyang) Co. Ltd., Keppel Township Development (Shenyang) Co. Ltd. and Quoc Loc Phat Joint Stock Company) and gain from divestment of the stake in Aether Limited. The positive variance was partly offset by lower fair value gains on investment properties, lower contribution from Singapore and China property trading, lower share of profit from land sales in the Sino-Singapore Tianjin Eco-City and other associated companies. Pre-tax profit of Connectivity decreased by $46 million to $5 million mainly due to higher operating losses from the logistics business, fair value loss on a data centre asset, and absence of the fair value gain on investment recognised in 2017. Profits from Asset Management increased by $47 million to $220 million mainly due to higher share of associated companies' profits, gains from change in interest in associated companies, dilution gain following Keppel DC REIT's private placement exercise and the gain arising from the sale of stake in Keppel DC REIT, partly offset by lower asset management fees.

Taking into account income tax expenses and non-controlling interests, and excluding the one-off financial penalty from the global resolution and related costs of $619 million in 2017, net profit attributable to shareholders for 2018 was $948 million, an increase of $133 million from $815 million in 2017. Urban Development was the largest contributor to the Group's net profit with a 100% share, followed by Asset Management's 20% and Connectivity at breakeven, while Energy & Environment and Corporate & Others contributed negative 18% and negative 2% to the Group's net profit respectively.

2017
Group revenue of $5,964 million for 2017 was $803 million or 12% below that of 2016. Revenue from Energy & Environment declined by $578 million to $3,832 million mainly due to lower volume of work and deferment of some projects in the offshore & marine business, partly offset by increased sales in the power and gas business and progressive revenue recognition from the Keppel Marina East Desalination Plant project. Major jobs completed and delivered by the offshore & marine business in 2017 include a semisubmersible (semi), a subsea construction vessel, an FPSO conversion, an FPSO topsides installation/integration, a module fabrication & integration, a floating LNG conversion and an ice-class multi-purpose vessel project. Revenue from Urban Development decreased by $253 million to $1,782 million mainly due to lower revenue from China and Singapore, partly offset by higher revenue from Vietnam. Revenue from Connectivity decreased by $11 million to $177 million mainly due to lower contributions from the data centre business resulting from the absence of contribution from Keppel DC Singapore 3, which was injected into Keppel DC REIT in January 2017. Revenue from Asset Management increased by $9 million to $139 million mainly due to higher performance and acquisition fees.

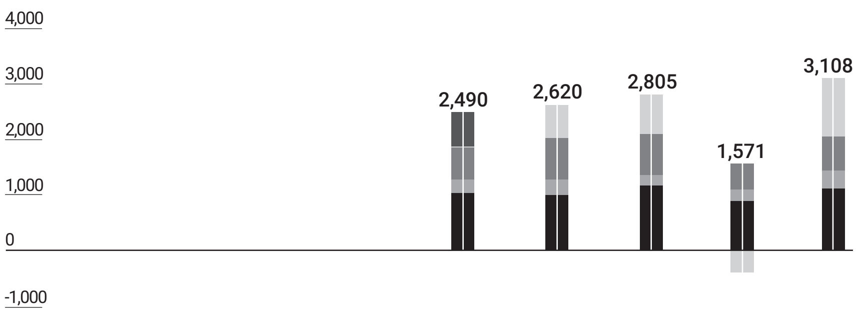
Group pre-tax profit for the current year was $442 million, $646 million or 59% below the previous year. Excluding the one-off financial penalty from the global resolution and related costs, the Group registered a pre-tax profit of $1,061 million which is $27 million lower than that of the preceding year.

Energy & Environment's pre-tax loss in 2017 was $821 million. Excluding the one-off financial penalty from the global resolution and related costs, Energy & Environment's pre-tax loss was $202 million as compared to pre-tax profit of $12 million in 2016. This was mainly due to lower operating results in the offshore & marine business arising from lower revenue and higher share of associated companies' losses, higher share of loss from KrisEnergy and recognition of fair value loss on KrisEnergy warrants, partly offset by lower impairment provisions and lower net interest expense in the offshore & marine business, higher contributions from Energy Infrastructure, the gain on divestment of its interest in GE Keppel Energy Services Pte Ltd, as well as the write-back of provision for impairment of an associated company. Provisions in the offshore & marine business mainly for impairment of fixed assets, stocks & works-in-progress (WIP), investments and an associated company, and restructuring costs, of $140 million in 2017 was lower than the $277 million impairment provisions recorded in 2016. Pre-tax profit from Urban Development of $928 million was $134 million or 17% higher than that in 2016. This was mainly due to higher share of profit from the Sino-Singapore Tianjin Eco-City, higher fair value gains on investment properties and higher contribution from Singapore and Vietnam property trading, and en-bloc sales of development projects, partly offset by lower share of associated companies' profits, mainly resulting from the absence of the gains from divestment of the stakes in Life Hub @ Jinqiao and 77 King Street last year, and the absence of reversal of impairment for hospitality assets. Profits from Connectivity increased marginally by $1 million to $51 million mainly due to recognition of fair value gain on investment, partly offset by lower contribution from the logistics business and the data centre business, resulting from the absence of contribution from Keppel DC Singapore 3, which was injected into Keppel DC REIT in January 2017. Pre-tax profit of Asset Management decreased by $5 million to $173 million mainly due to lower share of associated companies' profits, partly offset by higher performance and acquisition fees.

Taking into account income tax expenses and non-controlling interests, and excluding the one-off financial penalty from the global resolution and related costs of $619 million, net profit attributable to shareholders was $815 million, an increase of $31 million from last year. Urban Development was the largest contributor to the Group's net profit with an 89% share, followed by Asset Management's 19%, Corporate & Others' 11% and Connectivity's 4%, while Energy & Environment contributed negative 23% to the Group's net profit.

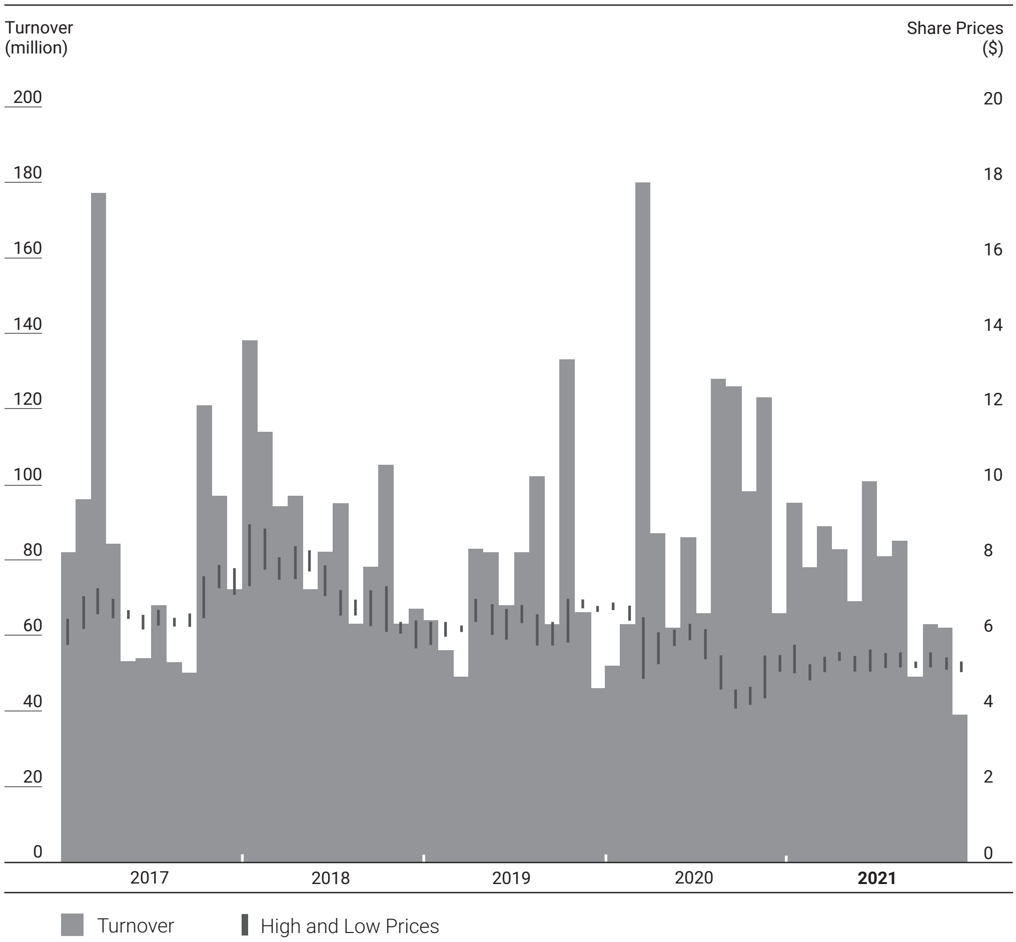
VALUE-ADDED STATEMENTS

($ million)	2017	2018	2019	2020	2021
Value added from:					
Revenue earned	5,964	5,965	7,580	6,574	**8,625**
Less: purchases of materials and services	(4,119)	(3,926)	(5,379)	(4,724)	**(6,090)**
Gross value added from operation	1,845	2,039	2,201	1,850	**2,535**
Interest and investment income	158	174	242	191	**221**
Share of associated companies' profits	291	221	147	(162)	**467**
Other operating income/(expenses)	196	186	215	(308)	**(115)**
Total value added	2,490	2,620	2,805	1,571	**3,108**
Distribution of Group's value added:					
To employees in wages, salaries and benefits	1,027	988	1,163	1,120	**1,116**
To government in taxation	244	285	192	253	**325**
To providers of capital on:					
Interest on borrowings	189	205	313	292	**251**
Dividends to our partners in subsidiaries	27	20	12	24	**11**
Dividends to our shareholders	364	526	418	273	**346**
	580	751	743	589	**608**
One-off financial penalty & related costs	619	-	-	-	**-**
Total Distribution	2,470	2,024	2,098	1,962	**2,049**
Balance retained in the business:					
Depreciation & amortisation	212	182	375	414	**406**
Perpetual securities holders	-	-	-	-	**3**
Non-controlling interests share of profits in subsidiaries	(25)	(8)	43	(26)	**(27)**
Retained profit for the year	(167)	422	289	(779)	**677**
	20	596	707	(391)	**1,059**
	2,490	2,620	2,805	1,571	**3,108**
Average headcount (number)	21,862	18,186	18,297	18,452	**16,393**
Productivity data:					
Value added per employee ($'000)	114	144	153	85	**190**
Value added per dollar employment cost ($)	2.42	2.65	2.41	1.40	**2.78**
Value added per dollar sales ($)	0.42	0.44	0.37	0.24	**0.36**



	2017	2018	2019	2020	2021
One-off financial penalty and related cost	619	-	-	-	**-**
Depreciation & Retained Profit	20	596	707	(391)	**1,059**
Interest Expenses & Dividends	580	751	743	589	**608**
Taxation	244	285	192	253	**325**
Wages, Salaries & Benefits	1,027	988	1,163	1,120	**1,116**

SHARE PERFORMANCE



	2017	2018	2019	2020	**2021**
Share Price ($)*					
Last transacted (Note 3)	7.35	5.91	6.77	5.38	**5.12**
High	7.83	8.92	6.97	6.87	**5.76**
Low	5.73	5.67	5.67	4.08	**4.81**
Volume weighted average (Note 2)	6.79	7.35	6.38	5.37	**5.30**
Per Share					
Earnings (cents) (Note 1)	10.8^	52.3	38.9	(27.8)	**56.2**
Total distribution (cents)	22.0	30.0@	20.0	10.0	**33.0**
Distribution yield (%) (Note 2)	3.2	4.1@	3.1	1.9	**6.2**
Net price earnings ratio (Note 2)	62.9	14.1	16.4	(19.3)	**9.4**
Net assets backing ($)	6.22	6.15	5.25	5.02	**5.53**
At Year End					
Share price ($)	7.35	5.91	6.77	5.38	**5.12**
Distribution yield (%) (Note 3)	3.0	5.1@	3.0	1.9	**6.4**
Net price earnings ratio (Note 3)	68.1	11.3	17.4	(19.4)	**9.1**
Net price to book ratio (Note 3)	1.2	1.0	1.3	1.1	**0.9**

Notes:
1. Earnings per share are calculated based on the Group net profit by reference to the weighted average number of shares in issue during the year.
2. Volume weighted average share price is used in calculating distribution yield and net price earnings ratio.
3. Last transacted share price is used in calculating distribution yield, net price earnings ratio and net price to book ratio.

* Historical share prices are not adjusted for special dividends, capital distribution and dividend in specie.

^ Includes the one-off financial penalty from the global resolution and related costs of $619 million.

@ Includes the special dividend paid of 5.0 cents per share.

SHAREHOLDING STATISTICS

As at 3 March 2022

Issued and Fully paid-up capital (including Treasury Shares)	:	$1,305,667,320.62
Issued and Fully paid-up capital (excluding Treasury Shares)	:	$1,248,603,450.70
Number of Issued Shares (including Treasury Shares)	:	1,820,557,767
Number of Issued Shares (excluding Treasury Shares)	:	1,810,943,450
Number/Percentage of Treasury Shares	:	9,614,317 (0.53%)
Number/Percentage of Subsidiary Holdings[1]	:	0 (0%)
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares)	:	One Vote Per Share

The Company cannot exercise any voting rights in respect of treasury shares. Subject to the Companies Act, 1967, subsidiaries cannot exercise any voting rights in respect of shares held by them as subsidiary holdings.

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	272	0.38	10,200	0.00
100 - 1,000	16,028	22.36	12,756,420	0.70
1,001 - 10,000	44,700	62.36	179,645,869	9.92
10,001 - 1,000,000	10,652	14.86	336,274,583	18.57
1,000,001 and Above	28	0.04	1,282,256,378	70.81
Total	**71,680**	**100.00**	**1,810,943,450**	**100.00**

Twenty Largest Shareholders	No. of Shares	%
Temasek Holdings (Private) Limited	371,408,292	20.50
Citibank Nominees Singapore Pte Ltd	290,557,221	16.04
DBS Nominees (Private) Limited	146,236,388	8.08
Raffles Nominees (Pte.) Limited	131,390,651	7.26
HSBC (Singapore) Nominees Pte Ltd	99,298,539	5.48
DBSN Services Pte. Ltd.	82,616,249	4.56
United Overseas Bank Nominees (Private) Limited	50,113,995	2.77
BPSS Nominees Singapore (Pte.) Ltd.	21,468,058	1.19
OCBC Nominees Singapore Private Limited	15,746,889	0.87
Phillip Securities Pte Ltd	11,486,903	0.63
OCBC Securities Private Limited	10,225,619	0.56
UOB Kay Hian Private Limited	7,633,006	0.42
Shanwood Development Pte Ltd	7,040,000	0.39
Maybank Securities Pte. Ltd.	5,233,142	0.29
IFAST Financial Pte. Ltd.	4,132,708	0.23
Chen Chun Nan	4,017,000	0.22
CGS-CIMB Securities (Singapore) Pte. Ltd.	3,467,761	0.19
BNP Paribas Nominees Singapore Pte. Ltd.	2,842,882	0.16
DB Nominees (Singapore) Pte Ltd	2,684,932	0.15
Lim Chee Onn	2,579,282	0.14
	1,270,179,517	**70.13**

Substantial Shareholders (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Temasek Holdings (Private) Limited[2]	371,408,292	20.50	8,979,415	0.49	380,387,707	21.00

Notes:

[1] "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, 1967.

[2] Temasek Holdings (Private) Limited is deemed interested in 8,979,415 shares in which its subsidiaries and associated companies have direct or deemed interests.

Public Shareholders

Based on the information available to the Company as at 3 March 2022, approximately 78% of the issued shares of the Company is held by the public and therefore, pursuant to Rules 723 and 1207 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the ordinary shares of the Company is at all times held by the public.

NOTICE OF ANNUAL GENERAL MEETING AND CLOSURE OF BOOKS

Keppel Corporation Limited
Company Registration No. 196800351N
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the 54th Annual General Meeting of the Company will be convened and held by electronic means (see Notes 1 to 3) on Friday, 22nd April 2022 at 3.00 p.m. (Singapore time) to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2021. **Resolution 1**

2. To declare a final tax-exempt (one-tier) dividend of 21.0 cents per share for the year ended 31 December 2021 (2020: final tax-exempt (one-tier) dividend of 7.0 cents per share). **Resolution 2**

3. To re-elect the following directors, who will be retiring by rotation pursuant to Regulation 83 of the Constitution of the Company ("Constitution") and being eligible, each offers himself for re-election pursuant to Regulation 84 of the Constitution (see Note 4):

   (1) Teo Siong Seng **Resolution 3**

   (2) Tham Sai Choy **Resolution 4**

   (3) Loh Chin Hua **Resolution 5**

4. To re-elect Mr Shirish Apte, who being appointed by the board of Directors after the last annual general meeting of the Company ("AGM"), will retire in accordance with Regulation 82(a) of the Constitution and being eligible, offers himself for re-election (see Note 4). **Resolution 6**

5. To approve the sum of up to S$2,491,000 as directors' fees for the year ending 31 December 2022 (2021: S$2,166,634) (see Note 5). **Resolution 7**

6. To re-appoint PricewaterhouseCoopers LLP as the auditors of the Company, and authorise the directors of the Company ("Directors") to fix their remuneration. **Resolution 8**

Special Business

To consider and, if thought fit, approve with or without any modifications, the following ordinary resolutions:

7. That pursuant to Section 161 of the Companies Act 1967 (the "Companies Act"), authority be and is hereby given to the Directors to: **Resolution 9**

   (1) (a) issue shares in the capital of the Company ("Shares"), whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

   (b) make or grant offers, agreements or options that might or would require Shares to be issued (including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares) (collectively "Instruments"),

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (2) (notwithstanding that the authority so conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while the authority was in force;

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed fifty (50) per cent. of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed five (5) per cent. of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or sub-division of Shares;

and in sub-paragraph (i) above and this sub-paragraph (ii), "subsidiary holdings" has the meaning given to it in the listing manual of the SGX-ST ("Listing Manual");

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Listing Manual (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being in force; and

(iv) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM is required by law to be held, whichever is the earlier (see Note 6).

8. That: **Resolution 10**

(1) for the purposes of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(a) market purchase(s) (each a "Market Purchase") on the SGX-ST; and/or

(b) off-market purchase(s) (each an "Off-Market Purchase") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(2) (unless varied or revoked by the members of the Company in a general meeting) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period ("Relevant Period") commencing from the date of the passing of this Resolution and expiring on the earliest of:

(a) the date on which the next AGM of the Company is held;

(b) the date on which the next AGM of the Company is required by law to be held; or

(c) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(3) in this Resolution:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, in the case of Market Purchases, before the day on which the purchases or acquisitions of Shares are made and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases or acquisitions are made, or in the case of Off-Market Purchases, the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Maximum Limit" means that number of issued Shares representing five (5) per cent. of the total number of issued Shares as at the date of the passing of this Resolution, unless the Company has at any time during the Relevant Period reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the court, as the case may be. Any Shares which are held as treasury Shares and any subsidiary holdings will be disregarded for purposes of computing the five (5) per cent. limit;

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a Market Purchase or an Off-Market Purchase, 105 per cent. of the Average Closing Price; and

"subsidiary holdings" has the meaning given to it in the Listing Manual; and

(4) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they, he or she may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution (see Note 7).

9. That: **Resolution 11**

(1) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual, for the Company, its subsidiaries and target associated companies (as defined in Appendix 2 to this Notice of AGM ("Appendix 2")), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Appendix 2, with any person who falls within the classes of Interested Persons described in Appendix 2, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions as set out in Appendix 2 (the "IPT Mandate");

(2) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next AGM is held or is required by law to be held, whichever is the earlier;

(3) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and

(4) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they, he or she may consider necessary, expedient, incidental or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution (see Note 8).

To transact such other business which can be transacted at this AGM.

NOTICE OF ANNUAL GENERAL MEETING AND CLOSURE OF BOOKS

NOTICE IS ALSO HEREBY GIVEN THAT the Share Transfer Books and the Register of Members of the Company will be closed on 29 April 2022 at 5.00 p.m., for the preparation of dividend warrants. Duly completed transfers of Shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue Keppel Bay Tower #14-03/07 Singapore 098632 up to 5.00 p.m. on 29 April 2022 will be registered to determine shareholders' entitlement to the proposed final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 29 April 2022 will be entitled to the proposed final dividend. The proposed final dividend if approved at this AGM will be paid on 12 May 2022.

BY ORDER OF THE BOARD

Caroline Chang/Kenny Lee
Company Secretaries

Singapore, 31 March 2022

Notes:

1. This AGM is being convened and will be held by electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice of AGM will be sent to members by electronic means via publication on the Company's website at https://www.kepcorp.com/en/investors/agm-egm and the SGXNet. Printed copies of this Notice of AGM will also be sent to members.

2. Shareholders should take note of the following alternative arrangements that have been put in place to allow shareholders to participate in the AGM:

   (a) **Live Audio-visual Webcast/Live Audio-only Stream**: The AGM will be conducted by way of electronic means and there will be no personal attendance at the AGM. The proceedings of the AGM will be broadcast via a live audio-visual webcast or live audio-only stream.

   (b) **Pre-registration**: Shareholders as well as investors who hold shares of the Company through the Central Provident Fund ("CPF") or the Supplementary Retirement Scheme ("SRS" and such investors, "CPF/SRS Investors") who wish to follow the proceedings of the AGM through the live audio-visual webcast or live audio-only stream must pre-register online at https://www.kepcorp.com/en/agm2022 (the "Pre-registration Page") from now until 3.00 p.m. on 19 April 2022 (being 72 hours before the time appointed for the holding of the AGM) to enable the Company to verify their status as shareholders.

   A corporate shareholder which has authorised an individual to act as its corporate representative to attend, speak, and vote at the AGM must similarly pre-register such individual via the Pre-registration Page and submit the requisite certificate of appointment (or other documentation required by the Company).

   Following successful verification, an email containing instructions on how to join the live broadcast of the AGM proceedings, including user ID and password details, as well as the link to access the live audio-visual webcast and a toll-free telephone number to access the live audio-only stream of the AGM proceedings will be sent to authenticated persons before the AGM (the "Confirmation Email"). Shareholders who do not receive the Confirmation Email by 5.00 p.m. on 21 April 2022 but have pre-registered for the AGM proceedings by the deadline of 3.00 p.m. on 19 April 2022, should contact the Share Registrar of the Company, Boardroom Corporate & Advisory Services Pte Ltd (the "Share Registrar"), at +65 6536 5355 (Mondays to Fridays, excluding public holidays, from 8.30 a.m. to 5.30 p.m.) or at keppel@boardroomlimited.com immediately.

   Investors holding shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act and such investors, "Investors") (other than CPF/SRS Investors) will not be able to pre-register at the Pre-registration Page for the live broadcast of the AGM. Investors (other than CPF/SRS Investors) who wish to participate in the live broadcast of the AGM should instead contact their relevant intermediary as soon as possible in order to make the necessary arrangements to participate. The relevant intermediary is required to submit a proxy form annexing the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. to the Share Registrar, via email to keppel@boardroomlimited.com no later than 3.00 p.m. on 19 April 2022.

   (c) **Submission of Questions**: All Shareholders (including CPF/SRS Investors) may submit questions relating to the business of the AGM in advance of, or live at, the AGM.

   Submission of Questions in Advance: All Shareholders (including CPF/SRS Investors) can submit questions relating to the business of the AGM up till 3.00 p.m. on 12 April 2022 ("Q&A Submission Deadline") in the following manner:

   (i) via the Pre-registration Page;

   (ii) via email to investor.relations@kepcorp.com; or

   (iii) by post addressed to the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue Keppel Bay Tower #14-07 Singapore 098632.

   When sending in questions, the following details should be provided for verification purposes: the Shareholder's full name, address, telephone number and email address, and the manner in which such Shareholder holds shares in the Company (e.g. if you hold shares of the Company directly, please provide your CDP account number; otherwise, please state if you hold shares of the Company through CPF or SRS).

   Shareholders (including CPF/SRS Investors) are strongly encouraged to submit questions electronically by the Pre-registration Page or email.

   Submission of Questions Live at the AGM: All Shareholders (including CPF/SRS Investors) who have pre-registered for the AGM may also ask questions relating to the business of the AGM live at the AGM, by typing in and submitting their questions through the live chat function via the audio- visual webcast platform. Shareholders (including CPF/SRS Investors) will not be able to ask questions live at the AGM via the audio-only stream of the AGM proceedings.

   Addressing Questions: The Company will endeavour to address all substantial and relevant questions relating to the business of the AGM received from Shareholders (i) prior to the Q&A Submission Deadline, through publication on the SGXNet and the Company's corporate website at https://www.kepcorp.com/en/investors/agm-egm by 3.00 p.m. on 16 April 2022, and (ii) after the Q&A Submission Deadline or live at the AGM, during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

   (d) **Voting at AGM**: Shareholders (excluding Investors) who wish to vote at the AGM may:

   (i) (where such shareholders are individuals) vote live at the AGM; or

   (ii) (where such shareholders are individuals or corporates):

   (A) appoint a proxy(ies) (other than the Chairman) to attend, speak and vote at the AGM on their behalf; or

   (B) appoint the Chairman as proxy to attend, speak and vote at the AGM on their behalf.

   Shareholders (excluding Investors) who wish to vote live at the AGM by themselves or through their proxies must first pre-register themselves or their proxy(ies) online at the Pre-registration Page. For the avoidance of doubt, pre-registration is not required if a shareholder only intends to appoint the Chairman as proxy and does not intend to attend the AGM.

   In addition, a corporate shareholder which has authorised an individual to act as its corporate representative to attend, speak, and vote at the AGM must similarly pre-register such individual via the Pre-registration Page and submit the requisite certificate of appointment (or other documentation required by the Company).

   Specific voting instructions to be given: Where a Shareholder (whether an individual or corporate) appoints a proxy(ies) (including the Chairman) to attend, speak and vote at the AGM on his/her/its behalf, he/she/it should give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form. Where a Shareholder appoints the Chairman as proxy and no specific instructions as to voting, or abstentions from voting, are given, the appointment of the Chairman as proxy for such resolution will be treated as invalid.

   Submission of Proxy Forms: Shareholders who wish to appoint a proxy(ies) or the Chairman as proxy to attend, speak and vote at the AGM on their behalf must submit a Proxy Form for the appointment of such proxy(ies). A proxy need not be a member of the Company. The Proxy Form must be submitted to the Company in the following manner:

   (i) via post to the office of the Share Registrar at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632; or

   (ii) via email to keppel@boardroomlimited.com (e.g. enclosing a clear scanned completed and signed Proxy Form in PDF),

   in either case to be received no later than **3.00 p.m. on 19 April 2022** (being 72 hours before the time appointed for the holding of the AGM).

   A Shareholder who wishes to submit a Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. Proxy Forms can be downloaded from the Company's website at https://www.kepcorp.com/en/investors/agm-egm or the SGXNet.

   In the case of Shareholders whose shares in the Company are entered against their names in the Depository Register, the Company may reject any Proxy Form submitted if such Shareholders are not shown to have shares in the Company entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001) as at 72 hours before the time appointed for holding the AGM, as certified by the CDP to the Company.

   Shareholders are strongly encouraged to submit completed Proxy Forms electronically by email.

Voting by Investors (including CPF/SRS Investors): The Proxy Form is not valid for use by Investors (including CPF/SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.

CPF/SRS Investors who wish to vote live at the AGM must pre-register themselves online at the Pre-registration Page from now until 3.00 p.m. on 19 April 2022 (being 72 hours before the time appointed for the holding of the AGM) to enable the Company to verify their status. CPF/SRS Investors may vote live at the AGM only if they have been duly appointed as proxies by their respective CPF Agent Banks or SRS Operators. Alternatively, they may approach their respective CPF Agent Banks or SRS Operators to appoint the Chairman as proxy to attend, speak and vote on their behalf at the AGM. **CPF/SRS Investors must approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 12 April 2022**.

Investors (other than a CPF/SRS Investor) who wish to vote at the AGM should approach their respective relevant intermediaries as soon as possible to specify their voting instructions or make the necessary arrangement to be appointed as proxy.

Shareholders should note that the manner of conduct of the AGM may be subject to further changes at short notice. Shareholders are advised to check the Company's website at https://www.kepcorp.com/en/investors/agm-egm and the SGXNet regularly for updates.

3. All documents (including the Annual Report 2021, Proxy Form, this Notice of AGM and appendices to this Notice of AGM) or information relating to the business of this AGM have been, or will be, published on SGXNet and/or the Company's website at https://www.kepcorp.com/en/investors/agm-egm. Members and Investors are advised to check SGXNet and/or the Company's website regularly for updates.

4. Detailed information on these directors can be found in the "Board of Directors" section of the Annual Report 2021.

Mr Teo Siong Seng will, upon his re-election, continue to serve as a non-executive and non-independent Director, and Chairman of the Board Safety Committee. Mr Teo is an Executive Director of Pacific International Lines Pte Ltd (PIL), one of the largest shipowners and operators in Southeast Asia with a focus on Asia-Africa and the Middle East. He is also the Chairman and CEO of PIL's listed subsidiary in Hong Kong, Singamas Container Holdings Ltd. Mr Teo is currently the Honorary President of the Singapore Chinese Chamber of Commerce & Industry, a Director of Business China, and Honorary Consul of The United Republic of Tanzania in Singapore. He is an independent non-executive Director of Wilmar International Limited, COSCO Shipping Holdings and COSCO Shipping Energy Transportation. Mr Teo was also a Nominated Member of Parliament of Singapore from 2009 to 2014.

Mr Tham Sai Choy will, upon his re-election, continue to serve as a non-executive and independent Director, and Chairman of the Audit Committee and member of the Board Risk Committee. Mr Tham is currently the Chairman of EM Services Pte Ltd and serves on the boards of Keppel Offshore & Marine Ltd, Nanyang Polytechnic, the Singapore International Arbitration Centre, DBS Group Holdings Limited, and Mount Alvernia Hospital. Mr Tham was Managing Partner of KPMG Singapore and then Chairman of KPMG Asia Pacific before he retired from professional practice as a chartered accountant in 2017. He was for many years a member of KPMG's global board, and had served on its executive committee and risk committee, and chaired its compensation and nominations committee. In his 36 years of professional practice, Mr Tham had worked with many of Singapore's multinational companies in their audits and in other consultancy work.

Mr Loh Chin Hua will, upon his re-election, continue to serve as an executive director, and member of the Board Safety Committee Mr Loh is the Chief Executive Officer of the Company, and also Chairman of several companies within the Keppel Group. Mr Loh joined the Keppel Group in 2002 and founded Alpha Investment Partners, the Group's private fund management arm, where he served as Managing Director for 10 years. Before this, he was the Managing Director at Prudential Investment Inc, leading its Asian real estate fund management business. Mr Loh began his career with the Government of Singapore Investment Corporation (GIC), where he held key appointments in its Singapore, San Francisco and London offices. Beyond Keppel, Mr Loh is a Board Member of the Singapore Economic Development Board, a member of the Board of Trustees of the National University of Singapore, and a Board Member of EDB Investments Pte Ltd.

Mr Shirish Apte will, upon his re-election, continue to serve as a non-executive and independent Director, and member of the Audit Committee and Board Risk Committee. Mr Apte is currently the non-executive Chairman of Pierfront Capital Fund Management Pte. Ltd., Fullerton India Credit Company Limited and Aviva Financial Advisers Pte. Ltd. and a director of Keppel Infrastructure Holdings Pte. Ltd, and the Commonwealth Bank of Australia. Prior to his retirement in 2014, Mr Apte had built up 32 years of financial services experience, holding various senior roles within Citigroup, including Chairman of Asia Pacific Banking, Regional CEO of Asia Pacific, Regional CEO of Europe, Middle East & Africa, and Country Head of Citibank Poland. His responsibilities included corporate banking, investment banking and risk management.

5. Resolution 7 is to approve the payment of Directors' fees for the non-executive Directors of the Company during FY2022. The amount of fees has been computed taking into consideration the number of board committee representations by the non-executive directors and also caters for additional fees (if any) which may be payable due to the formation of additional Board Committees, or additional Board or Board Committee members being appointed in FY2022. In the event that the amount proposed is insufficient, approval will be sought at the next AGM in the financial year ending 31 December 2023 ("2023 AGM") before any payments are made to non-executive Directors for the shortfall. If approved, each of the non-executive Directors (including the Chairman) will receive 70% of his/her total Directors' fees in cash ("Cash Component") and 30% in the form of Shares ("Remuneration Shares") (both amounts subject to adjustment as described below). The Cash Component is intended to be paid half-yearly in arrears. The Remuneration Shares are intended to be paid after the 2023 AGM has been held. The actual number of Remuneration Shares, to be purchased from the market on the first trading day immediately after the date of the 2023 AGM provided that it does not fall within any applicable restricted period of trading ("2023 Trading Day") for delivery to the respective non-executive Directors, will be based on the market price of the Shares on the SGX-ST on the 2023 Trading Day. In the event that the first trading day after the date of the 2023 AGM falls within a restricted period of trading, the Remuneration Shares will be purchased on the first trading day immediately after the end of the restricted period of trading. The actual number of Remuneration Shares will be rounded down to the nearest thousand and any residual balance will be paid in cash. The Remuneration Shares will rank pari passu with the then existing issued Shares. A non-executive director who steps down before the payment of the share component will receive all of his Directors' fees for FY2022 (calculated on a pro-rated basis, where applicable) in cash.

Details of the Directors' remuneration for FY2021 are set out on page 90 of the Annual Report 2021. The non-executive Directors will abstain from voting, and will procure that their respective associates abstain from voting, in respect of Resolution 7.

6. Resolution 9 is to empower the Directors from the date of this AGM until the date of the next AGM to issue Shares and Instruments in the Company, up to a number not exceeding 50 per cent. of the total number of Shares (excluding treasury Shares and subsidiary holdings) (with a sub-limit of 5 per cent. of the total number of Shares (excluding treasury Shares and subsidiary holdings) in respect of Shares to be issued other than on a pro rata basis to shareholders). The 5 per cent. sub-limit for non-pro rata issues is lower than the 20 per cent. sub-limit allowed under the Listing Manual. For the purpose of determining the total number of Shares (excluding treasury Shares and subsidiary holdings) that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) at the time that this Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Resolution 9 is passed, and any subsequent bonus issue, consolidation or sub-division of Shares.

7. Resolution 10 relates to the renewal of the Share Purchase Mandate which was originally approved by Shareholders on 18 February 2000 and was last renewed at the AGM of the Company on 23 April 2021. At this AGM, the Company is seeking a "Maximum Limit" of 5 per cent. of the total number of issued Shares, which is lower than the 10 per cent. limit allowed under the Listing Manual. Please refer to Appendix 1 to this Notice of AGM for details.

8. Resolution 11 relates to the renewal of a mandate given by Shareholders on 22 May 2003 allowing the Company, its subsidiaries and target associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual. Please refer to Appendix 2 to this Notice of AGM for details.

9. Any reference to a time of day is made by reference to Singapore time.

10. **Personal Data Privacy**:
By submitting an instrument appointing proxy(ies), and/or representative(s) to attend, speak and vote at the AGM or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), his/her/its participation in the broadcast and proceedings of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and record of questions asked and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines ("Purposes") and (ii) represents and warrants that he/she/it has obtained the prior consent of the individuals appointed as proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such individuals by the Company (or its agents or service providers) for the Purposes.

In the case of a Shareholder who is a relevant intermediary, by submitting the consolidated list of participants set out in Note (2)(b) of this Notice of AGM, such Shareholder represents and warrants that it has obtained the prior consent of the individuals for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such individuals by the Company (or its agents or service providers) for the Purposes.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Danny Teoh (Chairman)
Loh Chin Hua (Chief Executive Officer)
Till Vestring (Lead Independent Director)
Veronica Eng
Jean-François Manzoni
Teo Siong Seng
Tham Sai Choy
Penny Goh
Shirish Apte

AUDIT COMMITTEE
Tham Sai Choy (Chairman)
Veronica Eng
Penny Goh
Shirish Apte

REMUNERATION COMMITTEE
Till Vestring (Chairman)
Danny Teoh
Jean-François Manzoni

NOMINATING COMMITTEE
Jean-François Manzoni (Chairman)
Danny Teoh
Till Vestring

BOARD RISK COMMITTEE
Veronica Eng (Chairman)
Tham Sai Choy
Penny Goh
Shirish Apte

BOARD SAFETY COMMITTEE
Teo Siong Seng (Chairman)
Danny Teoh
Loh Chin Hua

COMPANY SECRETARIES
Caroline Chang
Kenny Lee

REGISTERED OFFICE
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Telephone: (65) 6270 6666
Facsimile No.: (65) 6413 6391
Email: keppelgroup@kepcorp.com
Website: www.kepcorp.com

SHARE REGISTRAR
Boardroom Corporate & Advisory
Services Pte Ltd
1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

AUDITORS
PricewaterhouseCoopers LLP
Public Accountants and Chartered
Accountants
7 Straits View
Marina One East Tower
Level 12
Singapore 018936
Audit Partner: Lam Hock Choon
Year appointed: 2021

FINANCIAL CALENDAR

FY 2021	
Financial year-end	31 December 2021
Announcement of 2021 1Q Business Updates	22 April 2021
Announcement of 2021 half year results	29 July 2021
Announcement of 2021 3Q Business Updates	28 October 2021
Announcement of 2021 full year results	27 January 2022
Despatch of Annual Report to Shareholders	31 March 2022
Annual General Meeting	22 April 2022
2021 Proposed final dividend	
Books closure date	5.00 p.m., 29 April 2022
Payment date	12 May 2022

FY 2022	
Financial year-end	31 December 2022
Announcement of 2022 1Q Business Updates	21 April 2022
Announcement of 2022 half year results	28 July 2022
Announcement of 2022 3Q Business Updates	27 October 2022
Announcement of 2022 full year results	26 January 2023

PROXY FORM

Keppel Corporation

Keppel Corporation Limited
Company Registration No. 196800351N
(Incorporated in the Republic of Singapore)

IMPORTANT

1. This AGM (as defined below) will be held by electronic means in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM and this proxy form will be sent to shareholders ("**Shareholders**") of the Company (as defined below) by electronic means via publication on the Company's website at https://www.kepcorp.com/en/investors/agm-egm and the SGXNet. Printed copies of the Notice of AGM and this proxy form will also be sent to Shareholders.
2. Alternative arrangements relating to attendance at the AGM by way of electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman (as defined below)) in advance of or live at the AGM, addressing of substantial and relevant questions at the AGM and voting at the AGM, are set out in the Notice of AGM and the announcement by the Company dated 31 March 2022.
3. There will be no personal attendance at the AGM. Shareholders (excluding Investors (as defined below)) who wish to vote at the AGM may:
   (a) (where such shareholders are individuals) vote live at the AGM; or
   (b) (where such shareholders are individuals or corporates): (i) appoint a proxy(ies) (other than the Chairman) to attend, speak and vote at the AGM on their behalf; or (ii) appoint the Chairman as proxy to attend, speak and vote at the AGM on their behalf. A proxy need not be a member of the Company.
4. This proxy form is not valid for use by investors holding shares in the Company ("**Shares**") through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 and such investors, "**Investors**") (including investors holding through the Central Provident Fund ("**CPF**") and the Supplementary Retirement Scheme ("**SRS**" and such investors, "**CPF/SRS Investors**")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (including a CPF/SRS Investor) who wishes to vote should refer to the instructions set out in Notice of AGM and the announcement by the Company dated 31 March 2022.
5. **Personal Data Privacy**: By submitting this proxy form, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy to attend, speak and vote at the AGM.**

ANNUAL GENERAL MEETING

I/We ______________________________(Name(s)) ______________ (NRIC/Passport Number/Co Reg Number)

of ____ (Address)

being a member or members of KEPPEL CORPORATION LIMITED (the "**Company**") hereby appoint

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Ordinary Shares)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Ordinary Shares)	
			No. of Shares	%

or failing him/her, or if no persons are named above, the Chairman of the Annual General Meeting ("**Chairman**"), as my/our proxy or proxies to attend, speak and vote on my/our behalf at the 54th Annual General Meeting of the Company ("**AGM**") to be held by way of electronic means on **Friday, 22nd April 2022 at 3.00 p.m.** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the meeting as indicated hereunder. **If no specific direction as to voting is given, the proxy/proxies (except where the Chairman is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the meeting and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman as my/our proxy for that resolution will be treated as invalid.**

Resolutions	For *	Against *	Abstain *
Ordinary Business			
1. Adoption of Directors' Statement and Audited Financial Statements			
2. Declaration of Dividend			
3. Re-election of Teo Siong Seng as Director			
4. Re-election of Tham Sai Choy as Director			
5. Re-election of Loh Chin Hua as Director			
6. Re-election of Shirish Apte as Director			
7. Approval of fees to non-executive Directors for FY2022			
8. Re-appointment of Auditors			
Special Business			
9. Issue of additional shares and convertible instruments			
10. Renewal of Share Purchase Mandate			
11. Renewal of Shareholders' Mandate for Interested Person Transactions			

* You may tick (✔) within the relevant box to vote for or against, or abstain from voting, in respect of all your Shares for each resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box.

Dated this ____________ day of ____________________ 2022

Total Number of Shares held	

____
Signature(s) or Common Seal of Member(s)

Important: Please read the notes overleaf before completing this Proxy Form.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Notes:

1. A Shareholder should insert the total number of Shares held in the proxy form. If a Shareholder only has Shares entered against his/her/its name in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001), he/she/it should insert that number of Shares. If he/she/it only has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. However, if he/she/it has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by the Shareholder (in both the Register of Members and the Depository Register).
2. (a) A Shareholder entitled to attend, speak and vote at a meeting of the Company, and who is not a relevant intermediary, is entitled to appoint one or two proxies to attend, speak and vote instead of him/her/it. Where a Shareholder appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A Shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where more than one proxy is appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a relevant intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholding (number of Shares, class of Shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note.

Fold along this line (1)

Affix
Postage
Stamp

Keppel Corporation Limited
c/o Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

Fold along this line (2)

3. **There will be no personal attendance at the AGM.** Shareholders (excluding Investors) who wish to vote at the AGM may:
   (a) (where such shareholders are individuals) vote live at the AGM; or
   (b) (where such shareholders are individuals or corporates):
      (i) appoint a proxy(ies) (other than the Chairman) to attend, speak and vote at the AGM on their behalf; or
      (ii) appoint the Chairman as proxy to attend, speak and vote at the AGM on their behalf.

   Where a Shareholder (whether an individual or corporate) appoints a proxy(ies) (including the Chairman) to attend, speak and vote at the AGM on his/her/its behalf, he/she/it should give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form. **A proxy need not be a member of the Company.** For more information, please refer to the Notice of AGM and the announcement by the Company dated 31 March 2022.
4. The proxy form must be submitted with the Company in the following manner:
   (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue Keppel Bay Tower #14-07 Singapore 098632; or
   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **3:00 p.m.** on **19 April 2022**, being 72 hours before the time appointed for holding this AGM.

   A Shareholder who wishes to submit the proxy form must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Shareholders are strongly encouraged to submit completed proxy forms electronically by email.

   A Shareholder who wishes to appoint a proxy(ies) (other than the Chairman) must, **in addition** to submitting the proxy form, pre-register his/her/its proxy(ies) online at https://www.kepcorp.com/en/agm2022 by 3.00 p.m. on 19 April 2022.
5. The proxy form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.
6. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of Shareholders whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such Shareholders are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
7. Any reference to a time of day is made by reference to Singapore time.

EDITED AND COMPILED BY
Group Corporate Communications, Keppel Corporation

DESIGNED BY
Black Sun Pte Ltd

Keppel Corporation Limited
(Incorporated in the Republic of Singapore)
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Tel: (65) 6270 6666
Fax: (65) 6413 6391
Email: keppelgroup@kepcorp.com
www.kepcorp.com

Co Reg No: 196800351N