

Driving Transformation

Annual Report 2022





Driving Transformation

Keppel is transforming from a conglomerate of diverse parts into a leading global asset manager and operator, with strong capabilities in energy and environment, urban development and connectivity.

We are creating solutions that not only deliver strong value, but also serve a wider purpose for our stakeholders and the planet, as we forge a sustainable future together.

Who We Are

A leading global asset manager and operator, creating solutions for a sustainable future.

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We are Driving Transformation

Through streamlining our business and pursuing an asset-light model.

Taking the next leap forward in our Vision 2030 strategy, we are accelerating the Group's transformation to be a global asset manager and operator, with strong capabilities in energy and environment, urban development and connectivity, as we create value for investors and contribute to a sustainable future.

Streamlining and Refocusing Our Business

Building new growth engines and expanding recurring income streams

We have simplified and refocused our business, with the divestment of Keppel Logistics¹ as well as the combination of Keppel Offshore & Marine with Sembcorp Marine and resolution of our legacy rigs and associated receivables. Our business units are also transforming, expanding in areas such as renewables, clean energy, decarbonisation solutions as well as sustainable urban renewal, with a focus on growing recurring income.

Seizing Opportunities as OneKeppel Through an Asset-light Model

Harnessing synergy across business units and tapping third-party capital to jointly invest in growth engines

We are scaling up in our focus areas, leveraging the collective strengths of the Group. In 2022, Keppel partnered the private funds and/or business trust managed by Keppel Capital on several joint investments into assets and platforms, including onshore and offshore wind energy assets in Europe, Singapore's first hydrogen-ready power plant and a leading South Korean waste management services company. The joint investments are part of Keppel's asset-light model, allowing us to make significant investments without increasing our gearing significantly.

Recurring Income

67%

Of FY 2022's earnings² or \$560 million comprised recurring income, an increase of 114% from \$262 million in FY 2021.

Joint Investments

\$2.8b

Of energy & environment and sustainable urban renewal-related investments announced in 2022, undertaken by Keppel together with the private funds and/or business trust managed by Keppel Capital.

¹ Includes Keppel Logistics' businesses in Singapore, Malaysia, Vietnam and Australia, as well as UrbanFox.
² Excludes discontinued operations.

We are Contributing to Decarbonisation

Through our strategy of running our business sustainably and making sustainability our business.

Running Our Business Sustainably

We have committed to halve Scope 1 and 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050. We aim for 50% of the Group's electricity use to be from renewables by 2025, and 100% by 2030. We are expanding our tracking of Scope 3 emissions to cover all 15 categories, and are working with our supply chain and investments to improve energy efficiency and reduce emissions where possible.

Key decarbonisation initiatives:

- Keppel Land and M1 have announced Science-Based Targets Initiative (SBTi)-validated emission reduction targets, consistent with the reductions needed to limit global warming to 1.5°C.
- Keppel Infrastructure aims to reduce the emissions intensity of the Group's power portfolio and achieve net zero emissions by 2050.
- In 2022, Keppel Capital became a signatory of the United Nations-supported Principles for Responsible Investing.
- Keppel Data Centres aims to achieve net zero Scope 1 and 2 emissions for all its new data centre assets in Singapore by 2030.

Making Sustainability Our Business

Net zero commitments by governments and companies are creating strong demand for renewables, clean energy and decarbonisation solutions – areas where Keppel has strong capabilities and where we are creating solutions for a sustainable future.

Key initiatives and achievements in 2022 include:

- Growing Keppel's renewable energy assets from 1.1 GW at end-2021 to 2.6 GW as at end-2022¹.
- Commenced the first import of renewable energy into Singapore from Laos.
- Developing Singapore's first hydrogen-ready power plant.
- Exploring the development of green hydrogen and ammonia projects and large-scale carbon capture, utilisation and sequestration in Singapore.
- Pivoting Keppel Land from a traditional developer to focus on sustainable urban renewal.
- Exploring innovative proposals to reduce the carbon footprint of data centres, such as floating data centres and green data centre parks.
- Launched the Keppel Sustainable Urban Renewal Fund.

Commitment to Sustainability

Net Zero

Halve Scope 1 and 2 carbon emissions by 2030 from 2020 levels, and achieve net zero by 2050.

Renewable Energy Portfolio

2.6 GW¹

Grew the Group's renewable energy portfolio to 2.6 GW as at end-2022 from 1.1 GW at end-2021.

¹ On gross basis and includes projects under development.

Key Figures

Financial Highlights

Revenue¹

\$6.6b

Comparable with FY 2021.

Higher contributions from the Asset Management, Energy & Environment and Connectivity segments were partly offset by lower revenue from Urban Development.

Net Profit

\$927m

Decreased 9% from FY 2021's net profit of \$1.02 billion.

All segments were profitable in FY 2022. Lower Urban Development earnings were partly offset by stronger contributions from the Asset Management and Energy & Environment segments.

Return on Equity

8.1%

Decreased by 1.0 percentage point from FY 2021's 9.1%.

Return on Equity decreased mainly due to lower net profit.

Earnings per Share

\$0.52

Decreased 7% from FY 2021's \$0.56 per share.

Net profit of \$927 million for FY 2022 translated into earnings per share of \$0.52.

Cash Dividend per Share

33.0 cts

Same as FY 2021.

Total distribution for FY 2022 comprises a proposed final cash dividend of 18.0 cents per share, and an interim cash dividend of 15.0 cents per share.

Net Asset Value per Share

\$6.38

Decreased 0.5% from FY 2021's \$6.41 per share.

Net Gearing Ratio

0.78x

Higher than FY 2021's net gearing of 0.68x.

Mainly due to a higher level of investments, payment of dividends, as well as the \$500 million share buyback programme which was completed within 2022.

Free Cash Outflow

\$408m

Decreased from FY 2021's inflow of \$1.76 billion.

Mainly due to a lower cash proceeds from asset monetisation and higher investments made.

Sustainability Highlights

Dow Jones Sustainability Indices

DJSI

Included as a constituent of the Dow Jones Sustainability World Index (DJSI World) and the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific) in December 2022.

Ranked among the top 10% of the largest 2,500 companies globally and among the top 20% of the 600 largest companies in the Asia-Pacific developed region in the S&P Global Broad Market Index based on long-term environmental, social, governance (ESG) and economic criteria.

MSCI ESG Rating

AAA

Retained the highest AAA rating in the Morgan Stanley Capital International (MSCI) ESG ratings in December 2022.

Ranked among the top 8% of global industrial conglomerates, based on 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%.

88% of employees indicated that they are proud to work for Keppel.

Employer Awards

Top Employer

In Singapore for fourth consecutive year, and in China for the first time².

Also ranked as one of the World's Best Employers 2022 by Forbes.

Workplace Safety and Health Awards

11 Awards

Clinched at the WSH Awards 2022.

Contribution to Worthy Causes

\$4.3m

Contributed to social investment spending and industry advancement.

¹ Revenue from continuing operations.

² Certified by Top Employers Institute.

Group Overview

Group Financial Highlights

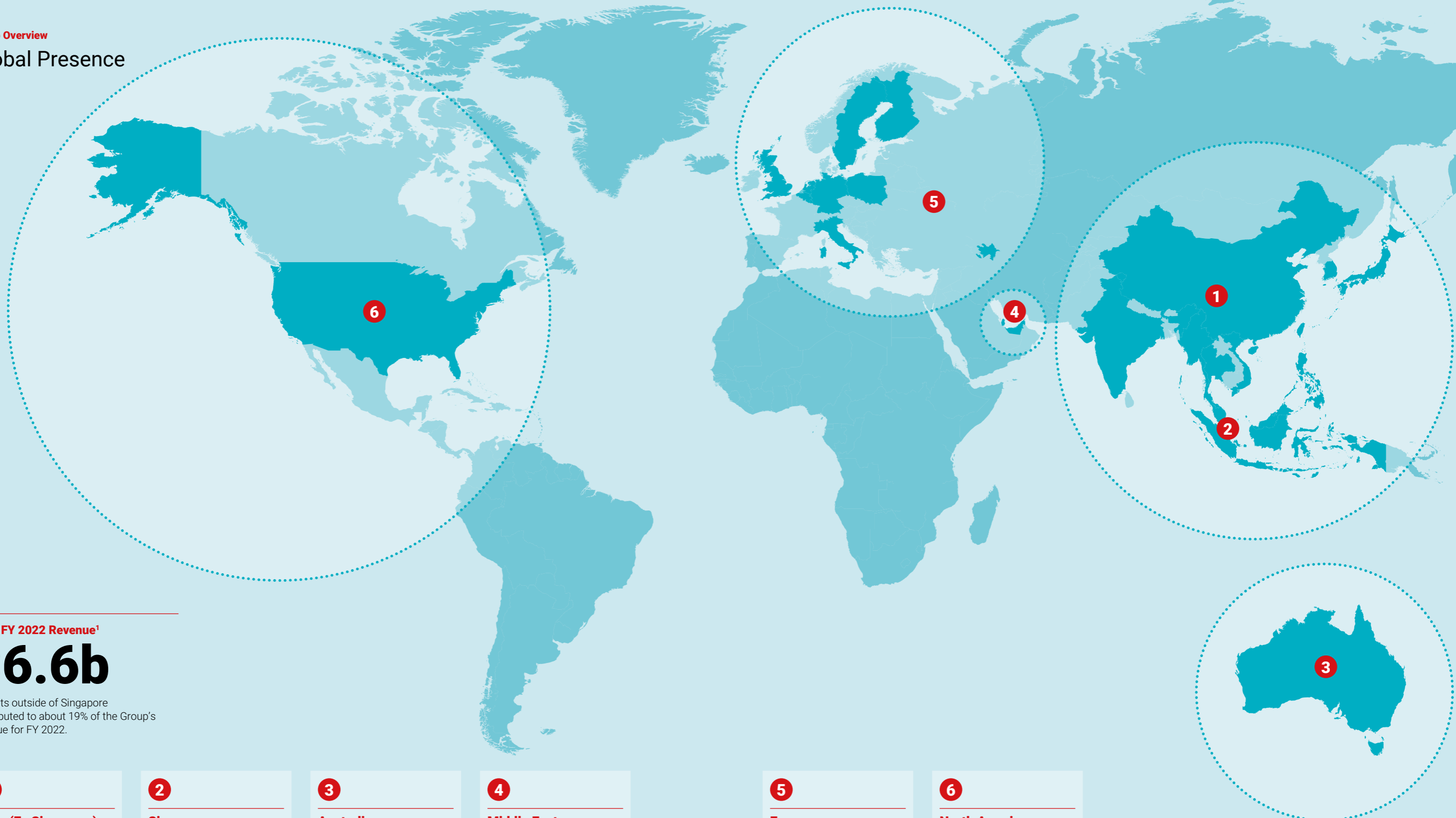
Group Half-Yearly Results (\$ million)

	2022			2021		
	1H	2H	Total	1H	2H	Total
Revenue – Continuing operations	3,356	3,264	6,620	2,888	3,723	6,611
EBITDA – Continuing operations	457	315	772	346	1,074	1,420
Operating profit – Continuing operations	355	210	565	207	922	1,129
Profit before tax – Continuing operations	551	544	1,095	565	1,046	1,611
Attributable profit – Continuing operations	434	405	839	344	904	1,248
Attributable profit/(loss) – Discontinued operations	64	24	88	(44)	(181)	(225)
Attributable profit	498	429	927	300	723	1,023
Earnings per share (cents)	27.9	24.2	52.1	16.5	39.7	56.2

	2022	2021	% Change
For the year (\$ million)			
Revenue – Continuing operations	6,620	6,611	n.m.f.
Profit			
EBITDA – Continuing operations	772	1,420	-46
Operating – Continuing operations	565	1,129	-50
Before tax – Continuing operations	1,095	1,611	-32
Net profit – Continuing operations	839	1,248	-33
Net profit/(Loss) – Discontinued operations	88	(225)	n.m.f.
Net profit	927	1,023	-9
Operating cash flow	260	(352)	n.m.f.
Free cash flow	(408)	1,756	n.m.f.
Per share (\$)			
Earnings	0.52	0.56	-7
Net assets	6.38	6.41	n.m.f.
Net tangible assets	5.49	5.53	n.m.f.
At year end (\$ million)			
Shareholders' funds	11,178	11,655	-4
Perpetual securities	401	401	-
Non-controlling interests	334	385	-13
Total equity	11,913	12,441	-4
Net debt	9,238	8,400	10
Net gearing ratio (times)	0.78	0.68	15
Return on shareholders' funds (%)			
Profit before tax	10.5	12.0	-13
Net profit	8.1	9.1	-11
Shareholders' value			
Distribution (cents per share)			
Interim dividend	15.0	12.0	25
Final dividend	18.0	21.0	-14
Total distribution	33.0	33.0	-
Share price (\$)	7.26	5.12	42
Total shareholder return (%)	49.3	(1.5)	n.m.f.

n.m.f. denotes no meaningful figure.

Global Presence



Total FY 2022 Revenue¹

\$6.6b

Markets outside of Singapore contributed to about 19% of the Group's revenue for FY 2022.

1

Asia (Ex Singapore)
\$1,079m

- China
- India
- Indonesia
- Japan
- Malaysia
- Myanmar
- The Philippines
- Republic of Korea
- Vietnam

2

Singapore
\$5,393m

3

Australia
\$58m

4

Middle East
\$73m

- Qatar
- The United Arab Emirates

5

Europe
\$13m

- Azerbaijan
- Belgium
- Finland
- Germany
- Italy
- Luxembourg
- Poland
- Sweden
- The Netherlands
- The United Kingdom

6

North America
\$4m

- The United States

¹ Revenue from continuing operations.

Driving Transformation

We are transforming the Company to drive growth and deliver long-term value to all our stakeholders.

Danny Teoh, Chairman

Dear Shareholders,

2022 was a transformational year for Keppel as we simplified and focused our business, and executed our asset-light strategy in line with the Group's Vision 2030. We divested Keppel Logistics¹ in mid-2022 and earlier this year, completed the combination of Keppel Offshore & Marine (Keppel O&M) with Sembcorp Marine, and reached a resolution to our legacy rigs and associated receivables.

Keppel today is a much more streamlined company, which will focus on delivering value to our stakeholders as a leading global asset manager and operator, with strong operational capabilities in Energy & Environment, Urban Development and Connectivity. These are areas in which Keppel has strong expertise and track records, where we can both create value for investors, and contribute to global sustainable development efforts.

Robust Performance

Amidst a volatile international environment, marked by the war in Ukraine, heightened geopolitical tensions, slowing global growth, inflation, and higher interest rates, Keppel delivered robust performance in FY 2022.



The Group achieved a net profit of \$927 million, bolstered by stronger results in Asset Management and Energy & Environment, and Return on Equity (ROE) of 8.1%. Importantly, recurring income made up \$560 million or 67% of the Group's earnings², an increase of 114% from \$262 million in the preceding year, as the Group continues to pivot away from an orderbook business and lumpy property development profits.

In 2022, Keppel delivered Total Shareholder Returns of 49.3%, driven by the Group's transformation and value creation.

Taking into account the Group's strong performance, the Board of Directors has proposed a final cash dividend of 18 cents per share. Together with the interim cash dividend of 15 cents per share, we will be paying out a total cash dividend of

of the legacy rigs to Asset Co, for which we will be repaid over time, and the out-of-scope assets, Keppel is unlocking close to \$9.4 billion of value from the offshore & marine (O&M) transactions.

Growth at Speed and Scale

In last year's annual report, I mentioned Keppel's plans to adopt an asset-light model, through asset monetisation and leveraging third-party funds for growth, as well as to grow in sustainability-related areas such as renewables, clean energy and decarbonisation solutions. In 2022, Keppel made good headway in these areas, which will continue to be our priorities in the year ahead.

We have made significant progress in asset monetisation, with over \$4.6 billion in asset monetisation announced by end-December 2022, since the start of the programme in

In FY 2023, Keppel will recognise a disposal gain of approximately \$3.3 billion arising from the combination of Keppel O&M and Sembcorp Marine. Together with the vendor notes issued to Keppel from the sale of the legacy rigs to Asset Co, for which we will be repaid over time, and the out-of-scope assets, Keppel is unlocking close to \$9.4 billion of value from the O&M transactions.

33 cents per share for the whole of 2022. This is the same as the total cash dividend paid for FY 2021.

It does not include the distribution *in specie* on 1 March 2023 of approximately 19.1 Sembcorp Marine shares to our shareholders for every Keppel Corporation share held, with a value of \$2.19 per Keppel Corporation share³, based on Sembcorp Marine's closing price of 11.5 cents per share on 1 March 2023, which is the first trading day of Sembcorp Marine post combination.

In FY 2023, Keppel will recognise a disposal gain of approximately \$3.3 billion⁴ arising from the combination of Keppel O&M and Sembcorp Marine. Together with the vendor notes issued to Keppel from the sale

October 2020. Of this amount, \$1.6 billion was announced in 2022, putting us well on track to exceed the higher end of the Company's \$3-5 billion target by the end of 2023. The significant capital unlocked would allow us to invest in growth initiatives as well as reward shareholders.

Harnessing our asset-light model, we announced about \$2.8 billion worth of energy & environment and sustainable urban renewal-related investments in 2022, jointly undertaken by Keppel together with the private funds and/or business trust managed by Keppel Capital. As at the end of 2022, Keppel Capital has achieved its target of \$50 billion of Assets under Management (AUM) and will next work towards our longer-term AUM target of \$200 billion.

¹ Includes Keppel Logistics' businesses in Singapore, Malaysia, Vietnam and Australia, as well as UrbanFox.

² Excludes discontinued operations.

³ This figure of \$2.19 is rounded to the nearest two decimal places; calculated based on a division of (i) the cash equivalent amount of the dividend declared by the Company of \$3,845,164,646.11, by (ii) the Company's issued and paid-up share capital as at the Record Date of 1,751,959,918 KCL Shares (excluding treasury shares).

⁴ Arising from the Proposed Combination, based on the value of assets and liabilities of Keppel O&M (as Disposal Group) for the Proposed Combination as of 28 February 2023, the gain on disposal recognised in the profit or loss on the date of completion is approximately \$3,300 million. The gain on disposal is subject to adjustment for any reimbursement by the Company to Keppel O&M for certain expenditures incurred by Keppel O&M before the completion of the combination, relating to assets sold by Keppel O&M to Asset Co to the extent that such expenditures are in excess of an agreed sum.



Whether through earning fees from asset management, Energy-as-a-Service or Real Estate-as-a-Service, we are working to grow the Group's recurring income. (In picture: Keppel Infrastructure @ Changi, Singapore's first Green Mark Platinum Positive Energy building under the new and more stringent Green Mark Scheme, houses an intelligent operation nerve centre.)

As we execute Vision 2030 and transform to be a global asset manager and operator, Asset Management would not just be a vertical within the Group, but also a key focus of who Keppel is and how we create value. It will be a horizontal that pulls the different business units together to deliver value as one integrated company. Tapping third-party funds would allow the Group to grow at much higher speed and scale, compared to just relying on our balance sheet.

Keppel's business priorities have also evolved, with a growing focus on sustainability-related solutions. Key initiatives undertaken in 2022 include commencing Singapore's first renewable energy import, developing Singapore's first hydrogen-ready power plant, pivoting our real estate business towards sustainable urban renewal and senior living, and launching the Keppel Sustainable Urban Renewal Fund. In the Connectivity segment, we are growing our data centre and subsea cable businesses, while M1 continues to advance its transformation into a cloud native connectivity platform. Whether through earning fees from asset management, Energy-as-a-Service or Real Estate-as-a-Service, we are working to grow the Group's recurring income.

We are also seeing greater collaboration and integration among business units. Horizontal teams have been established to evaluate business opportunities for the Group across verticals, looking at different asset classes such as real estate, data centres and infrastructure. From the initial investment in greenfield or brownfield projects, to the design and development followed by operation and maintenance phases, to their possible injection upon maturity into a REIT or business trust managed by Keppel, we can derive multiple earnings streams from the assets from "cradle to maturity". This is a key strength for Keppel and one which differentiates us from purely financial investors. In 2022, external revenue from cross-business unit collaboration across the Group amounted to about \$560 million¹, increasing by about 60% from 2020, when we launched Vision 2030. We expect this to continue growing over time, as we deepen integration as OneKeppel.

We continue to invest in technology and innovation to drive the Group's growth. These include sustainability-related innovation such as the opening of *Keppel Infrastructure @ Changi*, Singapore's first Green Mark Platinum Positive Energy building under the new and more stringent

We are seeing greater collaboration and integration among business units. Horizontal teams have been established to evaluate business opportunities for the Group across verticals, looking at different asset classes such as real estate, data centres and infrastructure.

Green Mark scheme, and preparing for the low-carbon economy through exploring green ammonia and green hydrogen solutions.

We are also investing in digitalisation and building a data lake as a single source of truth. With the data in a form that facilitates analytics as well as automation, we can improve productivity and customer experience, perform continuous assurance and audits, and seize new opportunities through changing how we serve our customers. Artificial intelligence and machine learning can enable us to respond more quickly to changes in internal and external environments, and make timely interventions and course corrections when necessary.

Focus on ESG

During the year, we sharpened our focus on sustainability with the establishment of the Board Sustainability and Safety Committee (BSSC) in May 2022. Sustainability and safety have been included on the agenda of the Board's meeting each quarter and the role of the former Board Safety Committee has been subsumed under the BSSC.

We have announced our target to halve the Group's Scope 1 and 2 carbon emissions by 2030, compared to 2020 levels, and achieve net zero by 2050. We continue to make steady progress towards the target, including through refocusing our portfolio on sustainability-related solutions, improving energy efficiency and harnessing renewables where possible. We have been tracking how the Group contributes to the United Nations' Sustainable Development Goals since 2016 and are also implementing the recommendations of the Task Force on Climate-related Financial Disclosures. We view sustainability not just through the lens of compliance or corporate social responsibility, but also as a source of opportunities and a way for us to create value for the Company, as we help our customers and communities on their net zero journeys.

In 2022, we continued to advance our safety journey, including encouraging front-line staff to speak up when they encounter any unsafe act or practice, as well as leveraging technology to digitalise Health, Safety and Environment (HSE) processes.



Keppel's business priorities have evolved, with a growing focus on sustainability-related solutions. We are pivoting our real estate business towards sustainable urban renewal and senior living. (In picture: Keppel Land is entering China's senior living market with its first assisted-living community in Nanjing City.)

¹ External revenue from cross-business unit collaboration is an internal management metric that includes share of economic benefits from joint ventures, associates and certain investments.

Chairman’s Statement

Employee Engagement

84%

Keppel’s engagement score in the 2022 Employee Engagement Survey, 4% higher than Mercer’s global average.

Sadly, despite our best efforts, Keppel O&M suffered three fatalities in two separate incidents at its Singapore yard. We have investigated the incidents and put in place measures to prevent recurrence.

Governance is a key aspect of running our business responsibly and we are focused on enhancing corporate governance, as well as compliance and risk management. As part of the Board’s commitment to achieve a good balance of skills, knowledge, experience as well as diversity among directors, we welcomed Mr Olivier Blum and Mr Jimmy Ng as Independent Directors on the Board with effect from May 2022. Olivier is the Executive Vice-President of Schneider Electric’s Energy Management Business, and was previously Chief Strategy & Sustainability Officer of the company, while Jimmy is the Group Chief Information Officer, as well as Head of Group Technology

& Operations at DBS Bank. Olivier and Jimmy bring to the Board of Keppel their wealth of experience and expertise – for Olivier, in running companies sustainably and driving sustainability-as-a-business on a global scale, and for Jimmy, digitalisation as a corporate strategy – and help ensure that we have access to the best talent as we drive the Group’s strategy.

Strong human capital management is critical to a company’s success. Our workforce remained highly engaged, with an engagement score of 84% in the 2022 Employee Engagement Survey, 4% higher than Mercer’s global average. We continued to invest in training and development, strengthening succession planning and deepening staff engagement. In 2022, our workforce achieved an average of more than 24 hours of training per person, higher than our target of 20 hours.

We view sustainability not just through the lens of compliance or corporate social responsibility, but also as a source of opportunities and a way for us to create value for the Company, as we help our customers and communities on their net zero journeys.



We continued to advance our safety journey, including encouraging front-line staff to speak up when they encounter any unsafe act or practice, as well as leveraging technology to digitalise Health, Safety and Environment processes.

We are committed to fair employment and have also enhanced efforts to improve the overall well-being of employees, including both physical and mental health. To help employees cope with rising prices, we implemented a one-off cost of living subsidy for more junior staff, and also enhanced the flexible benefits programme for junior to mid-level staff with effect from January 2023.

Keppel believes that when our communities thrive, we thrive. We contribute to society in different ways, through charitable donations, community investments, commercial initiatives, as well as staff volunteerism. In 2022, we contributed \$4.3 million to worthy causes, including donations made through Keppel Care Foundation, the Group’s philanthropic arm. New programmes unveiled in 2022 include a \$1 million donation to Dementia Singapore to be disbursed over three years, as well as partnerships with different stakeholders to support sustainability-related education for the public and school students. Beyond financial support,



New initiatives unveiled in 2022 include a \$1 million donation to Dementia Singapore to be disbursed over three years.

Keppel’s staff also contributed more than 14,000 hours of volunteer service globally. In China, Keppel’s staff collaborated with local organisations to deliver food items to vulnerable communities during the COVID-19 related lockdowns, while in Vietnam, we launched a Living Well programme to provide clean drinking water for about 20,000 villagers.

In recognition of our commitment to corporate governance and sustainability, Keppel was conferred the Singapore Corporate Governance award at the Securities Investors Association (Singapore)’s Investors’ Choice Awards 2022, for a second year running. We retained the highest MSCI AAA ESG rating, which we have held since early-2020, and were also admitted to the DJSI World and Asia Pacific indices. We will continue to enhance corporate governance and sustainability practices, and aspire to even higher standards.

Acknowledgements

I would like to express my deep appreciation to fellow directors for their dedication and wise counsel, which helped Keppel to navigate the uncertain global environment and deliver strong results. I am also grateful to our shareholders, partners and other stakeholders for their confidence and support for Keppel.

In addition, I would like to express my appreciation to Keppelites around the world for their many contributions to the Company. As the combination of Keppel O&M and Sembcorp Marine has just been completed on 28 February 2023, I would also like to take this opportunity to thank the former directors, management and staff of Keppel O&M for their valuable contributions to the Group over the years.

2023 is an important year for Keppel as we execute the next stage of the Company’s transformation and growth to be a leading global asset manager and operator, providing solutions for a cleaner and better world. We will continue to work together with all stakeholders to create a sustainable future together.

Yours sincerely,

Danny Teoh
Chairman
2 March 2023

Accelerating Vision 2030

We will accelerate Keppel's evolution into a global asset manager with strong operating capabilities, focused on creating sustainability-related solutions.

Q How would you sum up the past year for Keppel?

A 2022 was a transformational and productive year for Keppel on several counts.

First, we posted a robust set of results despite challenging macro conditions, bolstered by stronger earnings in Asset Management and Energy & Environment. The Group's recurring income also more than doubled year on year, contributing to 67% of our net profit for FY 2022, excluding discontinued operations.

Our Energy & Environment segment saw a marked turnaround, driven mainly by Keppel Infrastructure's strong performance. Asset Management also recorded an improvement in earnings, higher fee income, as well as better operating performance across assets under the REITs and business trust.

Urban Development's performance was impacted by headwinds faced in China,

though we are seeing improvements in China following the exit from its zero-COVID stance, as well as the introduction of more supportive policies that benefit the real estate sector. In Vietnam, while there have been delays in the approvals for new launches, market fundamentals remain strong, as seen from the strong demand for new homes launched.

Our Connectivity segment also did well, with M1 advancing its transformation into a cloud native connectivity platform. M1's profits grew significantly, with the recovery in roaming, subscriber growth and higher revenue from its expanding enterprise business. Our integrated data centre business also continued to grow its portfolio, leveraging our asset-light model.

Importantly, we have made very good progress in executing Vision 2030, simplifying and focusing Keppel's business, with the successful



Loh Chin Hua, Chief Executive Officer

We have made very good progress in executing Vision 2030, simplifying and focusing Keppel's business, with the successful divestment of Keppel Logistics and Keppel O&M, as well as the resolution of our legacy rigs and associated receivables.

divestment of Keppel Logistics¹ and Keppel Offshore & Marine (Keppel O&M), as well as the resolution of our legacy rigs and associated receivables.

We will accelerate Keppel's evolution into a global asset manager with strong operating capabilities, focused on creating sustainability-related solutions, which are seeing strong demand amidst the growing global focus on sustainable development and decarbonisation.

Q Can you share more about Keppel's transformation journey to be a global asset manager and operator? What are the plans for 2023 and beyond?

A Throughout our growth journey, the Board and management of Keppel have regularly transformed the Company to ensure its competitiveness and relevance in a fast-changing world.

In the past decade, we embarked on a series of privatisations of our listed operating units starting with Keppel Land in 2015, followed by M1 and Keppel Telecommunications & Transportation. These allowed us to break down the silos, simplify our businesses and align them to the Group's collective goals as we forged a OneKeppel culture with all parts executing on a common strategy.

In line with our efforts to refocus and streamline the Group, we spun off our logistics and the offshore & marine (O&M) businesses, and are doing less of residential development for sale. We are moving away from businesses with lumpy earnings, which are often valued at discounts to book value, towards those with recurring income that attract high multiples. To be clear, logistics, O&M and residential development are good businesses, but they may not be the

best fit with Keppel's Vision 2030, which sees us focusing on growing recurring income and building scalable businesses that fully leverage our asset-light model.

Going forward, we will focus on fast-tracking Keppel's transformation from a conglomerate of diverse parts into an integrated business – one that harnesses the Group's strengths to invest for the good of current and future generations, while addressing the pressing challenges of climate change.

As we advance our ambition to be a leading global asset manager, our operating platforms in Energy & Environment, Urban Development and Connectivity will remain important pillars and differentiators for the Group. We will continue to strengthen our engineering capabilities and technical know-how, as well as drive innovation and customer centricity.

¹ Includes Keppel Logistics' businesses in Singapore, Malaysia, Vietnam and Australia, as well as UrbanFox.

Interview with the CEO

This unique combination of attributes and capabilities is what investors appreciate when they invest in Keppel and the private funds that we manage. As a trusted investor, which also has strong operating capabilities in sustainability-related solutions, Keppel is a compelling partner for our investors, customers and other stakeholders.

Q Can you talk about the progress of integration in the Group?

A We have made good progress in realising synergies between Keppel's operating units, creating and capturing value through our asset-light model.

As an example, our integrated data centre business, through collaboration between Keppel Data Centres and the private funds and REIT managed by Keppel Capital, generated total earnings of \$66 million for the Group in FY 2022. Today, most of the new projects approved by the Group involve cross-business unit collaboration, compared to only a small proportion just a few years ago.

Another strong case-in-point was the \$2.8 billion worth of energy & environment and sustainable urban

renewal-related investments announced in 2022, jointly undertaken by Keppel together with the private funds and/or business trust managed by Keppel Capital. This allows us to make large investments in our focus areas without pushing up our gearing significantly.

To accelerate the integration of our value chains, we established the One Real Estate, One Infrastructure and One Data Centre teams, comprising personnel from across the Group's operating units to evaluate and execute on opportunities in their respective areas.

As we forge ahead with Vision 2030, and run our business horizontally, we expect to see overhead costs reduced and Keppel become even more nimble in seizing opportunities. Working as OneKeppel, we will be able to achieve more with less.

By tapping on co-investment capital, as we have done through the sizeable joint investments undertaken by the Group in 2022, we can do much more than what our balance sheet alone allows.

Q Keppel's recurring income more than doubled year on year to \$560 million in FY 2022. What are Keppel's plans to grow recurring income further?

A A key tenet and strategy of Vision 2030 is to pivot away from lumpy profits in the orderbook and property development business and focus on expanding recurring income. This is shaping up well for us, as can be seen from our 2022 results, where recurring income improved significantly.

The explosion of data is fuelling the servitisation of businesses, where industries are moving from traditional client interactions to more connected, long-term customer relationships that are highly personalised. Digital technologies such as IoT, generative artificial intelligence, machine learning, and the host of 5G-enabled wireless communications are altering the playing field irrevocably. To succeed in this fast-changing digital economy, businesses need to fully leverage and exploit real-time data generated within their ecosystems, to analyse and optimise the use of their assets.

In many ways, these are what Keppel has been striving to achieve through the evolution of our operating units as well as our digitalisation efforts. Whether it is Keppel Land's shift to be an asset-light provider of urban space solutions, with a focus on providing Real Estate-as-a-Service; Keppel Infrastructure's offering of Energy-as-a-Service (EaaS), or M1's transformation from a traditional telco into a digital cloud-native platform – these are all examples of Keppel's pivot towards innovative, customer-centric service models.

The servitisation of our business is bolstered by our asset-light strategy and ability to tap third-party funds for growth. Taken together, these initiatives will allow the Group to change the nature of our earnings and significantly expand our base of recurring fee income.



Increasing digitalisation, including cloud computing, artificial intelligence and the metaverse, is generating demand for the Group's connectivity solutions.

Q Now that Keppel is very close to its \$5 billion asset monetisation target, will you set a new target?

A Asset monetisation is a very key part of our asset-light strategy, providing us with the wherewithal to pursue our new growth engines and initiatives under Vision 2030. As I have said before, we will not stop once we cross our \$5 billion target in 2023 but will continue to unlock capital which can be redeployed to seize new opportunities.

We said in June 2020 that the Group had identified \$17.5 billion of monetisable assets, based on carrying value. These did not include our operating platforms, such as Keppel O&M, from which we are unlocking a total realisable value of \$9.4 billion, including our Asset Co vendor notes and out-of-scope assets. Our goal is to eventually activate all \$17.5 billion of our monetisable assets, which would not only free up space on our balance sheet, but enable us to pursue growth initiatives as well as reward our shareholders.

Q What are the plans for the legacy rigs in Asset Co and the out-of-scope assets? Are you optimistic about realising value from these assets in the near term?

A Amidst the strengthening offshore rig market, we are optimistic that Asset Co will be able to substantially monetise the legacy rigs and their associated receivables over the next few years. We will likewise be looking out for opportunities to monetise the approximately \$300 million worth of out-of-scope assets, which are non-core to Keppel.

Thus far, we have made good progress in putting our legacy rigs to use. By the end of 2022, all the available KFELS B Class jackup rigs in the fleet have secured bareboat charters, while there have been active enquiries for the remaining legacy rigs.

We are also hopeful that with continuing improvements in the rig market, the monetisation of the legacy rigs can take place sooner, leading to an earlier repayment of the vendor notes issued by Asset Co to Keppel. The Asset Co vendor notes come with a coupon rate of 4% that translates into approximately \$170 million of interest income per annum. We will also benefit from a redemption premium equal to 5% of the outstanding principal amount if and when the vendor notes are redeemed.



Keppel Infrastructure has been bolstering its EaaS offerings with energy optimisation and analytics, and other solutions.

Q How does Keppel look at capital allocation? Which areas will receive more focus moving forward, as you grow Keppel's AUM?

A We are exploring many exciting investment opportunities, as we continue to grow Keppel's business in line with Vision 2030. Given Keppel's track record and capabilities, we are well placed to seize opportunities in renewables, decarbonisation solutions, sustainable urban renewal and connectivity, which are supported by macro trends such as decarbonisation, digitalisation and the increasing global focus on climate action.

We have set an ambitious target to grow our current \$50 billion in assets under management to reach \$200 billion by 2030. So when we think of capital allocation, we will not just be investing in areas that we want to grow in per se, but also areas that global investors would like to be in. These would include assets and platforms that provide solutions which help our customers on their digitalisation and net zero journeys.

This is where asset management has a key role to play in helping us achieve our objectives and scale up our growth engines. By tapping on co-investment capital from Keppel Capital's private investors, or even the REITs and business trust, as we have done

through the sizeable joint investments undertaken by the Group in 2022, we can do much more than what our balance sheet alone allows.

Q Keppel is making sustainability a business. Can you talk about the Company's developments in the areas of renewables, clean energy and decarbonisation solutions?

A Over the past year, we have made bold strides in expanding our solutions that contribute to sustainable development, building on the Group's strong domain knowledge and operational expertise.

We achieved many 'firsts', including commencing Singapore's first renewable energy import; the development of the 600 MW Keppel Sakra Cogen Plant, which will be Singapore's first hydrogen-ready and most advanced, high-efficiency combined cycle gas turbine power plant; and the opening of *Keppel Infrastructure @ Changi*, Singapore's first Green Mark Platinum Positive Energy building under the new and more stringent Green Mark scheme. We are also gearing up for the low-carbon economy through exploring green ammonia and green hydrogen solutions with international partners.

Keppel Infrastructure has been bolstering its EaaS offerings with energy optimisation and analytics,

Interview with the CEO



We have identified sustainable urban renewal and senior living as key market segments where Keppel is well placed to compete, and which our investors find attractive.

energy storage, cooling, and electric vehicle charging solutions. Such services offer our customers a tangible and practical pathway to decarbonisation while minimising upfront costs, thus expanding the potential for deployment of low-carbon technologies. Since Keppel Infrastructure went to market with its end-to-end EaaS offerings in late 2021, we have grown our cooling capacity by 17%. The new EaaS contracts secured have a weighted average expiry of 10 years, and contribute to expanding our recurring income.

We are positioning ourselves to capture the growing demand for sustainable infrastructure in Singapore and the region, with the launch of our flagship Keppel Core Infrastructure Fund in 2022 with a target size of US\$2.5 billion. We will also be launching the Keppel Asia Infrastructure Fund II, following the success of Fund I, which has been fully deployed with six quality assets. Through these efforts, Keppel will be able to contribute to expediting the world's energy transition and decarbonisation efforts.

Q 2022 was a challenging year for the China market. What is your outlook for this key market in 2023?

A Deleveraging policies, coupled with the COVID-19 lockdowns, affected China's economy over the past year. Nevertheless, our Urban Development business performed creditably, contributing a total of \$282 million to the Group's net profit in FY 2022.

Our asset monetisation efforts in China also remained healthy with the divestment of two projects in Shanghai, unlocking some \$347 million of capital.

As China's reopening from COVID-19 restrictions continues, many economists expect the accelerated recovery of the Chinese economy, underpinned by stronger domestic demand and higher GDP growth. In the first two months of 2023, Keppel Land has already seen more positive signs, including an improvement in enquiries and home sales.

The Chinese authorities have also announced constructive policies such as allowing developers more access to financing and relaxing home ownership regulations. As market conditions improve, we expect both home sales and asset monetisation to gain traction in 2023.

Q Which are some of the key opportunities that Keppel is positioning itself to capture in urban space solutions?

A Building on Keppel's strong track record in the real estate business across key cities in Asia, we see opportunities to offer Real Estate-as-a-Service to enhance our relevance in a world characterised by flexible work arrangements, climate action and where digitalisation is redefining the built environment. We have identified sustainable urban renewal (SUR) and senior living as key market segments where Keppel is well placed to compete, and which our investors find attractive.

A sizeable share of real estate development over the next decade is expected to be based on retrofitting and repurposing existing buildings, which are greener, less costly and faster than new construction, and contribute to the circular economy. By incorporating smart and sustainable features into retrofitted buildings, we can also help enhance the assets' performance and value.

The transformation of the 20-year-old Keppel Bay Tower into Singapore's first Green Mark Platinum (Zero Energy) commercial building is a good example of SUR. Keppel Land is also expanding into the region where there are many opportunities to offer its SUR solutions in key cities such as Seoul, where it jointly acquired an office building with Keppel Capital in December. To advance our growth in this area, we launched our Keppel Sustainable Urban Renewal Fund with a target size of US\$2 billion in 2022.

The senior living sector is another significant growth market, underpinned by longer life expectancies and rising affluence. We are seeing opportunities across mature markets such as the US where Keppel is already present through our investment in Watermark Retirement Communities, as well as emerging ones in Asia such as China. In 2022, we embarked on our first dedicated senior living facility in Nanjing, China, which will offer care capabilities and around 400 beds. This will be a showpiece of Keppel's expertise and can serve as a launchpad for expansion into other markets in China and beyond.

Q Can you elaborate on the opportunities that Keppel sees in connectivity solutions?

A In the age of rapid digitalisation, the real game-changers are not smart assets and solutions per se, but smart, connected assets and solutions. At Keppel, we see ourselves playing a pivotal role in contributing to the digital revolution, through our end-to-end solutions ranging from state-of-the-art infrastructure such as subsea cables and data centres, to 5G network and technologies, which will create value for both enterprises and consumers.

Over the past few years, M1 has made a huge leap in its transformation from a traditional telco into a cloud native connectivity platform. M1 is expanding its enterprise solutions and developing 5G business applications to capture

Q What progress has Keppel made in its journey as a sustainable company?

A We made significant progress in our sustainability focus in 2022, with the establishment of a Board Sustainability and Safety Committee, and appointment of a Chief Sustainability Officer. Today, sustainability and climate change are topics regularly discussed at Board and management meetings, and guide the Company's strategy and risk management.

We continued to lower our Scope 1 and 2 carbon emissions in line with our net zero target and expand our tracking of Scope 3 emissions. We have set a target for 50% of electricity usage in our operations to be from renewable energy sources by 2025, with a view to reaching 100% by 2030. We are continuing our efforts to conserve water and reduce waste, and have also sharpened our focus on

shareholders. We have in recent years endeavoured to pay out about 50-60% of our earnings. The final cash dividend of 18 cents, together with the interim dividend of 15 cents, make up a total of 33 cents for FY 2022, or about 63% of our earnings.

As a Group, we will continue investing for growth. I am confident that as we execute Vision 2030, we will have sufficient capital to ramp up our growth engines and also reward our shareholders. As the Group's recurring income increases, it will give us greater confidence to pay out more of our earnings as dividends.

Q How are you preparing people to drive the next phase of Keppel's growth?

A In my time as CEO of Keppel, I have seen how Keppelites dug deep to resolve difficult challenges and engineer better outcomes than what one might have expected.

We are making sustainability our business, with many new green initiatives during the year.

new opportunities. In Singapore, M1 has achieved more than 95% outdoor coverage in its 5G standalone network rollout. As M1 migrates customers to its new cloud native digital platform, which allows subscribers to enjoy its new 5G plans, and cloud services such as cloud gaming, among others, it will be able to improve customer acquisition and lower its cost to serve.

In the data centre space, we continue to drive the design and development of more energy-efficient and sustainable assets. We are presently working on our Floating Data Centre Module, and also collaborating with other partners to study, inter alia, the feasibility of importing clean energy to power our data centres in Singapore.

Meanwhile, we are making good progress with the Bifrost Cable System, which is expected to be ready for service in 2024. When fully commissioned, it will be the largest capacity high-speed transmission cable across the Pacific Ocean.

Looking ahead, we see the trend of increasing digitalisation, including cloud computing, artificial intelligence and the metaverse, generating even further demand for the Group's connectivity solutions.

biodiversity. Beyond environmental factors, we are also strengthening our performance in the governance and social aspects of sustainability, such as enhancing Board diversity, risk management and employee well-being, as well as contributing to the community.

Very importantly, we are making sustainability our business, with many new green initiatives during the year, such as in renewables and sustainable urban renewal, which I mentioned earlier. The Group's portfolio of renewable energy assets has more than doubled to 2.6 GW¹ at the end of 2022, as we progress towards our target of 7 GW by 2030.

We are encouraged to see our sustainability efforts recognised in international indices such as MSCI and DJSI, and will continue to do our part to contribute to a sustainable future.

Q Keppel has been paying out a total cash dividend of 33.0 cents per share for the past two years. Is this a sustainable level moving forward?

A While we do not have a specific dividend policy, the Board and the management are cognisant that dividends are an important consideration for our

Keppel has in turn strived to make the Company a great place for employees to fulfil their individual aspirations.

As we enter the next phase of our evolution, we have redefined who Keppel is and how we create value, namely, "A Leading Global Asset Manager and Operator, Creating Solutions for a Sustainable Future." The first part of the statement describes the business we run, while the latter defines our purpose.

To ride the next wave, we will need Keppelites with the right mindsets and skillsets. We will continue to invest in our people, training them to remain relevant in a changing landscape, while bolstering the Company's capabilities in asset management as well as our operating platforms.

I am heartened to see that Keppelites are highly engaged, with a score of 84% in the 2022 Employee Engagement Survey, 4% higher than Mercer's global average. 88% of Keppelites also indicated that they are proud to work for Keppel.

I am confident that, working together as OneKeppel, and supported by highly energised employees, Keppel can achieve our Vision 2030 goals by 2025.

¹ On a gross basis, including projects under development.

Highlights of Achievements in 2022

1. Accelerate Business Transformation

During the year, we made good progress in executing our Vision 2030.



Scaling Up in Vision 2030 Growth Areas

- Achieved AUM of \$50 billion by end-2022.
- Keppel Capital completed more than \$7.7 billion in acquisitions and divestments and launched flagship funds for infrastructure and sustainable urban renewal (SUR).
- Expanded business in renewables, clean energy and environmental solutions, and bolstered Energy-as-a-Service offerings. Reached final investment decision for 600 MW state-of-the-art hydrogen-ready, advanced combined cycle power plant. Exploring green ammonia and green hydrogen solutions to support low-carbon economy.
- More than doubled announced portfolio of renewable projects to 2.6 GW from 1.1 GW at start of 2022.

- Pivoting away from traditional developer model to offer Real Estate-as-a-Service, with focus on SUR and senior living. Embarked on first senior living community in Nanjing, China.
- Driving development of energy-efficient and sustainable assets with proposed Floating Data Centre Module and green data centre park. Scaled up data centre presence with acquisitions in China and the UK, bringing total portfolio to 32 assets.
- Making good progress with the Bifrost Cable System to be service-ready in 2024.
- Making headway in M1's transformation into a cloud native connectivity platform, with continued enterprise business growth. Achieved over 95% outdoor 5G standalone network coverage.

Simplifying and Focusing the Group's Business

- Completed offshore & marine transactions by early-2023.
- Completed divestment of logistics business in Southeast Asia and Australia.

Asset Monetisation

- Announced asset monetisation of more than \$4.6 billion since 4Q 2020, of which \$1.6 billion was in 2022.
- \$3.6 billion¹ cash collected as at end-2022.

Executing Asset-light Business Model

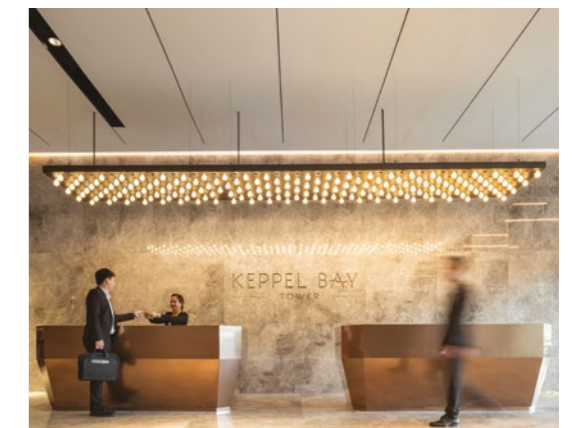
- Announced joint investments worth \$2.8 billion with private funds and business trust managed by Keppel Capital in energy & environment and SUR-related assets and platforms in line with OneKeppel approach.

Advancing Cross-Business Unit Collaboration

- External revenue from cross-business unit collaboration across the Group amounted to about \$560 million², increasing by about 60% from 2020, when Vision 2030 was launched.
- Majority of new projects launched by Group involved cross-business unit collaboration.
- Advanced value-chain integration by establishing OneRE, OneInfra and OneDC teams³ across the Group's focus areas.

¹ Includes \$0.2 billion received on the sale of 1 Borr rig, which has been transferred to Asset Co as part of initial working capital.
² External revenue from cross-business unit collaboration is an internal management metric that includes share of economic benefits from joint ventures, associates and certain investments.
³ OneRE – One Real Estate; One Infra – One Infrastructure; OneDC – One Data Centre.
⁴ The recurring income in FY 2021 was restated, as Keppel O&M's income was re-classified as discontinued operations.

2. Drive Financial Performance



Net Profit

\$927m

Compared to \$1.02b for FY 2021

Recurring Income

\$560m

More than double of \$262m⁴ in FY 2021

Gearing

0.78x

at end-2022, compared to 0.68x at end-2021

Cashflow

\$408m

outflow, compared to \$1.76b inflow in FY 2021

ROE

8.1%

Compared to 9.1% for FY 2021

Total Dividend

33 cts

Cash dividend per share, unchanged from FY 2021

3. Develop Human Capital



Continue Staff Engagement and Development

- Ranked as one of the World's Best Employers 2022 by Forbes.
- Certified by Top Employers Institute as a Top Employer in Singapore for fourth consecutive year, and in China for the first time.
- Achieved strong engagement score of 84%, 4% above Mercer's global average.
- Achieved average of more than 24 training hours per employee, with more than 80,000 training places.



Enhance Succession Planning

- Ongoing efforts to strengthen succession bench strength through leadership development programme at group and individual levels.
- Board mentorship programme was positively received with strong commitment from mentees and board mentors. Programme duration is extended to provide continuous support and feedback to mentees to enhance leadership effectiveness and elevate readiness for succession.

4. Enhance Governance, Compliance, Risk Management and Safety



Governance

- Established Board Sustainability and Safety Committee (BSSC), with clear terms of reference to sharpen the focus on sustainability issues. Former Board Safety Committee subsumed under terms of reference of BSSC.
- Enhanced Board Diversity Policy to include other aspects of diversity such as race/ethnicity and nationality.
- Augmented Board's skills, knowledge, experience and diversity with appointment of two new independent directors with experience and expertise in sustainability and digitalisation.
- Continued to roll out the ISO 37001 Anti-Bribery Management System across the Group.



Compliance and Risk Management

- Enhanced overall risk management and compliance frameworks in response to volatile international environment.
- Conducted Group-wide scenario planning exercise to assess potential risks from several global macroeconomic, geopolitical and climate-related scenarios, and developed mitigation plans where required.



Safety

- Suffered three fatalities in two incidents at Keppel O&M's yard in Singapore. Investigated incidents and put in place measures to prevent recurrence.

5. Champion Sustainability



Work Towards ESG Goals, including Carbon Emissions Reduction Targets¹

- Included in the DJSI World and Asia-Pacific Indices; maintained MSCI AAA ESG rating.
- Continued to work on reducing Scope 1 and 2 carbon emissions.
- Expanding tracking of Scope 3 emissions to cover all 15 categories.
- Conducted scenario analyses in line with recommendations of the Task Force on Climate-related Financial Disclosures to assess the Group's exposure and response to climate-related risks and opportunities.
- Committed to Singapore's Green Nation Pledge.



Make Positive Impact on the Community

Volunteers

- More than 14,000 hours of community service, exceeding 12,000 hours in 2021.

Contribution to Worthy Causes

- \$4.3 million contributed to social investment spending and industry advancement.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



¹ Further details will be provided in Keppel's Sustainability Report to be published in May 2023.

Focus Areas in 2023



Accelerate Business Transformation

- Drive business transformation to be a leading global asset manager and operator, with strong operating capabilities in Energy & Environment, Urban Development and Connectivity.
- Exceed \$5 billion in asset monetisation by end-2023.
- Work towards AUM target of \$200 billion by end-2030.
- Drive further integration to realise OneKeppel synergies.
- Continue digitalisation efforts to support business transformation.



Drive Financial Performance

- Achieve Vision 2030 financial targets, including mid- to long-term ROE target of 15%.
- Grow recurring income.
- Maintain gearing below 1.0x.



Develop Human Capital

- Continue to deepen staff engagement.
- Develop talent pool and grow capabilities in line with Vision 2030 transformation.
- Enhance succession planning.



Enhance Governance, Compliance, Risk Management & Safety

- Ensure strong governance, risk management, compliance, controls and safety standards.
- Enhance the Company's ethics and compliance culture through a culture advancement programme.



Champion Sustainability

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

Technology and Innovation

We are harnessing technology and innovation to drive transformation and achieve Keppel's Vision 2030 plans.

Keppel has a strong track record in innovation and transformation.

During the year, the Group's innovation efforts were centred around Keppel's Vision 2030 strategy, from assessing the impact of mid- to long-term technological and business model shifts on the Group, to accelerating the development of new growth engines and strengthening the resilience of its businesses through differentiation.

Technology and innovation efforts are driven both at the Group and business unit (BU) levels. BUs focus on the key growth areas identified as part of Vision 2030, leveraging their technical and operational expertise and network of partners and in-country presence. At the Group level, Keppel Technology & Innovation drives technology foresight, identifies long-gestation opportunities in collaboration with BUs, and cross-fertilises ideas among BUs, leveraging their distinct capabilities to create unique competitive advantages for the Group.

In addition, the Group Digital Office (GDO) was established in March 2022 to catalyse digital transformation. Headed by the Chief Digital Officer, the GDO drives digitalisation and automation to improve efficiency across the Group's assets and operations.

Beyond in-house capabilities, the Group also taps the insights of the Keppel Technology Advisory Panel (KTAP), comprising eminent business leaders and industry experts from across the world, which guides the Group's innovation journey and provides technology foresight. This includes monitoring of early-stage industry developments, and new technologies as well as future scenario mapping. Through the KTAP members, Keppel is also able to access their networks so as to stay updated on emerging megatrends, the latest technologies and the changing global landscape.

To address complex and interrelated issues that may be difficult for the Group to solve alone, Keppel adopts a robust ecosystem and value chain approach, working in close partnership with the industry stakeholders including institutes of higher learning, government agencies, global and local corporates, as well as venture funds and start-ups. Our close collaboration with strategic partners helps us to develop innovative, differentiated and integrated solutions. An example is Keppel Infrastructure's collaboration with Mitsubishi Heavy Industries to carry out a feasibility study on the development of a 100% ammonia-fuelled power plant in Singapore, which can contribute to building a more resilient and sustainable energy sector in Singapore and the region.

As part of Vision 2030, we are embedding sustainability and customer centricity in our innovation efforts. We help our customers in their decarbonisation efforts through our suite of energy-efficient solutions, clean energy and digital solutions.

Innovation Across Time Horizons
Keppel views its technology and innovation efforts across three time horizons.

Engine 1: We focus on enhancing and defending our current revenue streams through efficiency improvements enabled by technology and digital strategies, such as developing more energy-efficient data centres in our Connectivity segment.

Engine 2: We seek to accelerate the development and commercialisation of our prioritised new engines of growth, through business model and technology innovation. Working with partners, we build new adjacent solutions that have strong scalability and growth potential, and strengthen the Keppel differentiation in the marketplace. Such developments include our sustainable urban renewal solutions.

Engine 3: Further out in the horizon, we maintain strong technology foresight on emerging, disruptive or game-changing technology, assessing their potential mid- to long-term impact on our businesses, and looking to capture new and disruptive revenue streams or future-proof our existing business.

Innovation Across Our Business Segments

Asset Management: We are delivering to investors in our funds, REITs and business trust, access to Keppel's proprietary-developed assets with unique technologies. For instance, Keppel Infrastructure Trust signed a non-binding term sheet in 2022 to acquire Keppel's interest in the entity that owns the Keppel Marina East Desalination Plant, which was developed by, and will continue to be operated and maintained by Keppel Infrastructure.

Energy & Environment: We are focused on developing decarbonisation and integrated environmental solutions. In the area of low-carbon power, together with our partners, we have advanced the development of clean energy value chains, such as renewables imports, ammonia and hydrogen. In the environmental space, we have partnered with the National Environment Agency to study the feasibility of carbon capture for waste-to-energy plants in Singapore.

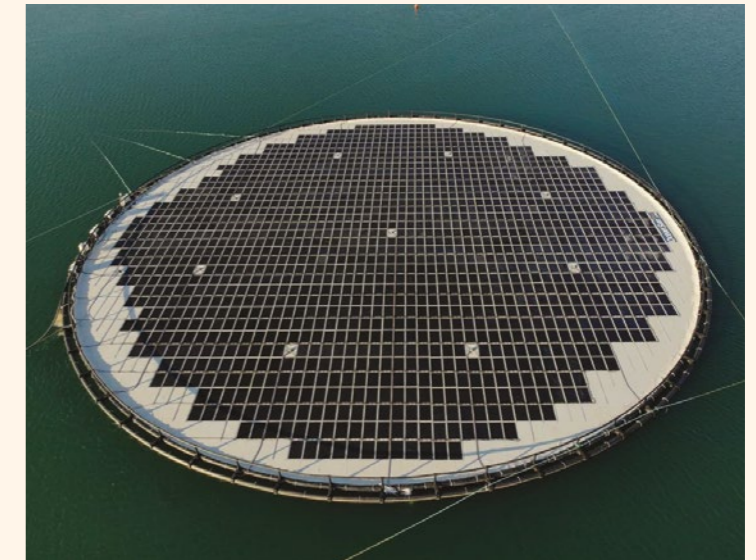
Urban Development: We are developing new living and working concepts, seizing opportunities in up-and-coming real estate segments, such as sustainable urban renewal and senior living, with a strong focus on improving the customer experience. We look to develop Real Estate-as-a-Service solutions to grow our recurring income.

Connectivity: We are enhancing the sustainability of our data centres through the development of power-efficient solutions, such as data centre-grade infrastructure solutions. M1 is transforming itself from a traditional telco to a cloud native connectivity platform, and is leveraging its 5G network to develop innovative 5G use cases jointly with partners, such as Gardens by the Bay and Electronic Sports to enable metaverse experiences.

Keppel has also invested directly into high-growth companies and start-ups, as well as in venture funds, which help us accelerate our learning and value-add to our ecosystem. This includes our investment in Envision AESC – one of the world's leading electric vehicle battery companies. We are also collaborating with the wider Envision Group, a leading green technology partner and net zero tech partner, to explore the development and supply of low-carbon electricity solutions.

Case Study

Piloting Singapore's First Membrane-based Nearshore Floating PV System



Keppel Infrastructure was awarded a grant from the Energy Market Authority (EMA) and JTC to pilot Singapore's first membrane-based nearshore floating solar photovoltaic (PV) system at Jurong Island. The pilot PV system consists of three circular platforms, which will have an installed capacity of 1.5 MWp.

Compared to conventional floating PV systems used in calmer water bodies such as reservoirs, this membrane-based PV system is designed based on floating PV specialist Ocean Sun's technology to harness solar energy reliably amid sea conditions, including strong waves and wind. This is achieved through the flexible circular surface membranes which undulate with the waves, providing a favourable distribution of loads and forces, thereby reducing stress to the PV system.

The reinforced membranes for the PV panels also ensure the lowest material usage of any floating PV system, enabling resource conservation. The system is also easy to deploy and install, with increased efficiency from direct water cooling.

When completed, Keppel Infrastructure's pilot membrane-based nearshore floating PV system can serve as a model for future scaling and replication in nearshore waterbodies in Singapore as well as overseas.

With limited land space in Singapore, this robust and innovative system can help to catalyse the deployment of renewable energy using unutilised sea space.

The award was part of EMA and JTC's Jurong Island Renewable Energy Request for Proposals to accelerate the development of clean energy innovations for implementation on the island. Projects will be funded by a \$6 million joint commitment by EMA and JTC, with support from Enterprise Singapore.

Collaboration and Integration

We are focused on driving collaboration and integration to realise synergies and drive growth. In 2022, most of the Group's new initiatives involved cross-business unit collaboration.

To accelerate the integration of our value chains, we established One Real Estate (OneRE), One Infrastructure (OneInfra) and One Data Centre (OneDC) teams, comprising senior personnel from across the Group's business units (BUs) to evaluate and execute on opportunities across our focus areas.

The cross-BU teams adopt a horizontal approach, i.e. cradle-to-maturity, in evaluating opportunities across the projects' development stages and life cycles, whether they are investments by the Group's operating entities, private funds, listed REITs or business trust.

By bringing together Keppel's different experience and capabilities, this OneKeppel approach allows Group to create value beyond what each business unit can achieve on its own. It also allows the Group to undertake more complex deals, without depending solely on its balance sheet. By drawing on the unique strengths of each operating unit, pooling talent and resources, as well as

tapping third-party capital, the Group is able to realise synergies and optimise strategic execution and resource allocation, thus achieving more with less.

Growing at Speed and Scale

In 2022, the Group announced more than \$2.8 billion worth of energy & environment and sustainable urban renewal-related investments, jointly undertaken by Keppel together with the private funds and/or business trust managed by Keppel Capital.

1. Seizing Opportunities in Onshore and Offshore Wind Energy

Keppel Corporation and Keppel Infrastructure Trust announced the joint acquisition of interests in European onshore and offshore wind energy assets for \$679 million. These comprise stakes in onshore wind assets in Norway, Sweden and the United Kingdom sponsored by Fred. Olsen Renewables, a leading developer, operator, and owner of renewable energy assets, as well as a



Seizing opportunities in onshore and offshore wind energy.



Powering a low-carbon future.

German offshore wind farm operated by Ørsted, which is a world leader in offshore wind power. Together, these investments added more than 700 MW to Keppel's growing renewable energy portfolio, which expanded to about 2.6 GW by the end of 2022.

2. Powering a Low-carbon Future

Keppel Infrastructure has reached final investment decision on the 600 MW Keppel Sakra Cogen Plant, Singapore's first hydrogen-ready and most advanced, high-efficiency combined cycle power plant. Running initially on natural gas as a primary fuel, the Plant is designed to operate on fuels with at least 30% hydrogen content and has the capability of shifting to run entirely on hydrogen. The Keppel Sakra Cogen Plant is intended to be owned by Keppel Asia Infrastructure Fund and Keppel Infrastructure, reflecting the Group's strong development capabilities and asset-light business model as it seizes opportunities in the energy transition.



Expanding capabilities in environmental infrastructure.

3. Expanding Capabilities in Environmental Infrastructure

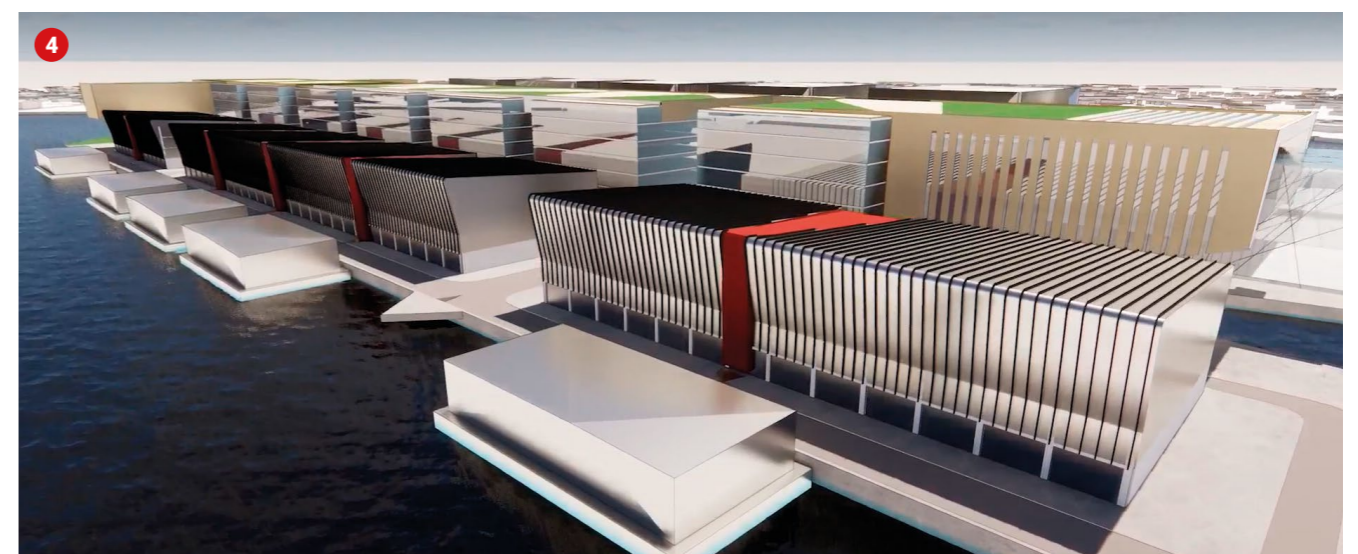
Keppel Infrastructure Trust, Keppel Asia Infrastructure Fund and Keppel Infrastructure jointly acquired a 100% stake in South Korean waste management company, Eco Management Korea Holdings (EMK) for approximately \$666 million. Operating six waste-to-energy (WTE) plants and five sludge drying facilities, EMK has the third largest incineration capacity in Korea. It is also the largest waste oil refiner and owns and manages a landfill, which has the fourth largest capacity in Korea. The investment in EMK is a prime example of how Keppel and the private funds and business trust can collaborate to seize growth opportunities swiftly.

Leveraging Keppel Seghers' leading WTE technology, Keppel Infrastructure can complement EMK's growth in the South Korean market. Keppel Infrastructure can also tap EMK's presence in South Korea

as a beachhead to explore other environmental and Energy-as-a-Service opportunities.

4. Engendering Leading Edge Data Centre Solutions

Keppel is exploring the development of a nearshore data campus project, that brings together the Group's diverse expertise in developing and operating data centres as well as clean energy and infrastructure solutions. Datapark+ is envisioned to be a scalable, state-of-the-art, low-carbon, modular data centre campus, with centralised utilities that deploys renewables to reduce its carbon emissions, and with an extensive hydrogen transport network, thereby accelerating Singapore's transition to hydrogen. With the growing investor demand for clean critical infrastructure, Keppel is exploring opportunities to bring in third-party operators and co-investors for this landmark project.



Engendering leading edge data centre solutions.

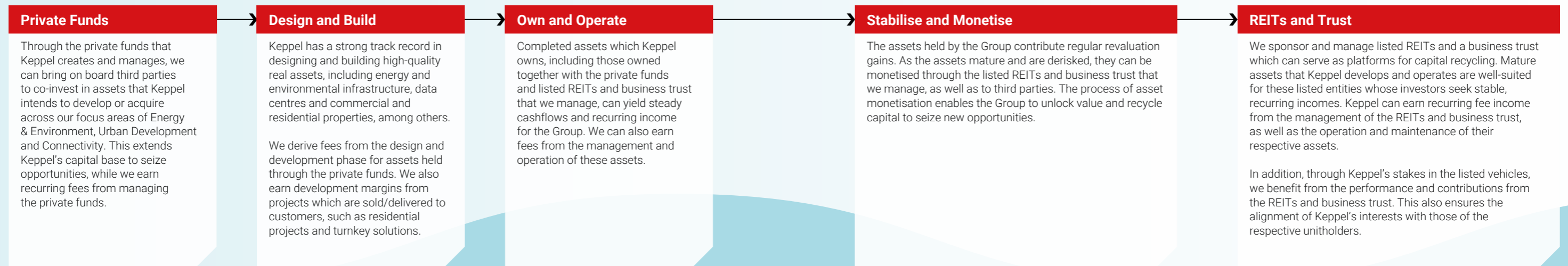
Ecosystem for Value Creation

As a global asset manager with strong operating capabilities across Energy & Environment, Urban Development and Connectivity, we create solutions that help to build a sustainable future. We are accelerating the execution of Keppel's Vision 2030 plans, supporting our customers and communities on their journeys to net zero, while creating value for our investors and stakeholders.

Our business model, underpinned by strong collaboration and integration across business units, provides a robust ecosystem that allows us to create and capture value as OneKeppel. 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.

Our Value Creating Business Model



Real Assets We Create, Operate and Maintain



Keppel Marina East Desalination Plant, Singapore



Data centre in Greater Beijing, China



Keppel Bay Tower, Singapore

Sustainability Framework

We are committed to environmental stewardship, responsible business practices, and investing in people and communities wherever we operate.

Our Strategy

Keppel has a two-pronged sustainability strategy of running our business sustainably, and making sustainability our business by providing solutions that contribute to global sustainable development and decarbonisation efforts.

Our approach to sustainability is underpinned by the three pillars of (i) Environmental Stewardship, (ii) Responsible Business, and (iii) People and Community, which address the environmental, social and governance (ESG) aspects of sustainability.



Environmental Stewardship

We are committed to combatting climate change, improving resource efficiency and reducing our environmental impact. We are refocusing the Group's portfolio on solutions for a sustainable future, such as renewables, clean energy and decarbonisation solutions.

We have set quantitative targets to reduce the Group's carbon emissions, as well as water and waste intensity. We have also set targets to increase renewable energy utilisation, and grow our portfolio of renewable energy assets. We are monitoring the latest developments in climate change and taking steps to both manage climate-related risks and seize opportunities by providing solutions that contribute to climate action, including driving sustainable urban renewal and exploring innovative solutions such as the development of climate-resilient nearshore developments and energy-efficient floating data centres.



Responsible Business

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

We are driving collaboration and innovation across the Group, leveraging technology and our asset-light model to provide solutions that contribute to sustainable development and combatting climate change, while creating value for all our stakeholders.

We have set targets to increase our research and development expenditure on sustainability-linked innovation and are also working closely with stakeholders in our value chain to enhance their sustainability performance.



People and Community

People are the cornerstone of our businesses. 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 uplift communities wherever we operate. We 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 to contribute up to 1% of the Group's net profit to worthy causes.

Sustainability Governance

The Board and management of Keppel Corporation are committed to sustainability, which is at the core of the Company's strategy.

The Board and management consider sustainability issues in the Company's business and strategy, determine the material ESG factors and oversee the management and monitoring of the material ESG factors.

Sustainability-related topics, including environmental and climate change issues, as well as social and governance aspects, are regularly discussed by the Board, which meets six times a year, and as warranted by circumstances. Since July 2022, sustainability has been included in the agenda of each Board meeting.

In May 2022, the Board established a Board Sustainability and Safety Committee (BSSC) to provide even greater focus on sustainability matters. The role of the former Board Safety Committee has been subsumed under the BSSC.

The BSSC is chaired by non-independent and non-executive director Mr Teo Siong Seng, and its members include Chairman of Keppel Corporation Mr Danny Teoh, CEO and Executive Director Mr Loh Chin Hua, as well as Independent Director Mr Olivier Blum, who has extensive experience in sustainability.

The BSSC meets at least four times a year. Its roles include monitoring international

sustainability-related trends and developments, reviewing the Company's sustainability strategy, ensuring that the Group has in place an effective sustainability governance structure, overseeing the adoption of and progress towards the Company's sustainability goals, reviewing the processes for identifying, assessing and managing climate-related risks and opportunities, overseeing the Company's health, safety, and environmental (HSE) performance, among others. The BSSC also makes regular visits to the Group's projects and work sites, including interacting with the Group's contractors and suppliers, to monitor and better understand the Group's sustainability and safety performance.

Each quarter, the Chairman of the BSSC provides an update to the Board on key issues deliberated by the BSSC. The BSSC also considers management's proposals on sustainability-related policies and practices and makes recommendations to the Board where relevant.

While the BSSC maintains broad oversight over sustainability issues, other Board Committees, namely the Audit, Nominating, Remuneration and Board Risk Committees, also address specific aspects of sustainability relevant to their respective committees.

At the management level, the Management Executive Committee (MExCo), which meets every month, oversees Keppel's strategy

and performance, including sustainability issues. MExCo also determines the Group's key sustainability policies and targets, before they are presented to the BSSC. The committee is chaired by CEO Mr Loh Chin Hua and comprises senior management from across the Group, including the Chief Financial Officer, CEOs of key business units and the Chief Sustainability Officer (CSO).

The CSO, who reports to the CEO as well as the BSSC, coordinates and drives the Group's sustainability efforts. The CSO chairs the Group Sustainability Working Committee, comprising heads of corporate functions and representatives from across businesses units, which monitors and executes the Group's sustainability efforts. The CSO also heads the Group Sustainability department, which manages different aspects of the Group's sustainability efforts, including preparing Keppel's sustainability report, with inputs from business units and members of the Group Sustainability Working Committee.

To embed sustainability throughout the Company and ensure accountability, sustainability targets have been included in the performance appraisal of senior management across the Group, including both annual remuneration and long-term incentives. Environmental sustainability targets, including carbon emissions reduction, account for 7.5% of the Company's performance scorecard.

How we create value for our stakeholders

Recognition

 Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA Dow Jones Sustainability World Index Dow Jones Sustainability Asia Pacific Index	 MSCI ESG RATINGS AAA MSCI ACWI and MSCI World ESG Leaders Index ¹	 iEdge SG ESG Indices and iEdge Singapore Low Carbon Indices	 FTSE4Good Index Series
 Euronext Vigeo World 120 Index	 Securities Investors Association (Singapore) Investors' Choice Awards 2022 Singapore Corporate Governance Award (Big Cap), and Outstanding CEO Award	 Champion of Good 2022 by the National Volunteer and Philanthropy Centre	 World's Best Employers 2022 by Forbes

¹ The use by Keppel Corporation of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Keppel Corporation by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Implementing TCFD Recommendations

Since 2020, Keppel has supported the Task Force on Climate-related Financial Disclosures (TCFD), and started implementing its recommendations to better assess and report on the financial impact of climate-related risks and opportunities on the Group's business. Keppel has the necessary governance structures at both the Board and management levels to monitor climate-related issues, which are

taken into consideration in the determination of Keppel's strategy.

The Company has put in place risk management frameworks to address climate-related risks. In 2022, the Company identified climate change as a key risk which is monitored by the Board Risk Committee under the Group-wide Enterprise Risk Management framework. The Group

has also conducted scenario analyses with support from external advisors to better assess the Group's exposure and response to climate-related risks and opportunities. Climate-related metrics and targets have been established, including reduction of carbon emissions, utilisation of renewable energy and growing the Group's portfolio of renewable energy assets.

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

We publish sustainability reports annually, and the next report will be published in May 2023. 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

Contributing to Sustainable Development

The Board and management of Keppel Corporation review annually and determine the ESG factors material to the Group's business, taking into account the Group's business strategy, market conditions and stakeholder concerns. The materiality review helps the Company to focus its sustainability strategy, management practices and reporting on the most significant impacts and factors in order to create sustainable value over the long term.

In 2022, Keppel conducted a comprehensive review of its material ESG factors, supported

by an independent consultant, taking into account the Group's business transformation and refocused portfolio as the Company accelerates its execution of Vision 2030. The seven material ESG factors were grouped under Keppel's three sustainability pillars of Environmental Stewardship, Responsible Business as well as People and Community, which correspond with the environmental, governance, and social aspects of sustainability respectively. Further details on our review of material ESG factors will be provided in Keppel Corporation's Sustainability Report to be published in May 2023.

As a company committed to sustainability, Keppel contributes, both directly and indirectly, towards the achievement of the United Nations Sustainable Development Goals (SDGs). We have identified 10 SDGs which represent the Group's most significant impacts on the sustainable development agenda. They include areas where Keppel is making the most positive impacts on the SDGs, as well as areas where we have a responsibility to prevent and mitigate potential negative impacts. The table below outlines how Keppel is contributing to the SDGs, organised based on the Group's material ESG factors.

Strategic Pillar: Environmental Stewardship

Material Factor Climate Action & Environmental Management

Approach
Keppel is committed to both running our business sustainably, and making sustainability our business through providing solutions that contribute to a greener world. This involves focusing our portfolio on sustainability-related solutions and innovations, building resilience against climate change risks, and seizing climate-related opportunities for growth. We are also committed to minimising our environmental impact by reducing greenhouse gas emissions, energy consumption, water consumption and waste generation, as well as preventing pollution and preserving biodiversity in our operations.

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.

We have been tracking Scope 3 emissions since 2019 and are progressively expanding our coverage. We are working towards disclosing all 15 relevant categories of Scope 3 emissions in our 2022 sustainability report.

Since 2020, Keppel has adopted a 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.

Keppel has set a target to grow our renewable energy portfolio to 7 GW by 2030, and has announced renewables projects with a total capacity of 2.6 GW as at end-2022, including projects under development.

Within our operations, Keppel has set a target for 50% of the Group's electricity use to be from renewable energy sources by 2025, with a view to reaching 100% by 2030.

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

In 2022, Keppel Corporation signed on to the Singapore Green Nation Pledge, which comprises a list of commitments intended to help make Singapore green, liveable and climate resilient.

Keppel is refocusing our portfolio on solutions for a sustainable future. In 2022, we actively expanded our business in Vision 2030 growth areas, such as renewables, clean energy and environmental solutions. These include commencing Singapore's first renewable energy import, the development of Singapore's first hydrogen-ready power plant, the Keppel Sakra Cogen Plant, the opening of *Keppel Infrastructure @ Changi*, Singapore's first Green Mark Platinum Positive Energy building under the new and more stringent Green Mark scheme, and exploring green ammonia and green hydrogen opportunities with international partners. In the area of clean water, Keppel operates the Keppel Marina East Desalination Plant, Singapore's first large-scale, dual-mode desalination plant, which contributes to strengthening the country's water security. Keppel is also seizing opportunities in sustainable urban renewal, and continuing to develop innovative solutions for greener data centres.



Strategic Pillar: Responsible Business

Material Factor Corporate Governance & Risk Management

Approach
Keppel recognises that good corporate governance is essential to the sustainability of the Company's businesses, and that non-compliance with laws and regulations may pose financial and reputational risks. We are committed to ensuring strong corporate governance and regulatory compliance, robust risk management, including of sustainability-related risks, as well as high standards of ethical business conduct, including zero tolerance for fraud, bribery, and corruption.

Highlights
In 2022, Keppel appointed two new independent directors, Mr Oliver Blum and Mr Jimmy Ng, to our Board with effect from 1 May 2022. Mr Blum and Mr Ng are also members of the Board Sustainability and Safety Committee and the Board Risk Committee respectively. Mr Blum has extensive experience in both running companies sustainably and driving sustainability-as-a-business on a global scale, while Mr Ng has rich expertise in driving digitalisation as a corporate strategy. Their appointments reflect Keppel's commitment to achieve a good balance of skills, knowledge, talents, experience as well as diversity among directors, and ensures that Keppel can benefit from the best talent as we execute the Group's Vision 2030.

Amidst significant global risks in 2022 arising from the Russia-Ukraine conflict, volatility in commodity prices, rising interest rates and inflation, disruption in global supply chains, and slowdown of China's economy, Keppel continued to operate effectively and was able to manage these risks through robust risk management practices and planning.

Given our zero tolerance for fraud, bribery, corruption and violation of laws and regulations, we continue to enhance our Compliance Framework including digitisation of Know Your Client processes through a system platform implemented across Keppel and roll out of the ISO 37001 Anti-Bribery Management System across business units. In 2022, the main entities achieving ISO 37001 certification comprised Keppel Infrastructure Qatar and Belgium, and Keppel Land India.

In 2022, 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 on managing the global macro risks and mitigating the impact on business where possible. Cybersecurity risk continues to be one of our significant risks and we continuously enhance our technology controls to prevent and detect cyber-attacks. We also focused on climate-related risks to improve monitoring and assessment of the impact of climate change on business operations and assets, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



Material Factor Economic Contribution to Society

Approach
Keppel creates value for all stakeholders through running a successful and resilient business, which provides good dividends for shareholders, jobs for communities, and tax revenue for governments. By growing our business as a provider of sustainability-related solutions, Keppel contributes to the economic advancement of society, while also advancing environmental sustainability.

Highlights
Keppel's business operations generate employment, opportunities for suppliers, products and services for customers, tax revenues for governments and dividends for shareholders.

In 2022, Keppel achieved a net profit of \$927 million. Total cash dividend for FY 2022 is 33.0 cents per share.

Keppel is committed to ensuring that its approach towards tax management is executed responsibly and with integrity. Keppel's Group Tax department monitors and maintains oversight of Keppel's tax matters by regularly collaborating with, and closely supporting, the business and finance teams, as well as other internal stakeholders on various tax planning initiatives and tax compliance matters.



Material Factor Supply Chain Management

Approach
Keppel believes in building a resilient, responsible, and diversified supply chain. We are committed to integrating sustainability criteria in the selection, monitoring and evaluation of suppliers and engaging with suppliers to adopt sustainable and responsible business practices, to minimise social and environmental impacts as well as manage risks across our supply chains.

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

Keppel worked closely with our customers and suppliers to mitigate the impacts of supply chain disruptions due to the pandemic, labour shortages and the global energy crisis.

As part of our efforts to enhance sustainability performance within our supply chain, Keppel Corporation also collaborated with UN Global Compact Network Singapore to provide carbon management training for the Group's suppliers from Small and Medium Enterprises.

Keppel has been progressively enhancing our identification and monitoring of the emissions generated by our supply chain, and we are working towards disclosing all 15 relevant categories of Scope 3 emissions in our 2022 sustainability report.



Sustainability Framework

Strategic Pillar: People and Community

Material Factor Human Capital Management

Approach
Keppel recognises that its people are fundamental to the Company's performance. We seek to build a highly trained workforce led by people-centric leaders. We are committed to building positive employee well-being, upholding fair employment practices, and empowering a diverse and engaged workforce.

Highlights
The Group continued to conduct our annual Employee Engagement Survey, and performed well, with a score of 84% in 2022, higher than Mercer's global average of 80%. 88% of our staff indicated that they are proud to work for Keppel.

Keppel is committed to being a fair employer. As of April 2022, all our business units in Singapore have signed the Employers' Pledge of Fair Employment Practices by the Singapore Tripartite Alliance for Fair & Progressive Employment Practices.

We continued to foster a positive learning culture with Keppel's Global Learning Festival and to encourage employees to take charge of their careers through the Global Career Festival. In 2022, the Group achieved an average of more than 24 hours of training per employee, higher than the target of 20 hours. More regular performance conversations were also introduced between managers and employees to drive sustained employee engagement and performance.

To support holistic employee well-being, the Company organised various well-being initiatives, which include Financial Well-Being Month, Physical Well-Being Month, Mental Well-Being Month and Appreciation Month.

Migrant workers are an important part of Keppel's workforce, especially in the offshore and marine sector. Keppel Offshore & Marine's entities in Singapore were audited and certified to be in conformance with the Dhaka Principles for Migration with Dignity for the responsible recruitment and employment of migrant workers in 2022.

In recognition of how Keppel develops and looks after our people, Keppel Corporation was ranked as one of the World's Best Employers 2022 by Forbes and was awarded the SkillsFuture Employer Award (Gold) 2022. Keppel Group was also re-certified as a Top Employer Singapore 2023 by the Top Employers Institute.



Material Factor Health & Safety

Approach
Keppel is committed to providing a safe and healthy working environment. We believe in a pro-active safety culture and advocate for continuous improvements in health and safety standards, both in our operations and in the broader community. We also ensure high safety standards for our products and services to safeguard customer health and safety.

Highlights
Keppel places the highest priority on the health and safety of our stakeholders. The Company's leadership sets the tone and leads by example in strengthening our safety culture. Recognising the pivotal role played by front-line staff in building our safety culture, in 2022, we sharpened our focus to engage and empower them to be more active in intervening and speaking up when they encounter any unsafe act or practice.

The Group made significant progress in leveraging technology to digitalise key HSE processes, including the reporting of hazards, further enhancing our efforts in empowering employees to speak up for safety. In 2022, the total number of hazards reported via the mobile HSE application was significantly higher compared to the year before.

Underscoring our proactive approach in designing and building safe products, and safeguarding the health and safety of all our stakeholders, the Group developed guidelines in Design for Safety (DFS) and has since applied it to all major developments in and out of Singapore.

Regrettably, despite our best safety efforts, the Group recorded three fatalities in two incidents at our shipyard in Singapore in 2022. We have investigated the incidents and put in place measures to prevent recurrence.



Strategic Pillar: People and Community

Material Factor Community Development

Approach
Keppel believes that the Company does well when the community does well. We aim to uplift and give back to communities wherever we operate, building lasting positive relationships and effective partnerships, including through staff volunteerism. We invest in worthy causes, focusing in particular on supporting education, caring for the underprivileged, and protecting the environment.

Highlights
In 2022, the Group invested around \$4.3 million in social investment spending and industry advancement, including close to \$1.9 million disbursed through Keppel Care Foundation, the Group's philanthropic arm.

Since its establishment in 2012, Keppel Care Foundation has disbursed over \$52 million in support of worthy causes.

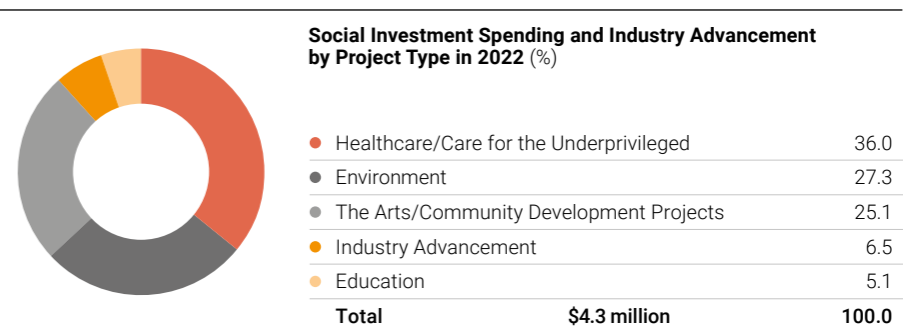
In view of the trend of ageing populations and the increasing number of dementia patients, in 2022, Keppel pledged \$1 million over three years to Dementia Singapore to support the needs of persons with dementia and their caregivers.

We also launched the Living Well programme in Vietnam, in which Keppel Land and Keppel Infrastructure collaborated to provide clean drinking water for about 20,000 villagers.

In Shanghai, China, employees from Keppel Land China and Keppel Capital China collaborated with local organisations to deliver food items to the elderly and construction workers who had difficulty accessing food and other daily necessities during the COVID-19-related lockdowns.

Keppel also committed \$300,000 over three years to Gardens by the Bay to support public education tours on nature and sustainability, and supported the Singapore Environment Council's School Green Awards, which serves as a platform for students to develop and showcase their environmental efforts. In addition, Keppel Land extended the very well-received 'R.I.S.E.' to the Challenge' public outreach programme, which aims to raise awareness on rising sea levels and the pressing need for climate action, for another two years.

Beyond financial support, Keppel staff also volunteer their time and services to the community. In 2022, Keppel Volunteers contributed more than 14,000 hours of community work, despite constraints imposed by the COVID-19 pandemic.



Board of Directors



Danny Teoh, 67
Chairman
Non-Executive and Non-Independent Director

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 2022):
 12 years 3 months

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

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

Present Directorships (as at 1 January 2023):
Listed companies
 Nil

Other principal directorships
 Nil

Major Appointments (other than directorships):
 Nil

**Past Directorships held over the preceding
 5 years (from 1 January 2018 to
 31 December 2022):**
 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, 61
Executive Director and Chief Executive Officer

Date of first appointment as a director:
 1 January 2014

Date of last re-election as a director:
 22 April 2022

Length of service as a director
(as at 31 December 2022):
 9 years

Board Committee(s) served on:
 Board Sustainability and 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 2023):
Listed companies
 Nil

Other principal directorships
 Keppel Offshore & Marine Ltd (Chairman)
 (appointment till 28 February 2023);
 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 2018 to
 31 December 2022):**
 Various fund companies under management
 of Alpha Investment Partners Limited;
 Various companies under Keppel Group
 of companies

Others:
 Nil

Board Committees

Nominating Committee

Audit Committee

Remuneration Committee

Board Risk Committee

Board Sustainability and
 Safety Committee



Till Vestring, 59
Non-Executive and Lead Independent Director

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 2022):**
7 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 2023):
Listed companies
Nil

Other principal directorships
Leap Philanthropy 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 2018 to
31 December 2022):**
Inchcape plc; Singapore Chinese Orchestra
Company Limited

Others:
Nil



Veronica Eng, 69
Non-Executive and Independent Director

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 2022):**
7 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 2023):
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 2018 to
31 December 2022):**
Nil

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



Jean-François Manzoni, 61
Non-Executive and Independent Director

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 2022):**
4 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 2023):
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

**Past Directorships held over the preceding
5 years (from 1 January 2018 to
31 December 2022):**
Association to Advance Collegiate Schools
of Business (AACSB) International

Others:
Nil

Board of Directors



Teo Siong Seng, 68
Non-Executive and Non-Independent Director

Date of first appointment as a director:

1 November 2019

Date of last re-election as a director:

22 April 2022

Length of service as a director

(as at 31 December 2022):

3 years 2 months

Board Committee(s) served on:

Board Sustainability and Safety Committee (Chairman)

Academic & Professional Qualification(s):

Degree in Naval Architecture and Ocean Engineering, University of Glasgow, United Kingdom

Present Directorships (as at 1 January 2023):

Listed companies

Singamas Container Holdings Ltd.; COSCO Shipping Holding Co., Ltd.; Wilmar International Limited

Other principal directorships

Pacific International Lines (Pte) Ltd; PIL Pte. Ltd.

Major Appointments (other than directorships):

The United Republic of Tanzania in Singapore (Honorary Consul)

Past Directorships held over the preceding

5 years (from 1 January 2018 to 31 December 2022):

Enterprise Singapore (Board Member); COSCO Shipping Energy Transportation Co., Ltd.; Business China

Others:

National University of Singapore (Pro-Chancellor); Singapore Chinese Chamber of Commerce & Industry (Honorary President); Immediate Past Chairman of Singapore Business Federation



Tham Sai Choy, 63
Non-Executive and Independent Director

Date of first appointment as a director:

1 November 2019

Date of last re-election as a director:

22 April 2022

Length of service as a director

(as at 31 December 2022):

3 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 2023):

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 (appointment till 28 February 2023); Singapore International Arbitration Centre

Major Appointments (other than directorships):

Nanyang Polytechnic (Board member); Mount Alvernia Hospital (Board member)

Past Directorships held over the preceding

5 years (from 1 January 2018 to 31 December 2022):

Singapore Institute of Directors (Chairman); Housing & Development Board; Accounting and Corporate Regulatory Authority

Others:

Nil



Penny Goh, 70
Non-Executive and Independent Director

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 2022):

3 years

Board Committee(s) served on:

Audit Committee (Member); Board Risk Committee (Member); Remuneration Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Law (Honours), University of Singapore

Present Directorships (as at 1 January 2023):

Listed companies

Nil

Other principal directorships

HSBC Bank (Singapore) Limited; 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 2018 to 31 December 2022):

Keppel REIT Management Limited (the Manager of Keppel REIT); 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, 70
Non-Executive and Independent Director

Date of first appointment as a director:
1 July 2021

Date of last re-election as a director:
22 April 2022

**Length of service as a director
(as at 31 December 2022):**
1 year 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 and Wales; Member of the Institute of Chartered Accountants, India

Present Directorships (as at 1 January 2023):
Listed companies
Standard Chartered PLC, London

Other principal directorships
Keppel Infrastructure Holdings Pte. Ltd;
Singapore Life Holdings Pte. Ltd.;
Singlife Financial Advisers Pte. Ltd. (Chairman)

Major Appointments (other than directorships):
Fullerton India Credit Company Limited, India (Adviser)

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
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; Pierfront Capital Mezzanine Fund Pte Ltd; Pierfront Capital Fund Management Pte. Ltd.; KP Management (GL) Pte. Ltd.; KPCF Investments Pte. Ltd.; Commonwealth Bank of Australia

Others:
Nil



Olivier Blum, 52
Non-Executive and Independent Director

Date of first appointment as a director:
1 May 2022

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

**Length of service as a director
(as at 31 December 2022):**
8 months

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

Academic & Professional Qualification(s):
Master Business Administration and General Management, Grenoble Business School (GEM), France

Present Directorships (as at 1 January 2023):
Listed companies
Nil

Other principal directorships
Delta Dore, France; Aveva Group PLC, United Kingdom; Luminous Power Technologies (P) Ltd, India (Chairman)

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil



Jimmy Ng, 58
Non-Executive and Independent Director

Date of first appointment as a director:
1 May 2022

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

**Length of service as a director
(as at 31 December 2022):**
8 months

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

Academic & Professional Qualification(s):
Bachelor of Science Degree in Information Systems, National University of Singapore
Masters in Business Administration, Nanyang Technological University

Present Directorships (as at 1 January 2023):
Listed companies
Nil

Other principal directorships
Singapore Clearing House Pte Ltd;
Evolve Digitech Pte Ltd

Major Appointments (other than directorships):
Steering Committee of Asian Institute of Digital Finance (Committee Member)

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil

Keppel Group Boards of Directors

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)

Tan Swee Yiow

Chairman
Senior Managing Director of
Urban Development,
Keppel Corporation

Ian Roderick Mackie

Lead Independent Director

Alan Rupert Nisbet

Independent Director

Christina Tan

Chief Executive Officer,
Keppel Capital

Mervyn Fong

Independent Director

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

Lee Chiang Huat

Independent Director

Tan Tin Wee

Chief Executive,
National Supercomputing Centre, Singapore

Dileep Nair

Independent Director

Low Huan Ping

Independent Director

Yeo Siew Eng

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

Mark Andrew Yeo Kah Chong

Independent Director

Kunnasagaran Chinniah

Independent Director

Susan Chong Suk Shien

Chief Executive Officer,
Greenpac (S) Pte Ltd

Adrian Chan

Independent Director

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

Kenneth Tan Jhu Hwa

Co-Managing Partner and Managing Director,
Southern Capital Group Private Limited

Sharon Wortmann

Independent Director

Lawrence Sperling

Independent Director

Bridget Lee

Chief Executive Officer,
Keppel Capital Alternative Asset

Keppel Offshore & Marine (until 28 February 2023)

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

Managing Director of
Group Mergers & Acquisitions,
Keppel Corporation

Chor How Jat

Chief Operating Officer
(effective 27 February 2023)

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 Yiw

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

Managing 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

Bridget Lee

Chief Executive Officer,
Keppel Capital Alternative Asset

M1

Loh Chin Hua

Chairman
Chief Executive Officer,
Keppel Corporation

Chan Hon Chew

Chief Financial Officer,
Keppel Corporation

Manjot Singh Mann

Chief Executive Officer

Tan Wah Yeow

Independent Director

Guy Daniel Harvey Samuel

Independent Director

Thomas Pang Thieng Hwi

Chief Executive Officer,
Keppel Telecommunications & Transportation

Gerald Yong

Chief Executive Officer,
Cuscaden Peak Investments Private Limited

Janice Wu

Executive Vice President,
Corporate Development,
Cuscaden Peak Investments Private Limited

Keppel Technology Advisory Panel

The Keppel Technology Advisory Panel supports Keppel's transformation initiatives through technology foresight.

Established in 2004, the Keppel Technology Advisory Panel (KTAP) brings together thought leaders and business veterans from key industries relevant to Keppel. Drawing from the diverse experience, knowledge and network of its members, KTAP supports Keppel's transformation initiatives under Vision 2030 and efforts to stay abreast of the changing global technology landscape.

Assisted by Keppel Technology & Innovation, as well as innovation teams across the Group, KTAP guides the process of technology foresight, providing input for innovation priorities under Vision 2030. KTAP's work includes driving the Group's exploration of emerging trends in technology and industry and providing advice for innovation projects. Panel members are also heavily involved in nurturing the Group's collaboration with external innovation ecosystems globally. Through KTAP, Keppel gains early access

to strategic innovations under development and receives a continuous injection of new ideas and perspectives.

KTAP convenes Keppel's annual technology foresight conference, which brings together thought leaders across academia, startups and industries to share their perspectives on emerging technology and megatrends. At the 2022 conference, over 25 distinguished speakers shared their expertise, ideas and vision of the future with over 300 participants, including Keppel's Board, management and key leadership teams across our lines of business. A wide range of topics was discussed at this platform, including connectivity technologies, such as the metaverse, quantum computing and Web3; the next horizon for the energy transition; the evolving carbon economy; impact investing and sustainability; as well as new business models for service delivery.

Moving forward, KTAP will continue to assess technology developments and explore groundbreaking ideas in the aforementioned areas, and also drive technology foresight in new domains as part of Keppel's efforts to fuel the momentum for innovation across the Group.



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



Topics discussed at 2022's KTAP technology foresight conference included connectivity technologies such as Web3, Metaverse and quantum computing.

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.

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.

Dr Romain Debarre

Dr Debarre is the Managing Director of the Kearney Energy Transition Institute and a Partner in Kearney's Energy & Process Industries Practice. 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.

Professor Cheong Koon Hean

Professor Cheong is concurrently chairman of Ministry of National Development's Centre for Livable Cities Advisory Panel and Singapore University of Technology and Design's Lee Kuan Yew Centre for Innovative Cities. She is also a board trustee of National University of Singapore, a council member of the International Federation for Housing and Planning and a board member of CapitaLand Group. 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.

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.

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

Kevin Chng

Deputy Chief Financial Officer
(effective 1 March 2023)

Francois van Raemdonck

Director
Group Strategy & Development

Managing Director

Keppel Technology & Innovation

Chua Hsien Yang

Managing Director
Group Mergers & Acquisitions

Yeo Meng Hin

Director
Group Human Resources

Ho Tong Yen

Chief Sustainability Officer

Director

Group Corporate Communications

Caroline Chang

General Manager & Head
Group Legal

Tok Soo Hwa

General Manager
Group Control & Accounts

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

Aw Boon Tiong

General Manager
Group Treasury

Raghupathi Rao

General Manager
Group Internal Audit

Eric Goh

Chief Representative, China

Linson Lim

Chief Representative, Vietnam

Ho Kiam Kheong

Chief Representative, India

Robert Sung

Chief Representative, Korea
(effective 1 February 2023)

Teo Eng Cheong

Chief Executive Officer
Sino-Singapore Tianjin Eco-City
Investment And Development

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

Sharon Tay

Chief Executive Officer
(Keppel Asia Infrastructure Fund)
Keppel Capital Alternative Asset

Jee Kim

Chief Executive Officer
(Core Infrastructure)
Keppel Capital Alternative Asset

Carina Lim

Chief Executive Officer
(Keppel Education Asset Fund)
Keppel Capital Alternative Asset

Energy & Environment

Chris Ong

Chief Executive Officer
Keppel Offshore & Marine¹

Kevin Chng

Chief Financial Officer
Keppel Offshore & Marine¹

Chor How Jat

Chief Operating Officer
Keppel Offshore & Marine¹

Tan Leong Peng

Managing Director
New Energy/Business
Keppel Offshore & Marine¹

Ron MacInnes

President
Keppel Offshore & Marine USA¹
Keppel Letourneau¹
Keppel AmFELS¹

Marlin Khiew

President
Keppel FELS Brasil¹

Leong Kok Weng

President
Keppel Philippines Marine¹

Ng Seng Chong

President
Keppel Nantong Shipyard¹
Keppel Nantong Heavy Industries¹

Cindy Lim

Chief Executive Officer
Keppel Infrastructure

Max Ng

Acting Chief Financial Officer
Keppel Infrastructure

Tan Boon Leng

Managing Director
Projects, Supply Chain and HSSE
Keppel Infrastructure

Janice Bong

Managing Director
Power & Renewables
Keppel Infrastructure

Jackson Goh

Managing Director
Environment
Keppel Infrastructure

Chua Yong Hwee

Managing Director
New Energy
Keppel Infrastructure

¹ Until 28 February 2023.

Goh Eng Kwang

Executive Director
Water Services
Keppel Infrastructure

Ng Yong Seng

Senior General Manager, Greater China
Keppel Infrastructure

Urban Development

Louis Lim

Chief Executive Officer
Keppel Land

Tan Boon Ping

Chief Financial Officer
Keppel Land

Samuel Henry Ng

President
Singapore and Developed Markets
Keppel Land

Head

Sustainable Urban Renewal & Nearshore
Development
Keppel Land

Wong Liang Kit

President, China
Keppel Land

Head, Large-Scale Integrated
Development/Townships
Keppel Land

Joseph Low

President, Vietnam
Keppel Land

Ho Kiam Kheong

President, India
Keppel Land

Allen Tan

President, Indonesia & Regional Investments
Keppel Land

Head, Urban Living
Keppel Land

Keith Low

Head, Retail
Keppel Land

Nathaniel Farouz

Head, Senior Living
Keppel Land

Connectivity

Thomas Pang

Chief Executive Officer
Keppel Telecommunications & Transportation

Wong Man Li

Chief Financial Officer
Keppel Telecommunications & Transportation

Wong Wai Meng

Chief Executive Officer
Keppel Data Centres

Michael Martin Coleman SR

Chief Technology Officer
Keppel Data Centres

Jimmy Tan

Chief Operating Officer
Keppel Data Centres

Jonathan Sim

Head (North Asia)
Keppel Data Centres

Loo Tong Mun

Senior Vice President
Keppel Networks

Manjot Singh Mann

Chief Executive Officer
M1

Chief Digital Officer
Keppel Corporation

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

Jan Morgenthal

Chief Digital Officer
M1

Unions

Keppel FELS Employees Union

(until 28 February 2023)

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**

(until 28 February 2023)

Eileen Yeo

General Secretary
NTUC Central Committee Member

**Singapore Industrial &
Services Employees' Union**

Muhammad Shariffudin

President

Richard Sim

General Secretary

Desmond Tan

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 build trust and create value through active and transparent communication with the investment community.

In 2022, as the Company accelerated the execution of Vision 2030, we continued to effectively engage shareholders in the investment community to keep them apprised of the Company's latest developments and seek their feedback.

Stakeholder Engagement

The Company employs various platforms to provide current and prospective investors with information necessary to make well-informed investment decisions, with an emphasis on timely, accurate and transparent disclosure of information.

During the year, we held about 175 in-person and virtual meetings with institutional investors from Singapore, Malaysia, Hong Kong, Japan, the United Kingdom (UK), the United States (US), and other countries. With the easing of travel and meeting restrictions, we also held site visits and travelled overseas on investor roadshows.

In addition, we participated in the 29th Annual CITIC CLSA Flagship Investors' Forum 2022, and hosted an investor tour of the Keppel Marina East Desalination Plant in Singapore with Citigroup as well as investor visits to the Group's overseas assets.

14 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 also held briefings for media and analysts on the proposed offshore and marine transactions. We continued to actively engage sell-side analysts, working with them to help the investment community better understand Keppel's strategy and progress towards Vision 2030.

In 2022, we held our virtual Annual General Meeting (AGM) and separately also convened a virtual Extraordinary General Meeting (EGM) on the proposed transaction involving the Asset Co transfer and the proposed combination of Keppel Offshore & Marine (Keppel O&M) and Sembcorp Marine, as well as the proposed distribution *in specie* of Sembcorp Marine shares. At these meetings, we implemented voting by electronic means to enable shareholders to exercise their voting rights effectively.

Shareholders were provided opportunities to submit questions pertaining to the proposed resolutions prior to as well as live at the virtual AGM and EGM. The responses to

substantial and relevant pre-submitted questions were addressed in writing, released on SGXNet and made available on our website prior to the meetings. In addition, our CEO gave presentations, and the Board addressed all key questions raised by shareholders during these meetings. The presentation materials, voting results and meeting minutes were also released on SGXNet and our website.

The Company values regular and constructive dialogue with retail shareholders. Since 2017, the Company has been collaborating with the Securities Investors Association (Singapore) (SIAS) to hold briefings for retail shareholders. In 2022, the Company continued to hold its annual briefing hosted by SIAS on the Company's performance and developments, as well as a separate dialogue session with retail shareholders on the aforementioned offshore & marine transactions. The two events hosted by SIAS drew a total of close to 170 participants. All materials presented on these occasions were made available on SGXNet and the Company's website in a timely manner, to ensure fair disclosure of information for the benefit of all shareholders.

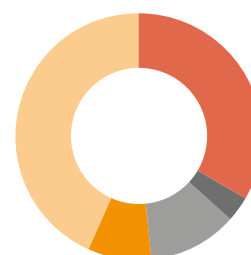
Keppel has been a long-term sponsor of the SIAS Investor Education Programme, through which more than 2,500 retail shareholders benefit from complimentary SIAS memberships each year, providing them with access to a wide range of webinars, workshops, and useful resources for investors.

Shareholding by Investors (%)



● Institutions	49.2
● Retail	50.8
Total	100.0

Shareholding by Geography (%)



● Singapore	33.6
● Asia (ex Singapore)	3.2
● North America	11.6
● Europe	8.5
● Others*	43.1
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 2023.



Mr Till Vestring, Lead Independent Director, and Mr Loh Chin Hua, CEO, accepted the Singapore Corporate Governance Award (Big Cap) on behalf of the Company, and the Investors' Choice Outstanding CEO Award, respectively.

Also pictured: Guest-of-Honour, Mr Alvin Tan, Minister of State, Ministry of Culture, Community and Youth and Ministry of Trade and Industry (third from left), and Mr David Gerald, President and CEO of SIAS (first from left).

Recognition for Corporate Governance Practices

As an affirmation of Keppel's continuous efforts to improve corporate governance practices, the Company received a number of awards in 2022 for its corporate governance practices, including open and transparent shareholder communications, as well as robust sustainability practices.

At the SIAS Investors' Choice Awards 2022, Keppel Corporation was conferred Winner of the Singapore Corporate Governance Award (Big Cap) for the second consecutive year, while our CEO Mr Loh Chin Hua was presented the inaugural Investors' Choice Outstanding CEO Award. Keppel Corporation also won the Best Annual Report (Gold, Large Cap) Award at the Singapore Corporate Awards 2022.

Investor Relations Resources

All announcements are made available on our corporate website immediately after they are released to SGXNet to ensure fair, equal and timely dissemination of information. In 2022, the Company conducted live webcasts of our half-yearly results briefings, and media and analyst teleconferences for our 1Q and 3Q voluntary business updates. Archives of the webcasts, management speeches and presentation materials were made available at our website on the same day the results and business updates are released on SGXNet. Transcripts of the question-and-answer sessions at these briefings were also



Keppel's senior management actively engaged the investment community in 2022, via results briefings and business update conferences, as well as in-person and virtual meetings.

released on SGXNet and posted on Keppel's website in a timely manner.

Our mobile-friendly website (www.keppcorp.com) serves as an accessible repository of company information, such as announcements, half-yearly results and voluntary business updates, annual reports, investor events, stock and dividend information, and investor presentation slides. Shareholders and investors can also subscribe to email alerts or reach out to Keppel's Investor Relations personnel via the

dedicated email address (investor.relations@keppcorp.com) or the contact number found at our website.

Shareholder Information

As at 10 February 2023, institutions formed 49.2% of our shareholder base, while retail investors accounted for the remaining 50.8%. Shareholders in Singapore held approximately 33.6% of our issued capital, while those in the rest of Asia, North America, and Europe held 3.2%, 11.6%, and 8.5%, respectively.

Investor Relations Calendar

The following key events were held in 2022 to engage investors and analysts:

Q1

4Q & FY 2021 results conference and live webcast

Post-results meeting hosted by CGS-CIMB and other meetings with investors

Q2

1Q 2022 business update teleconference for media and analysts

Post-business update meeting hosted by Citigroup and other meetings with investors

Non-deal roadshow to New York hosted by Citigroup

Live webcast of 54th AGM, held by electronic means

Media and analyst briefing on the proposed offshore and marine transactions

Q3

2Q & 1H 2022 results conference and live webcast

Post-results meeting hosted by Macquarie and other meetings with investors

Non-deal roadshow to London hosted by CGS-CIMB

Citi-SGX-REITAS REITs/ Sponsors Forum investor tour of the Keppel Marina East Desalination Plant in Singapore

Annual briefing for retail shareholders, hosted by SIAS

Participation in the 29th Annual CITIC CLSA Flagship Investors' Forum 2022

Q4

3Q & 9M 2022 business update teleconference for media and analysts

Post-business update meeting hosted by HSBC and other meetings with investors

Pre-EGM dialogue session for retail shareholders, hosted by SIAS

Live webcast of the EGM on the proposed offshore and marine transactions held by electronic means

Operating & Market Review

Since Vision 2030 was announced in 2020, Keppel has made significant progress in accelerating the execution of the Vision, with a view to achieving its targets by 2025.



Asset Management

We tap third-party funds for growth, while delivering sustainable returns to investors and unitholders.

» Refer to pages 52 to 55



Energy & Environment

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

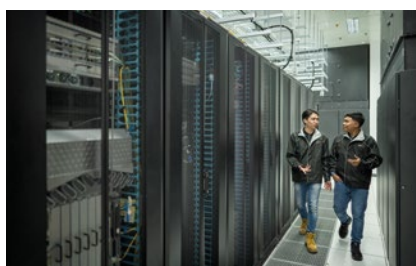
» Refer to pages 56 to 61



Urban Development

We provide sustainable and innovative urban space solutions, with a growing focus on sustainable urban renewal and senior living.

» Refer to pages 62 to 65



Connectivity

We connect people and businesses in the digital economy.

» Refer to pages 66 to 69



Vision 2030: The Next Phase

In 2022, Keppel continued to advance its Vision 2030 plans, simplifying and focusing its business, investing in new growth areas while executing its asset-light strategy.

During the year, the Group successfully divested Keppel Logistics¹. This was followed by Keppel Offshore & Marine's combination with Sembcorp Marine, and the resolution of the legacy rig assets and associated receivables, which were completed by 28 February 2023.

In the next phase of Vision 2030, Keppel is accelerating its transformation from a conglomerate of diverse parts into a global asset manager and operator, with strong capabilities in energy and environment, urban development and connectivity, which is well positioned to seize opportunities through creating solutions for a sustainable future.

Executing Our Strategy

We continue to grow our assets under management (AUM), expanding our asset classes and growing recurring fee income. As at 31 December 2022, our AUM had crossed \$50 billion, and we are working towards a target of \$200 billion by the end of 2030.

As a centre piece of Keppel's asset-light business, asset management is increasingly playing a critical role as a horizontal that pulls all operating units together to deliver value, as one integrated company. During the year, we announced about \$2.8 billion

worth of energy & environment and sustainable urban renewal-related investments, jointly undertaken by Keppel together with the private funds and/or business trust managed by Keppel Capital.

The investments included onshore and offshore wind energy assets in Europe, a waste management services platform in Korea as well as the development of Singapore's first hydrogen-ready advanced combined-cycle power plant, among others. The ability to tap third-party funds allows us to make significant investments in our growth areas without relying solely on Keppel's balance sheet.

Furthering our ambitions in renewables, clean energy and decarbonisation solutions, we commenced Singapore's first renewable energy import, and are exploring green ammonia and green hydrogen solutions with international partners as we prepare the Group to support the low-carbon economy.

Keppel Land continued its transformation from a traditional real estate developer into an asset-light provider of innovative and sustainable urban space solutions. In 2022, it expanded its sustainable urban renewal offerings in Korea and also embarked on its first senior living community in China.

We are expanding our data centre portfolio and exploring ways to reduce the carbon footprint of data centres. During the year, we acquired new data centre assets in China and the UK. We also made good progress

in the development of the Bifrost Cable System, which is set to meet the growing digital connectivity needs between Southeast Asia and the west coast of North America, when completed in 2024.

Meanwhile, M1 continues to advance on its multi-year transformation from a traditional telco into a cloud native connectivity platform. In 2022, M1's enterprise business grew steadily to become a significant revenue contributor. At year end, M1 had achieved over 95% outdoor coverage in its 5G Standalone network rollout in Singapore and launched various 5G solutions providing fast-speed connectivity, immersive metaverse experiences and edge computing solutions.

To fully harness the Group's synergies, we are driving integration across our operating units through the establishment of the One Real Estate, One Infrastructure and One Data Centre teams, which will evaluate and execute on opportunities in our focus areas.

Right Space, Right Time

With the world focusing increasingly on sustainable development, climate change and digitalisation, 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 our focus on sustainability, leveraging an asset-light model, and harnessing technology and the Group's strong track record, Keppel will contribute to advancing sustainability, while accelerating growth.

¹ Includes Keppel Logistics' businesses in Singapore, Malaysia, Vietnam and Australia, as well as UrbanFox.

Asset Management

We tap third-party funds for growth, while delivering sustainable returns to investors and unitholders.

Earnings Highlights (\$ million)

	2022	2021
Revenue	195	162
EBITDA	94	116
Operating Profit	91	113
Profit before Tax	340	327
Net Profit	311	301

Progress in 2022

- Assets under management (AUM) grew to \$50 billion¹ from \$42 billion as at end-2021.
- Set AUM target of \$200 billion by end-2030.
- Completed over \$7.7 billion in acquisitions and divestments across different asset classes.
- Listed REITs and Trust continued to drive value, delivering sustainable returns to unitholders.
- Keppel Capital became a signatory to the United Nations-supported Principles for Responsible Investment.
- Leveraged Keppel ecosystem to originate two new flagship funds – Keppel Core Infrastructure Fund (KCIF) and Keppel Sustainable Urban Renewal Fund (KSURF).

Focus for 2023/2024

- Harness the strengths and capabilities of the Group to grow AUM and expand sources of recurring income.
- Enhance sustainability efforts in line with Keppel's Vision 2030 and continue to create long-term value for investors.
- Grow new flagship funds KCIF and KSURF.
- Launch the follow-on Keppel Asia Infrastructure Fund II.



Keppel announced \$2.8 billion worth of energy & environment and sustainable urban renewal-related investments, jointly undertaken by Keppel and the Keppel Capital-managed private funds and business trust.

One of Keppel Capital's key strengths is its ability to harness the synergies of the Keppel ecosystem of Developer-Operator-Manager capabilities.

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

While 2022 was a turbulent year for the international economy, with heightened geopolitical tensions and economic uncertainty over rising interest rates and inflationary pressures, Keppel Capital's listed entities and private funds successfully completed over \$7.7 billion in acquisitions and divestments across different asset classes. As at end-2022, Keppel Capital achieved its 2022 target AUM¹ of \$50 billion.

With global markets grappling with volatility and uncertainty, the Group saw an increased demand for real assets with long-term steady cash flows, which provide resilient and stable portfolio returns.

Keppel Capital's investment discipline and diversification across quality real asset classes of infrastructure, real estate and data centres in key geographies reinforced its resilience amidst challenging conditions. 2022 also saw growing international focus on climate action, sustainable urbanisation and the circular economy, as well as increasing digitalisation. These macro trends have increased the demand for assets and businesses that Keppel is involved in, including data centres, renewable energy, alternative assets, and prime real estate, further enhancing Keppel Capital's unique value proposition.

During the year, Keppel announced about \$2.8 billion worth of energy & environment and sustainable urban renewal-related investments, jointly undertaken by Keppel together with the Keppel Capital-managed private funds and/or business trust.

Keppel Capital has also been aligning itself with global initiatives, and is now a signatory to the United Nations-supported Principles for Responsible Investment, in addition to its commitment to the United Nations Global Compact. Also, as a CDP capital markets signatory, Keppel Capital continues to play its part in driving corporate environmental transparency toward a low-carbon, sustainable future.

One of Keppel Capital's key strengths is its ability to harness the synergies of the Keppel ecosystem of Developer-Operator-Manager capabilities. Leveraging these capabilities, two new flagship funds were conceptualised during the year – the Keppel Core Infrastructure Fund (KCIF) and the Keppel Sustainable Urban Renewal Fund (KSURF). Both funds have attracted positive interest from global investors.

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

Operating & Market Review

Asset Management



KDC Fund II entered a strategic partnership with Heying, a wholly-owned subsidiary of Tianjin Zhengxin Group, to jointly develop Huailai Data Centre, a greenfield data centre in Greater Beijing.

KSURF aims to deliver a stable yield with long-term sustainable returns by investing in high-quality investments with predominantly contracted and stable revenues. This strategy leverages Keppel's expertise, network, proprietary technologies and deep operational insights to generate added value for the fund through prudent investment, operational enhancement and best-in-class management of quality infrastructure assets.

KSURF seeks to decarbonise buildings through implementing solutions that enhance energy efficiency and achieve sustainability targets while delivering financial returns. With a 'brown-to-green' strategy focused on the commercial real estate in Asia Pacific, this sustainability-dedicated fund is attracting keen interest from investors.

Real Estate

In 2022, Keppel REIT expanded its portfolio with the acquisition of KR Ginza II (formerly known as Ginza 2-chome), marking Keppel REIT's entry into the Tokyo office market – a strategic move to enhance geographical and income diversification. With a CASBEE¹ A rating, the asset reflects Keppel REIT's commitment towards acquiring green and energy-efficient assets.

Exemplifying Keppel's asset-light business model, Keppel Land collaborated with the Group's private funds, the Keppel Asia

Macro Trends Fund IV (KAMTF IV) and the KB Bank Discretionary Fund, to jointly acquire Samhwan Building, a freehold office tower in Seoul, South Korea. Keppel will undertake asset enhancement initiatives and refurbishment works to enhance the asset's operational efficiency, performance and value. With the asset well positioned to benefit from the rising demand for quality office spaces in Seoul, this joint investment is a valuable addition to Keppel Capital, which has managed close to \$3.4 billion of assets in South Korea since 2004.

In line with Keppel's asset-light business model, Keppel Land, Keppel Vietnam Fund (KVF) and a co-investor of KVF acquired three residential land sites in Hanoi, on which the Group will develop about 1,260 homes.

Meanwhile, Keppel Pacific Oak US REIT (KORE) completed the divestments of Powers Ferry and Northridge Center I & II in Atlanta, Georgia, at prices above their last valuations conducted in 2021. This is in line with the Manager's portfolio optimisation strategy, and improves KORE's financial flexibility.

Data Centres

The rapid growth of cloud computing platforms and artificial intelligence has accelerated the trend of digitalisation, driving demand for quality and sustainable data centres. Keppel DC REIT continued to grow its portfolio with acquisitions in

China and the UK. In the UK, Keppel DC REIT acquired a data centre in London, strengthening the REIT's presence in the top global data centre hub of London. Strengthening its presence in Asia Pacific, Keppel DC REIT also acquired two data centres in Guangdong, one of China's most established data centre markets and a major technology hub.

On the private funds side, Keppel Data Centre Fund II (KDC Fund II) closed with US\$1.1 billion of total commitments, including co-investment capital. The fund attracted commitments from a diverse group of institutional investors in Asia and Europe, including the Asian Infrastructure Investment Bank. By collaborating with Keppel Data Centres to leverage their technical know-how in data centre management and operations, as well as their expertise in developing green, energy-efficient data centres, Keppel Capital is able to deliver a wider range of client services as well as higher investor returns. During the year, KDC Fund II entered a strategic partnership with Heying, a wholly-owned subsidiary of Tianjin Zhengxin Group, to jointly develop Huailai Data Centre, a greenfield data centre in Greater Beijing, China's tier 1 data centre market. In line with Keppel's commitment to sustainability, the data centre will be equipped with energy-saving technology capable of reducing energy consumption by 50% or more compared to traditional chilled water systems.

¹ Comprehensive Assessment System for Built Environment Efficiency.

Infrastructure continues to be an exciting space for Keppel, with decarbonisation and sustainable urbanisation trends accelerating demand for such essential real assets.

Infrastructure

Keppel Infrastructure Trust (KIT) enhanced its portfolio with the completion of five acquisitions in 2022. The acquisitions extend KIT's footprint into new geographies, namely Germany, Norway, Sweden, the Kingdom of Saudi Arabia and South Korea, and marked its maiden participation in the renewable energy sector. The transactions include two wind farm acquisitions in Europe, namely a 20.5% stake in an offshore wind farm in Germany and a 13.4% stake in a European onshore wind platform comprising three wind farm assets across Norway and Sweden. KIT also completed its minority and non-controlling investment in the Aramco Gas Pipelines Company in the Kingdom of Saudi Arabia, a strong and growing business underpinned by one of the world's largest reserves of natural gas.

KIT collaborated with Keppel Asia Infrastructure Fund (KAIF) and Keppel Infrastructure (KI) to jointly acquire Eco Management Korea Holdings (EMK), a waste management and recycling services provider with six waste-to-energy plants and five sludge drying facilities in South Korea. Beyond income diversification, the acquisition supports both South Korea's green agenda and Keppel's Vision 2030.

In Singapore, KIT completed the acquisition of the remaining 30% stake in SingSpring Desalination Plant, enhancing the operational and business continuity of the asset. KIT has also signed a non-binding term sheet with KI to acquire a 50% equity stake in the Keppel Marina East Desalination Plant, Singapore's first and only large-scale dual mode plant which can treat both seawater and rainwater drawn from the Marina Reservoir.

During the year, KAIF together with its co-investor and Keppel Corporation, raised their joint venture's effective stake in Cleantech Solar Asia Pte Ltd, the asset company of Cleantech Renewable Assets from 25.5% to 75.5%. It also completed the acquisition of 800 Super, a joint transaction with KI and KAIF's first investment in Singapore's environment sector.

Infrastructure continues to be an exciting space for Keppel, with decarbonisation and sustainable urbanisation trends accelerating demand for such essential real assets.

Alternative Assets

Riding on the resilient and fast-growing education sector in Asia Pacific, the

Keppel Education Asset Fund (KEAF) completed the acquisition of a strategic stake in a premium UK international school in Singapore, further adding to its portfolio of quality education assets. During the year, KEAF also completed the retrofitting and refurbishment of a vacant university campus in Tokyo into a premium UK international school. The asset has been handed over to the tenant, and the long-term lease commenced in October 2022. Looking ahead, Keppel Capital is confident that the demand for quality real estate for schools and campuses will continue to be well supported by macro trends including rapid urbanisation, an expanding middle class and rising affluence, as well as a continued focus on quality education.

Keppel-Pierfront Private Credit Fund, which is managed by Keppel Capital's private credit platform Pierfront Capital, announced a final close of approximately US\$700 million in investable capital, including co-investment commitments. The fund will provide loans to companies with defensive infrastructure-like business models and attractive risk-adjusted returns, spanning asset classes such as transportation, renewable energy and core infrastructure.



KIT collaborated with KAIF and KI to jointly acquire EMK, a leading integrated waste management services player in South Korea.

Energy & Environment

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

Earnings Highlights (\$ million)

	2022	2021
Revenue ¹	4,230	3,560
EBITDA ¹	119	(261)
Operating Profit/(Loss) ¹	86	(291)
Profit/(Loss) before Tax ¹	215	(193)
Net Profit/(Loss) from continuing operations	172	(189)
Net Profit/(Loss) from discontinued operations	88	(225)

¹ Numbers are for continuing operations.

Progress in 2022

- Announced around \$2.6 billion of joint investments in solar, wind, energy and environmental assets and platforms with private funds and business trust managed by Keppel Capital.
- Opened intelligent Operations Nerve Centre, co-located in *Keppel Infrastructure @ Changi*, Singapore's first Green Mark Platinum Positive Energy building under the new and more stringent Green Mark scheme.
- Commenced import of hydroelectric renewable energy into Singapore via the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project.
- Developing Singapore's first hydrogen-ready advanced combined cycle power plant.
- Signed MOUs to explore several initiatives spanning carbon capture at WTE plants, R&D for hybrid floating renewable energy systems, and green hydrogen and green ammonia value chain with international partners.
- Keppel O&M secured charters for all available KFELS B Class legacy rigs.

Focus for 2023/2024

- OneInfra team will continue asset-light strategy and leverage third-party funds to pursue opportunities in power & renewables, new energy, and environmental solutions.
- Strengthen bundled rooftop solar, cooling, energy storage and electric vehicle charging through Energy-as-a-Service offerings.
- Continue to grow renewable energy portfolio to achieve 7 GW target by 2030.
- Expand environment solutions with value-added enhancements that improve circularity and reduce carbon intensity.



Keppel Corporation is expanding into the wind energy business, alongside Keppel Infrastructure Trust, through joint investments in offshore and onshore wind energy assets in Europe.

The global energy crisis presents strong tailwinds for the Group to leverage its deep capabilities and proven track record to help its customers expedite their energy transition.

The Energy & Environment segment provides technology-based solutions and services spanning power and renewables, new energy, environment, as well as offshore & marine (O&M). The segment comprises Keppel Infrastructure, Keppel Renewable Energy (which has been integrated under Keppel Infrastructure with effect from 1 March 2023) and Keppel O&M (which was merged with Sembcorp Marine on 28 February 2023). Over the course of 2022 and up to early 2023, Keppel streamlined its business, through the combination of Keppel O&M and Sembcorp Marine, as well as the resolution of its legacy rigs and associated receivables.

The Russia-Ukraine war has pushed energy security up the international agenda, with governments actively seeking to reduce their reliance on traditional energy sources and secure alternative energy supplies. Coupled with the higher energy prices and increasing global focus on climate change, recent developments have given new impetus to

the global shift to renewables and clean energy. Supported by the net zero carbon emission commitments of governments and businesses, the current market landscape presents strong tailwinds for the Group to leverage its deep capabilities and proven track record to help its customers expedite their energy transition.

Harnessing its asset-light model, the Group made around \$2.6 billion worth of energy & environment-related investments, jointly undertaken by Keppel together with the private funds and/or business trust managed by Keppel Capital. These include investments in offshore and onshore wind energy assets across Europe, as well as a solar energy platform in Asia. Reflecting the Group's continued integration efforts, a One Infrastructure (OneInfra) team, comprising senior members from Keppel Infrastructure and Keppel Capital, worked closely together to seize opportunities in decarbonisation and environmental solutions, investing in waste management businesses in Singapore and South Korea.

With its expertise in the development and operation of sustainable solutions as well as asset management capabilities, Keppel is well placed to leverage third-party funds to pursue inorganic opportunities such as acquiring assets, operating platforms and technologies. Looking ahead, the OneInfra team is actively exploring opportunities in power & renewables, new energy, and environmental solutions.

In line with Vision 2030, Keppel has been strengthening its recurring income sources from electricity sales, operations and maintenance of essential infrastructure and bolstering its Energy-as-a-Service (EaaS) portfolio with offerings such as energy optimisation and analytics, energy storage, cooling and electric vehicle (EV) charging. Such services offer customers tangible and realisable pathways to carbon neutrality, while also achieving cost savings for customers. Together, these solutions enable the Group to contribute towards efforts in achieving the world's energy transition and decarbonisation ambitions.

Operating & Market Review

Energy & Environment



Keppel MET Renewables, a joint venture between Keppel Infrastructure and Swiss-based MET Group, will pursue and invest in solar and onshore wind assets across Western Europe, starting with an initial portfolio of 213 MW of solar projects in Italy.

Power & Renewables

During the year, Keppel grew its renewables portfolio from 1.1 GW to 2.6 GW¹, as it gains ground on its 7 GW target by 2030.

Keppel Infrastructure formed Keppel MET Renewables, a joint venture with Swiss-based MET Group, to pursue and invest in both greenfield and brownfield solar and onshore wind assets across Western Europe. Keppel MET Renewables was seeded with an initial portfolio of 213 MW of solar projects in Italy, and has a target to scale up to at least 1 GW of operating and ready-to-build renewable energy projects.

As part of the 2.6 GW portfolio, Keppel co-invested approximately \$679 million in onshore and offshore wind energy assets across Germany, Norway, and Sweden, alongside Keppel Infrastructure Trust. The investments will provide Keppel not only with stable recurring income, but also a strong deal flow pipeline in well-established markets in the Nordics and the United Kingdom.

In Asia, Keppel, along with Keppel Asia Infrastructure Fund (KAIF) and KAIF's co-investor, increased their stake in Cleantech Solar Asia, the asset company of a leading solar energy platform from 25.5% to 75.5%. With solar assets located in India and ASEAN, the platform is

expected to benefit from the growing demand for renewable energy in the region.

Keppel is also pioneering cross-border power trade of renewable energy into Singapore, with the commencement of the nation's first import of hydropower under the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project. As at end-2022, more than 180 GWh of electricity had been successfully transmitted into Singapore's power grid. In addition, Keppel Infrastructure is pursuing other renewable energy opportunities and cross-border interconnections with Cambodia, Lao PDR and Indonesia.

Other opportunities are in the pipeline for Keppel Infrastructure to scale up its offerings in the renewable energy sector. It was awarded a grant from the Energy Market Authority and JTC Corporation to pilot Singapore's first membrane-based nearshore floating solar photovoltaic system, which is designed to harness solar energy reliably amid rough sea conditions. Keppel Infrastructure is also collaborating with the National University of Singapore and Nanyang Technological University to develop a first-of-its-kind floating hybrid renewable energy system to harness solar, wind, and tidal energy for continuous power generation.

¹ On a gross basis, including projects under development.

Beyond renewables, the Group is at the forefront of efforts to decarbonise Singapore's power generation sector. Keppel Infrastructure is building the nation's first hydrogen-ready and most advanced combined cycle gas turbine power plant. When completed in 2026, the 600 MW Keppel Sakra Cogen plant will be the most energy-efficient power plant in Singapore, capable of saving up to 220,000 tonnes per year of CO₂ emissions, as compared to Singapore's average operating efficiency for equivalent power generated. In line with Keppel's asset-light business model, the Keppel Sakra Cogen Plant is intended to be owned by Keppel Energy and KAIF.

Keppel Infrastructure completed a high efficiency (HE) upgrade for a generating unit in Keppel Merlimau Cogen Plant, the first HE upgrade in Southeast Asia. Following the upgrade, the unit is delivering improved efficiency and flexibility, while reducing its fuel consumption, carbon footprint, and environmental impact.

In 2022, Keppel Renewable Energy entered into late-stage development for its flagship 500+ MW solar project in Queensland, Australia. Keppel Renewable Energy has also been collaborating with Keppel Data Centres to explore the import of renewable energy from Indonesia.

Since 1 March 2023, Keppel Renewable Energy has been integrated under Keppel Infrastructure to optimise synergies.

New Energy

Keppel Infrastructure positioned itself to capture the demand for decarbonisation in Singapore and around the region through its sustainable EaaS offerings. In 2022, it secured multi-year contracts with a total value of over \$250 million. Moving forward, the EaaS business model is expected to add to the sources of quality recurring income for the Group.

The effectiveness of the sustainable EaaS concept is demonstrated in the retrofitted *Keppel Infrastructure @ Changi*,

which showcases Keppel's ability to blend innovation and sustainability into a value-added energy service. *Keppel Infrastructure @ Changi* houses Keppel Infrastructure's intelligent operations nerve centre, which harnesses smart technologies, such as artificial intelligence and IoT to streamline processes, improve productivity, and enhance the reliability of Keppel's assets and operations.

The building is expected to yield about 600,000 kWh/year of renewable energy, more than double of the building's consumption, earning it the highest accolade of Green Mark Platinum Positive Energy by the Building and Construction Authority.

Keppel Infrastructure continued to expand its energy-efficient district cooling services. The construction of the district cooling systems in Bulim Phase 1 of the Jurong Innovation District in Singapore and in the Sam Yan commercial area in Bangkok are progressing well.

The Group leveraged its asset-light model to invest about \$2.6 billion in energy & environment-related assets and platforms in 2022, alongside the private funds and/or business trust managed by Keppel Capital.



Mr Koichi Watanabe, CEO of Jurong Engineering; Ms Cindy Lim, CEO of Keppel Infrastructure; Mr Loh Chin Hua, CEO of Keppel Corporation; Dr Tan See Leng, Minister for Manpower & Second Minister for Trade and Industry; Mr Ngiam Shih Chun, Chief Executive of Energy Market Authority; and Mr Osamu Ono, CEO of Mitsubishi Power Asia Pacific were present at the signing of the engineering, procurement and construction contract for the construction of the Keppel Sakra Cogen Plant.

Operating & Market Review Energy & Environment

Gearing up for the low-carbon economy, Keppel Infrastructure explored partnerships in the low-carbon ammonia/hydrogen, carbon capture utilisation and sequestration (CCUS) and decarbonisation spaces. It signed a Memorandum of Understanding with Greenko, one of India's leading renewable energy companies, to explore green ammonia and renewable opportunities to meet the growing demand for low-carbon energy in India, Singapore and globally. It also entered into a joint study with Pertamina Power Indonesia and Chevron New Energies to explore the development of selected green hydrogen and green ammonia projects using geothermal energy located primarily in Sumatera, Indonesia. During the year, Keppel Infrastructure formed a consortium with Air Liquide, Chevron and PetroChina to advance the development of large-scale CCUS solutions and integrated infrastructure in Singapore.

Environment

In 2022, the OneInfra team leveraged third-party capital for the acquisition of South Korean waste management company, Eco Management Korea, and Singaporean environmental services company, 800 Super. The transactions complement and broaden the range of environmental services that

In line with Keppel's Vision 2030, Keppel Infrastructure has been strengthening its recurring income sources from electricity sales, operations and maintenance of essential infrastructure and bolstering its EaaS portfolio.

Keppel Infrastructure offers, and create opportunities to synergise operations.

Notwithstanding the impact of the COVID-19 pandemic on construction and development, Keppel Infrastructure forged ahead with the construction of the Hong Kong Integrated Waste Management Facility and Tuas Nexus Integrated Waste Management Facility, achieving good progress in 2022. In Australia, Keppel Seghers is supporting the client in the final commissioning works of the Kwinana Waste-to-Energy (WTE) project, Australia's first thermal WTE facility.

Carbon capture for WTE is a key target on Keppel's decarbonisation roadmap, as it

spearheads the decarbonisation of Singapore's waste infrastructure through a joint study with the National Environment Agency on the feasibility of carbon capture for selected WTE plants in Singapore as well as the potential development of a pilot carbon capture facility integrated with these plants. In Europe, Keppel Seghers is an active member of the European Supplier of Waste-to-Energy and the chair of its CCUS taskforce.

In line with the Group's plans to advance the circular economy, Keppel Seghers, together with its partners, is exploring the treatment and use of Incineration Bottom Ash (IBA) as an alternative construction material for WTE plants. In Qatar, plans for plastic recycling and use of IBA are already underway to improve the circularity of the Domestic Solid Waste Management Center (DSWMC). This will reduce the volume of IBA going to the landfill, thus improving the circularity of waste streams and prolonging the lifespans of existing landfills.

During the 2022 FIFA World Cup, Keppel Seghers supported the Government of Qatar in managing the higher volumes of waste through treatment at the DSWMC. Leveraging its strong track record in Qatar, Keppel Seghers will continue to widen its presence in the Gulf Cooperation Council countries, many of which have embarked on WTE projects as a means of diverting waste from conventional landfills.

At the same time, there continues to be strong demand for energy-efficient WTE plants in other regions where Keppel Seghers is present. Europe is facing the need to replace ageing WTE plants with more energy-efficient technology, in order to maximise energy recovery from waste. Meanwhile, in Southeast Asia, where most waste is still being landfilled, there has been burgeoning demand to explore WTE as a sustainable waste management alternative. Keppel Seghers, with its broad international experience and strong execution track records, is well poised to meet the growing interest from governments.



Keppel continues to expand its customer base for EaaS offerings, such as district cooling, solar panels and EV chargers.



Carbon capture for WTE is a key target in Keppel's decarbonisation roadmap. (In picture: Keppel Seghers' Beijing Fangshan District Circular Economy Industrial Park.)

Offshore & Marine

In 2022, amid improving conditions in the offshore and marine sector, Keppel O&M secured about \$8.1 billion of new orders, bringing its net orderbook to \$11.0 billion, the highest level since 2007. This includes two floating production storage and offloading units for Petrobras.

During the year, Keppel O&M continued to strengthen its foothold across the value chain of offshore renewables. Keppel O&M completed a wind turbine installation vessel crane upgrade project and secured a contract to build its sixth offshore substation. Its first two offshore wind substations for Ørsted, which were for the Greater Changhua 1 & 2a wind farms in Taiwan, have successfully generated their first power.

In specialised shipbuilding, Keppel O&M achieved several industry 'firsts' with the successful completion of its maiden autonomous vessel project. Capable of autonomous vessel navigation as well as collision detection and avoidance, the Maju 510 tug, owned and operated by Keppel Smit Towage, is the first vessel in the world to receive the Autonomous and Remote-Control Navigation Notations from ABS classification society. Keppel O&M also delivered to Dutch maritime company Van Oord the Vox Ariane and Vox Apolonia, high-specification dual-fuel dredgers with several features that reduce fuel

consumption and carbon emissions, including the ability to run on liquefied natural gas.

The offshore drilling market has seen continued fixture activity, predominantly in the Middle East, resulting in a steady upward trajectory of utilisation and day rates for jackup rigs. As at end-2022, all of Keppel O&M's available KFELS B Class legacy jackup rigs had secured bareboat charters. It successfully bareboat-chartered four of its legacy B Class rigs and redeployed another two B Class rigs to drilling contractors in the Middle East, securing stable recurring charter income over the next three to five years.

With effect from 28 February 2023, Keppel O&M has been merged with Sembcorp Marine to create a premier global player offering solutions in offshore renewables, new energy and cleaner solutions in the O&M sector. Keppel's legacy rig assets and associated receivables have also been transferred to Asset Co, the majority of which is owned by external investors. Amidst the improving offshore rig market, Keppel is hopeful that the monetisation of the legacy rigs can take place sooner, leading to earlier repayment of the vendor notes issued by Asset Co. Keppel has received \$4.25 billion in vendor notes, which come with a coupon rate of 4% that translates into approximately \$170 million of interest income per annum.

Urban Development

We provide sustainable and innovative urban space solutions, with a growing focus on sustainable urban renewal and senior living.

Earnings Highlights (\$ million)

	2022	2021
Revenue	904	1,629
EBITDA	319	1,036
Operating Profit	288	993
Profit before Tax	418	1,072
Net Profit	282	763

Progress in 2022

- Established OneRE team, comprising Keppel Land and Keppel Capital, focused on sustainable urban renewal (SUR) investments.
- Acquired Samhwan Building in partnership with private funds managed by Keppel Capital, expanding Keppel Land's SUR footprint into South Korea.
- Monetised two assets in China with total proceeds of about \$347 million.
- Entered China's senior living market with the announced acquisition of a senior living facility project in Nanjing.
- Announced acquisition of a stake in a residential site in Shanghai alongside co-investors through Keppel's China Urban Development Investment Programme.
- Re-entered Hanoi, alongside Keppel Vietnam Fund and its co-investor, with the announced acquisition of a 49% interest in three residential land plots.

Focus for 2023/2024

- Accelerate asset monetisation and unlock capital that can be reinvested for growth and higher returns, leveraging the Group's asset-light model.
- Keep developing operating capabilities and seek opportunities in the new growth engines of SUR and senior living.
- Invest strategically and selectively in new projects across Asia Pacific, the US, the UK and Europe with a focus on providing Real Estate-as-a-Service.
- Continue to develop innovative solutions to redefine urban spaces in collaboration with other Keppel business units.
- Continue to develop the Sino-Singapore Tianjin Eco-City in China as a model for sustainable urbanisation.



The joint investment of Samhwan Building (left) in Seoul by Keppel Land and Keppel Asia Macro Trends Fund IV and KB Bank Discretionary Fund managed by Keppel Capital is a prime example of the Group's ability to harness complementary strengths and tap third-party funds for growth.

As part of its pivot to an asset-light model, Keppel Land has been reinvesting in new growth engines and shoring up capabilities in sustainable urban renewal and senior living, which will add further streams of recurring income.

The Urban Development segment delivers innovative, multi-faceted urban space solutions as well as end-to-end master development of smart, sustainable urban projects. It comprises Keppel Land, Keppel Urban Solutions (which has been integrated under Keppel Land with effect from 1 January 2023), and the Group's associated company, 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

As the world transitions to living with COVID-19, pandemic-driven changes over the past three years continue to have a lasting impact on the future of work, fuelled by new technologies and digitalisation. The design and practice of work, which in turn shape the mix of physical and digital workspaces required to meet business outcomes, are also evolving as organisations respond to hybrid work trends and the growing need for more sustainable operations.

More companies are seeking offices that offer flexible spaces, digital platforms or shared amenities that also promote health and wellness of employees. In addition, companies are also increasingly looking for sustainable features that not only reduce the carbon footprint of the buildings but also uplift the quality of life of the occupants.

Meanwhile, increasing life expectancy, rising affluence, and cultural shifts continue to drive the expansion of ageing populations and deepen focus on well-being and healthy ageing, boosting demand for senior living facilities with community-based services.

Keppel Land has been positioning itself to seize opportunities from these macro trends, with its pivot to be an asset-light provider of innovative and sustainable urban space solutions. To advance its transformation, Keppel Land is strategically monetising its assets, while reinvesting in new growth engines and operating platforms in the areas of sustainable urban renewal (SUR) and senior living, which will add further streams of recurring income.

In 2022, Keppel Land embarked on its first dedicated senior living facility project in Nanjing, China. To be fitted out and operated by Keppel Land, the facility is expected to open in 2H 2023. Located in Nanjing's Qixia district and with a capacity of around 400 residents, it will be a premier assisted living community with care capabilities. Designed as a low-carbon and environmentally friendly project, the Nanjing assisted living community project will serve as a launchpad for Keppel's expansion into other senior living markets in China and beyond.

During the year, Keppel Land expanded into South Korea with the acquisition of Samhwan Building in Seoul jointly with private funds managed by Keppel Capital, where it will apply its SUR capabilities to retrofit, future-proof and extend the lifespan of the office building. Keppel Land will deploy its in-house design capability to map out customer or tenant journeys, before formulating suitable configurations or services that value-add to their experiences. It will also harness digital technologies and the IoT to develop

Operating & Market Review

Urban Development

smart platforms that can both enhance user experience as well as greatly reduce the asset's carbon footprint.

Keppel Land is committed to redefining urban spaces for a sustainable future. For the existing assets that it manages, such as Keppel Bay Tower, the first commercial building in Singapore to be certified as a Green Mark Platinum (Zero Energy) building, Keppel Land deploys continual improvement principles, regularly upgrading building performance and offering services that promote occupier wellness. In all its operating markets, Keppel Land pursues the top two tiers of green building ratings.

For its firm commitment to raise the sustainability performance of its assets, Keppel Land received several prestigious sustainability accolades in 2022. These include the Singapore Green Building Council – Building and Construction Authority (BCA) Leadership in Sustainability Award, the Overall Top Real Estate Developer Globally by Euromoney, and the second position in Asia in GRESB's Diversified – Non-listed category.

Accelerating its shift towards an asset-light model, Keppel Land works closely with

Keppel Capital to tap third-party funds to invest in quality projects, while generating fee-based income from asset development and operation. Examples include the abovementioned Samhwan Building in Seoul and a 49% interest in three residential land plots in Hanoi alongside private funds managed by Keppel Capital. During the year, Keppel Land also invested in a residential site in Shanghai together with co-investors through the China Urban Development Investment Programme (CUDIP), under which Keppel Land and Keppel Capital serve respectively as overall development manager and investment manager. The CUDIP aims to invest in residential developments in Tier 1 and Tier 2 gateway cities in China alongside co-investors.

Advancing the Group's ambition as one integrated business, Keppel Land and Keppel Capital established the One Real Estate (OneRE) team, which harnesses Keppel's complementary strengths across real estate solutions and asset management to source for deals and undertake SUR projects. Through such efforts, Keppel Land will focus on delivering on-the-ground development or operational capabilities, while Keppel Capital acts as a financial

twin, prospecting new investors and raising funds, thus allowing the Group to scale up quickly in its key markets in an asset-light manner.

In Singapore, cooling measures announced in September 2022 and rising interest rates have placed pressure on sentiments in the residential market. Keppel Land sold about 30 residential units in 2022, lower year-on-year partly due to a lack of new launches and reduced inventory. In the office space, while demand is expected to moderate given the ongoing consolidation in the technology sector, rents are expected to be boosted by the limited new office pipeline. Expected to be completed towards the end of 2024, the Keppel Towers redevelopment will incorporate features, technology and services that meet the highest standards in sustainability, connectivity, wellness and flexible working. In the retail space, following major asset enhancement works, Keppel Land officially opened i12 Katong, a living laboratory for novel retail concepts and a 'phygital' environment. The retail mall is on track to obtain the BCA Green Mark Platinum award and had an occupancy rate of above 95% at end-2022.

Keppel Land deploys its in-house design capability to formulate suitable configurations or services and harnesses digital technologies to develop smart platforms that can enhance user experience as well as reduce an asset's carbon footprint.



Keppel Land has built a strong and diverse track record in Vietnam, winning several industry-leading awards and drawing good buyer demand for its developments. (In picture: Celesta Avenue in Ho Chi Minh City, was named the Best Housing Development at PropertyGuru Vietnam Property Awards.)

In China, the real estate market faced considerable headwinds in 2022, as market sentiments were impacted by the economic slowdown and the COVID-19-related restrictions. Despite the challenging environment, Keppel Land monetised two projects in Shanghai, with total proceeds of about \$347 million. Keppel Land also sold about 1,080 homes in China.

As China's real estate sector moves away from a debt-driven growth model, Keppel is well placed to work with local developers by leveraging its capabilities in deal sourcing and fund-raising to invest in attractive sites. Following the relaxation of China's zero-COVID policy and the introduction of policies that support the real estate sector, the market has started to show signs of improvement since the end of 2022. Meanwhile, the demand for quality homes in well-located areas is expected to be resilient over the mid to long term, underpinned by urbanisation trends and growing affluence.

In Vietnam, the economy grew 8.0% in 2022, the highest increase in the last decade, backed by strong domestic retail sales and exports. In the real estate sector, while demand remained healthy, challenging approval processes limited the number of new launches in the country. In 2022, Keppel Land sold about 70 homes in Vietnam, noticeably lower compared to 2021. However, reflecting the strong market demand, the first batch of units launched at Keppel Land's Celesta Avenue in Ho Chi Minh City was fully sold within a month.

During the year, Keppel Land was awarded 12 prestigious awards from PropertyGuru Vietnam for developing some of the country's finest and most sustainable mixed-use and residential developments.

Together with Keppel Urban Solutions, Keppel Land continued to develop a smart and sustainable planning roadmap for Saigon Sports City, which is expected to be a model integrated smart and sustainable development. Keppel Urban Solutions is also targeting similar large-scale development projects in other markets.

Since 1 January 2023, Keppel Urban Solutions has been integrated under Keppel Land to streamline the Group's business and optimise synergies.

In India, the net absorption in office markets is on track to return to its 5-year average of the pre-pandemic era, as the country is expected to become an attractive spot for

global shared-services firms to expand operations. During the year, Keppel Land completed the acquisition of the remaining 49% stake in a Grade A commercial office project in Bangalore. It sold about 730 homes across two projects in Bangalore and Mumbai.

In Indonesia, strong demand for quality landed homes around Jakarta continued to boost sales despite the pandemic. Keppel Land sold about 280 units, primarily from a new launch of the Wisteria project in East Jakarta. Meanwhile, Chillax, a lifestyle and placemaking commercial hub situated on the former International Financial Centre Tower 1 site, was successfully launched in November 2022.

Sino-Singapore Tianjin Eco-City

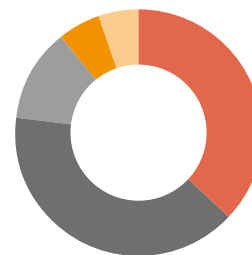
Keppel leads the Singapore consortium, which works with its Chinese partner to guide the 50-50 joint venture, SSTEC, in its role as master developer of the Eco-City.

In 2022, the Eco-City continued to grow as a vibrant, smart and green city, attracting residents to live, work and play in. Its current population of 130,000 people¹ and 20,000 registered companies¹ are well served by highly accessible quality amenities, as well as the two newly opened large-scale commercial complexes and an outdoor sports and activities hub. In 2022, more than 3,300 homes were sold in the Eco-City, including more than 300 homes from projects developed by SSTEC.

In 2022, Keppel's various business units enhanced their sustainability-related offerings in the Eco-City. Keppel Land secured the Tianjin Climate Exchange Carbon Neutrality certification for the retail mall of Seasons City, its first commercial development in the Eco-City. Keppel Land is also developing a carbon-neutral smart precinct in the Eco-City's Northern District that is aligned with China's 'dual carbon' goals.

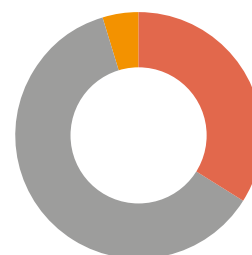
Keppel Infrastructure successfully developed its first rooftop solar photovoltaic system at the Landmark Building, supplying clean energy to the tenants. Its second rooftop solar photovoltaic system is currently under development at one of the ready-built factories in the Eco-Innovation Park. To cater to the population growth, the Sino-Singapore Tianjin Eco-City Water Reclamation Centre, a joint venture between Keppel Infrastructure and Tianjin Eco-City Investment and Development Co. Ltd, commenced phase 2 of its development, offering an additional water treatment capacity of 70,000 tonnes per day.

Keppel Land's Total Asset Distribution By Country (%)
as at 31 December 2022



● Singapore	37.0
● China	40.0
● Vietnam	12.4
● Indonesia	5.5
● Others	5.1
Total	\$12.3 billion 100.0

Keppel Land's Total Asset Distribution by Segment (%)
as at 31 December 2022



● Property Trading	33.9
● Property Investments	61.4
● Others	4.7
Total	\$12.3 billion 100.0

¹ Includes the Central Fishing Port and Tourism District.

Connectivity

We connect people and businesses in the digital economy.

Earnings Highlights (\$ million)

	2022	2021
Revenue	1,291	1,260
EBITDA	187	288
Operating Profit	62	86
Profit before Tax	70	86
Net Profit	37	64

Progress in 2022

- Scaled up data centre business with new acquisitions in China and the UK, expanding Keppel's portfolio to 32 data centres across 19 cities in Asia Pacific and Europe.
- Achieved ready-for-service status for initial phases of five data centre projects across Malaysia, Indonesia, China and Australia.
- Made good progress in manufacturing cables for the Bifrost Cable System.
- M1 achieved more than 95% outdoor coverage in its 5G standalone network rollout in Singapore, and implemented over 20 5G use cases.
- M1 continued expanding into regional markets, with acquisition of Glocomp Systems in Malaysia.
- Divested logistics businesses in Southeast Asia and Australia, including Urban Fox.

Focus for 2023/2024

- Continue to expand portfolio of quality data centre assets.
- Commence Bifrost Cable System's cable laying operations.
- Continue to pursue innovative data centre solutions, such as the Floating Data Centre Module, hydrogen production and a low-carbon energy hub.
- M1 to work towards achieving nationwide 5G coverage and providing 5G standalone offshore coverage for the Southern coast of Singapore.
- M1 to continue to accelerate 5G-enabled platforms or initiatives to support digital transformation of enterprise customers, deliver an integrated digital offering to consumer customers, and expand its cloud and enterprise business regionally.



Keppel Data Centres is exploring artificial intelligence and machine learning technologies in daily operations and management, leveraging advanced sensor networks and big data analyses to perform predictive maintenance of its data centre infrastructure.

Keppel is uniquely positioned to provide integrated end-to-end data centre solutions, from the provision of clean energy to the development and operation of green data centres, to the raising of funds, to the monetisation of stabilised assets through Keppel DC REIT.

The Connectivity segment comprises Keppel Telecommunications & Transportation (Keppel T&T) and M1, whose business activities span data centres, subsea cable systems as well as telecommunications. In 2022, both Keppel T&T and M1 focused on transforming their businesses and sharpening their value propositions to better capture growing opportunities in digital connectivity. In line with Keppel's Vision 2030, Keppel T&T streamlined and focused its business by divesting Keppel Logistics¹ and monetising its non-core operations, including divesting Asia Airfreight Terminal Company and Radiance Communications. Keppel T&T continued to deliver high-quality and operationally reliable data centre infrastructure, while exploring ways to substantially reduce its carbon footprint.

Meanwhile, M1 advanced its transformation from a traditional telco to a cloud native connectivity platform. It is building up

its enterprise solutions and developing smarter, future-ready solutions and more 5G use cases across sectors. M1 also continued expanding its regional footprint with the acquisition of Malaysia-based digital solutions provider Glocomp Systems.

Data Centres

In an increasingly digitalised world, data centres are playing increasingly important roles in the digital ecosystem. Even as the world makes a return to post-COVID-19 normalcy, businesses and consumers continue to embrace hybrid work practices and the use of conferencing platforms, and push towards further digitalisation, deepening reliance on data-hungry technologies, such as cloud computing, artificial intelligence and IoT.

In addition, the scaling up of disruptive, data-generating technologies,

such as Web 3.0, metaverse, and blockchain, are driving significant demand for data and digital connectivity. Bandwidth demand is projected to increase significantly for the foreseeable future, propelling the growth of the global data centre market.

Keppel is uniquely positioned to provide integrated end-to-end data centre solutions, from the provision of clean energy to the development and operation of high-quality green data centres, to the raising of funds to invest in greenfield developments, to the monetisation of stabilised assets through Keppel DC REIT.

In 2022, the One Data Centre team, comprising Keppel Data Centres and the private funds and Keppel DC REIT managed by Keppel Capital, worked closely together to seek new development and acquisition opportunities in Asia Pacific and Europe.

¹ Includes Keppel Logistics' businesses in Singapore, Malaysia, Vietnam and Australia, as well as UrbanFox.

Operating & Market Review Connectivity

Keppel Capital raised US\$1.1 billion for Keppel Data Centre Fund II (KDCF II), and is tapping Keppel Data Centres' expertise in developing, operating and maintaining quality data centres to capture investment opportunities in greenfield and brownfield data centre assets. In 2022, KDCF II acquired a majority stake in Huailai Data Centre in Greater Beijing, China for which Keppel Data Centres will implement global best practices for data centre operations. During the year, KDC REIT acquired a data centre in London, the United Kingdom and two data centres in Guangdong, China. With these acquisitions, Keppel has expanded its portfolio to 32 data centres across 19 cities in Asia Pacific and Europe.

Keppel T&T is focused on scaling up Keppel's data centre businesses, by developing and managing data centres in a smart, green and connected manner.

Amid rising concerns over climate change, carbon footprint and energy security, Keppel Data Centres continues to prioritise sustainability as a key guiding principle, integrating sustainable design and energy-efficiency technologies to reduce the carbon footprint and water consumption of its assets. As a testament to Keppel Data Centres' commitment to environmental sustainability, Keppel Data Centre Singapore 7 (KDC SGP 7)

M1 has achieved more than 95% outdoor coverage in its 5G SA network rollout in Singapore and has implemented more than 20 5G use cases or applications.

in Genting Lane was awarded the Building and Construction Authority (BCA) Green Mark Platinum Award, the highest green accolade conferred by BCA specifically for new data centre developments.

To enhance its sustainability efforts, Keppel Data Centres is also pursuing innovative ideas with industry partners. Together with industry partners, it is studying the feasibility of developing a low-carbon energy hub and microgrid system, with inputs from various sustainable energy sources, including imported renewable power and hydrogen. The companies will also explore the project's scalability and exportability to other sites and overseas markets.

In addition, Keppel Data Centres is also making progress on its Floating Data Centre Module. It has received approval from the regulatory authorities to proceed and is in leasing negotiations with the site owner for project deployment. Keppel Data Centres is

also working with other partners to study the feasibility of establishing a long-term, stable supply chain of sustainable liquid hydrogen from Western Australia and gaseous hydrogen from Indonesia to Singapore.

During the year, Keppel Data Centres further enhanced its capabilities and service offerings to effectively support the dynamic business needs of its customers. To improve the operational reliability of its assets, Keppel Data Centres is exploring artificial intelligence and machine learning technologies in daily operations and management, leveraging advanced sensor networks and big data analysis to perform predictive maintenance of its data centre infrastructure.

Together with AsiaPac Technology (AsiaPac), a wholly-owned subsidiary of M1, Keppel Data Centres is introducing intra-Asia interconnectivity across its data centres, by delivering turnkey cloud implementation solutions to its clients.



KDC SGP 7 in Genting Lane has achieved the BCA Green Mark Platinum Award, based on the Green Mark for New Data Centres. This is the highest green accolade conferred by Singapore's BCA specifically for new data centre developments. The data centre incorporates green features such as energy-efficient equipment and advanced technologies to improve performance of the chiller plant and data hall cooling systems, as well as reduce water consumption.

The collaboration enables clients to easily transform their existing infrastructure to take full advantage of a secure hybrid multi-cloud framework. By packaging Keppel's world-class data centre colocation, stronger intra-Asia connectivity, and hybrid multi-cloud services into an integrated, synergistic offering, Keppel Data Centres is able to deliver a holistic and seamless digital transformation offering to its clients.

Subsea Cable Systems

The intra-Asia interconnectivity across Keppel's data centres will be enhanced by Keppel's Bifrost Cable System (Bifrost), a multiple fibre pair, high-capacity submarine cable system that Keppel T&T is developing with other partners, connecting Singapore directly to the west coast of North America. During the year, Keppel T&T made good progress on the Bifrost project, signing definitive agreements with several customers and receiving enquiries from potential customers in India and ASEAN.

Keppel T&T is commencing cable laying operations in early 2023, and is targeting to achieve ready-for-service status in 2H 2024. When fully commissioned, Bifrost will be the single largest high-speed capacity-bearing subsea optical cable across the Pacific Ocean, and will help to address the demand-supply gap arising from the retirement of a large number of cable systems in the next decade, as well as the rapid growth in internet traffic related to social and messaging platforms and services from over-the-top operators.

Digital Connectivity

Today, customers look for more than just convenience and accessibility of connectivity. They seek lower latency, higher speeds, as well as novel virtual or augmented reality experiences, which will further boost demand for 5G. M1 is meeting the needs of today's customers with the ongoing digital transformation of its products and services, particularly the development of its 5G network. By end-2022, M1 has achieved more than 95% outdoor coverage in its 5G standalone (SA) network rollout in Singapore, and has implemented more than 20 5G use cases or applications for the consumer, enterprise and government sectors, as well as across the Keppel ecosystem.

Working in partnership with M1, Keppel Offshore & Marine was the first in Southeast Asia's maritime industry to implement an immersive 5G Augmented and Virtual Reality Smart Glasses solution at its yard, optimising the efficiency of remote operations.

Harnessing 5G's high-speed and low-latency connectivity, M1 is collaborating with Gardens by the Bay and Electronic Sports to provide immersive metaverse



M1 is collaborating with Gardens by the Bay and Electronic Sports to provide fast-speed 5G connectivity and immersive metaverse experiences that complement Gardens by the Bay's physical offerings.

experiences in Gardens by the Bay's indoor venues, delivering rich content in the form of extended reality and gamification to visitors on the go. M1 is also adding new layers of interactivity and immersiveness in Singapore's museums, as it collaborates with its subsidiary AsiaPac and Keppel Data Centres, to provide 5G SA connectivity and edge computing solutions to the National Museum of Singapore and Children's Museum Singapore.

In the world's first public and largest maritime testbed at sea, M1 collaborated with the Maritime and Port Authority of Singapore and the Infocomm Media Development Authority (IMDA) to provide a 5G SA network to trial, develop and deploy new maritime 5G use cases. As a result of a separate trial with IMDA and Airbus, M1 co-developed the world's first aeronautical and maritime 5G SA modem, which is on par with military-grade modems and is commercially ready.

M1 is also expanding its cloud and enterprise solutions and capturing new profit pools. Its enterprise business has been growing steadily, making up about 33% of M1's revenue in 2022, up from 20% in 2020. In 2022, M1 also acquired digital solutions provider Glocomp Systems.

As M1 broadens its enterprise offerings, it continues to strengthen its consumer

business in line with its digital transformation into a cloud native connectivity platform. To cater to changing customer needs and expectations, M1 is offering hyper-personalisation services and migrating customers to its new cloud native digital platform. The integration of M1's digital services will allow customers to enjoy its new 5G plans, and cloud services such as cloud gaming. It will also improve customer acquisition and lower M1's cost to serve.

In 2022, M1 expanded its customer base to 2.5 million, up from 2.2 million in 2021. It achieved the second-largest postpaid customer base in Singapore at 1.9 million customers. Its average revenue per user has grown across its postpaid and fibre broadband segments, and roaming revenue has increased with the progressive reopening of economies post pandemic.

Aligned with the Group's sustainability commitment and strategy, M1 continues to implement various carbon emissions reduction initiatives in its daily operations. M1 will embark on the continuous overhaul and upgrade of its equipment, software, and building infrastructure, to achieve better energy efficiency. In 2022, M1's science-based targets were validated by the Science Based Targets initiative.

Scenario Planning

We are building a future-ready company, identifying risks and opportunities as we execute Keppel's Vision 2030 plans.

Planning for an Uncertain World

Amidst an uncertain global environment characterised by heightened geopolitical tensions, slowing economic growth, financial volatility and increasingly frequent extreme climate events, Keppel conducted a scenario planning exercise in 3Q 2022 to test and enhance the resilience of Keppel's Vision 2030 strategy.

The scenario planning exercise, conducted based on an established scenario planning methodology, involved Keppel Corporation's senior management, as well as the leadership teams in the different business units. The scenarios as well as the strategic responses to the scenarios were then presented and discussed at Keppel Corporation's Board Strategy Offsite in end-September 2022.

Three Alternative Scenarios

A set of three scenarios was developed using an inductive methodology. At a broad level, each scenario was defined in terms of a range of outcomes in the 2030 timeframe along three primary dimensions: (i) the geopolitical and economic order; (ii) the climate change response and energy transition landscape; and (iii) the global financial environment.

In terms of the geopolitical dimension, the scenarios envisaged a range of plausible international political configurations and dynamics ranging from a deeply decoupled and conflictual world, to a multipolar environment characterised by greater stability and more balanced global growth. Beyond the ongoing conflict in Ukraine,

the scenarios also explored the possible implications of an escalation in Cross-Strait tensions. In terms of the global financial environment dimension, the scenarios depicted a range of alternative levels and geographic patterns of economic growth, as well as varying degrees of financial system stability, in particular with respect to monetary policy and its various potential effects.

On climate change and the energy transition, the scenarios considered a range of potential global warming trajectories, alternative speeds of the energy transition, the nature of the global response to climate change, as well as varying degrees and forms of climate-related physical and transition risks. One of the three scenarios was based on the relatively benign 1.5°C global warming trajectory, corresponding to the range of potential temperature changes by 2081-2100 in SSP1-2.6¹. To ensure rigorous testing of the resilience of the Group's strategy and risk management, the other two scenarios were built on 3.5°C and 4.0°C global warming trajectories², which envisaged significantly higher climate risks, and more frequent and extreme climate-related events. In terms of the global response to climate change, the scenarios explored a range of possibilities, from unified global mitigation efforts to disparate adaptation-centred efforts.

While the full impacts of the scenarios, especially those related to climate change, may manifest themselves more clearly over a longer period, this exercise was focused on developing a set of plausible scenarios

¹ IPCC AR6 WGII Technical Summary.

² The global warming trajectories in these two scenarios are consistent with the SSP3-7.0 and SSP5-8.5 scenarios respectively.



Keppel is well placed to provide solutions to help its customers and stakeholders on their journeys to net zero.

that represent a range of future operating conditions that Keppel may face over the next 5-10 years, and which would be particularly relevant to Keppel as the Group executes its Vision 2030. The scenarios did not assign probabilities to specific future conditions, but rather served to generate inputs to the Board and management when considering the Company's strategy, while also identifying risks and opportunities.

Responding to Uncertainty

Beyond specific responses to individual scenarios, the Group also identified and considered a range of 'no regret' actions that would be likely to generate the greatest expected strategic value across all three scenarios, in order to strengthen the future-readiness of the group strategy. These robust actions included, for example, raising the Group's fund-raising capabilities,

anticipatory regulatory awareness, and strengthening the Group's networks of investors across its targeted markets, in line with Keppel's Vision 2030 plans to be a leading global asset manager and operator. Through the review of alternative plausible geopolitical scenarios, the Group also discussed its long-term human resource requirements and the importance of strengthening talent with relevant market knowledge in different geographies.

On the climate change and energy transition front, across all three scenarios, it was envisaged that there would be growing demand for renewables, clean energy, decarbonisation solutions and climate-resilient infrastructure – sectors which Keppel already operates in and which represent considerable growth opportunities for the Group. The importance

of incorporating climate-related risk assessment in future strategies was emphasised across scenarios, whether in terms of decarbonising the Group's operations, assessing specific acquisition targets, or evaluating the commitment and capacity of local governments to address physical climate risks when making long-term investment decisions. Importantly, Keppel also discussed how the Group could leverage its unique strengths and track record to offer solutions to help its customers and stakeholders on their journeys to net zero.

Beyond the initial scenario analysis exercise, a set of qualitative and quantitative signposts was also identified to facilitate the monitoring of future operating conditions, thus helping the Company to take suitable anticipatory actions and adjust its strategy in response to the evolving landscape.



Financial Review

We will sustain value creation through execution excellence, and strong financial discipline.

Group Overview

The Group achieved a net profit including discontinued operations of \$927 million for 2022. All segments were profitable with improved year-on-year (yoy) performance from Energy & Environment and Asset Management. In 2022, Asset Management was the largest contributor with net profit of \$311 million, representing a third of the Group's earnings. Despite the headwinds in some markets, our Urban Development business continued to contribute significantly, accounting for \$282 million or 30% of the Group's profits. Reversing the net loss in the prior year, Energy & Environment contributed a net profit of \$172 million, or 19% of the Group's bottom-line. Connectivity and Corporate & Others accounted for 8% of the Group's profit. Discontinued operations registered a net profit of \$88 million, compared to FY 2021's net loss of \$225 million.

The performance including discontinued operations translated to earnings per share of 52.1 cents, as compared to 56.2 cents in 2021. Correspondingly, Return On Equity (including discontinued operations) (ROE) was 8.1% as compared to 9.1% in 2021.

Free cash outflow was \$408 million as compared to the free cash inflow of \$1.76 billion in 2021. This was largely due to lower divestment proceeds from asset monetisation completed and higher investments made during the year. During the year, the Group invested in several energy & environment and sustainable urban renewal-related investments including – Cleantech Renewable Assets, a solar platform; Eco Management Korea Holdings Co., Ltd, a South Korean waste management company; and an office building in South Korea for which the Group will undertake asset enhancement and refurbishment work

Key Performance Indicators

	2022 \$ million	22 vs 21 % +/-	2021 \$ million
Revenue ¹	6,620	–	6,611
Net profit	927	(9)	1,023
Earnings per share	52.1 cts	(7)	56.2 cts
Return on equity	8.1%	(11)	9.1%
Operating cash flow	260	n.m.f.	(352)
Free cash flow	(408)	n.m.f.	1,756
Total cash dividend per share	33.0 cts	–	33.0 cts

n.m.f. denotes no meaningful figure.

¹ Revenue from continuing operations.



We achieved a net profit of \$927 million for FY 2022, with Asset Management as the largest contributor, representing about a third of the Group's earnings.

to enhance its performance and value. Net gearing increased from 0.68 times a year ago to 0.78 times at the end of 2022 due to a higher net debt as well as a lower equity base.

Total cash dividend for FY 2022 will be 33.0 cents per share, the same as the total dividend in FY 2021. This comprises a proposed final cash dividend of 18.0 cents per share as well as an interim cash dividend of 15.0 cents per share paid in the third quarter of 2022.

Multiple Income Streams

Recurring income increased \$298 million yoy to \$560 million. This was underpinned by higher earnings achieved by the power & renewables business and M1, stronger share of results from an associated company in Europe under Keppel Infrastructure, and higher contributions from the stakes in the REITs and Trust that the Group owns. Earnings from EPC/Development for Sale were lower yoy mainly due to lower contributions from trading projects in China and lower gains from enbloc sales.

Multiple Income Streams (\$ million)

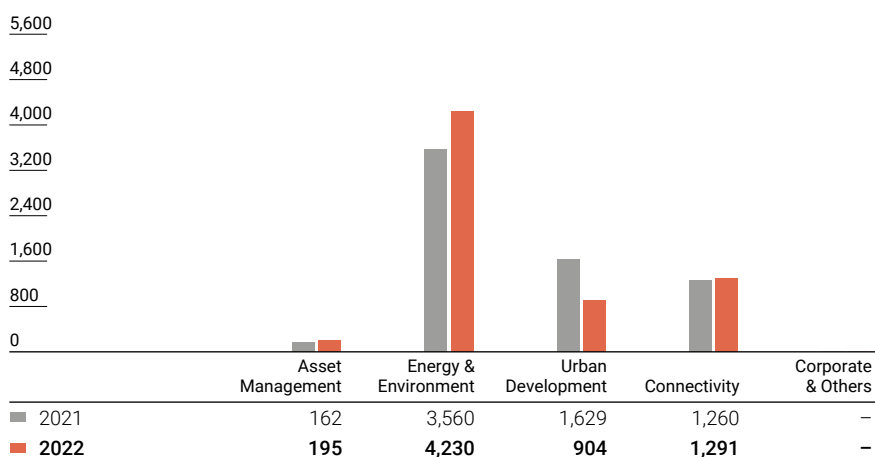


	2021	2022
Profit from Capital Recycling	61	(45)
FV Gain/(Loss) on Investments	315	58
Revaluation	317	282
EPC/Development for Sale	591	152
Recurring Income	262	560
Corporate Costs, Impairments and Others	(298)	(168)
Discontinued Operations	(225)	88
Total	1,023	927

Financial Review

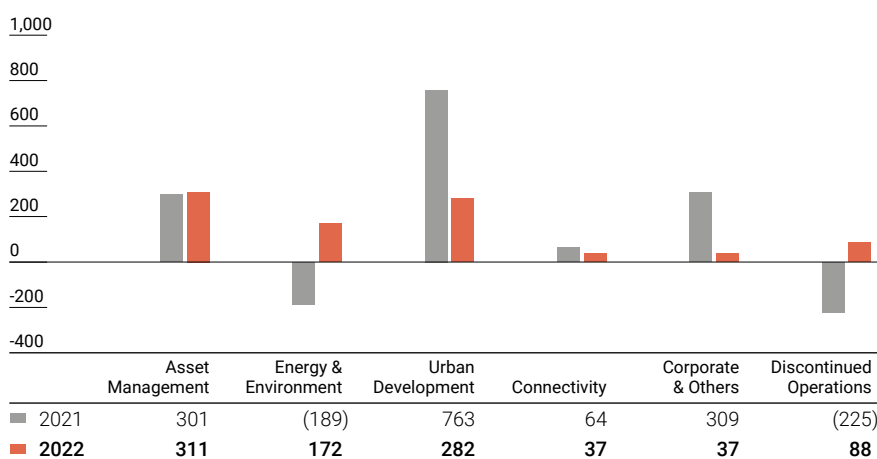
Our recurring income more than doubled yoy to \$560 million in FY 2022.

Revenue¹ (\$ million)



¹ Numbers are for continuing operations.

Net Profit/(Loss) (\$ million)



These arose largely as a result of the slowdown in the Chinese economy and China's zero-COVID policy, which affected home sales, the completion and handover of units, as well as asset monetisation. However, the Chinese economy is expected to recover in the coming months following the relaxation of COVID restrictions. The implementation of support policies targeted at both property developers and homebuyers should also help to bolster market sentiments. Although lower yoy, the Group continued to record healthy revaluation gains on investment properties and data centres, as well as fair value gains on investments in 2022. Impairments in 2022 were much lower than in the prior year when the Group recognised provisions related to KrisEnergy exposure.

Segment Operations

Group revenue from continuing operations of \$6,620 million was at about the same level as 2021. Asset Management achieved a 20% or \$33 million increase in revenue to \$195 million underpinned by higher acquisition fees and management fees resulting from increased acquisitions completed. Revenue from Energy & Environment increased by \$670 million or 19% to \$4,230 million led by higher electricity and gas sales, and higher revenue recognition from Keppel Seghers' projects abroad. Urban Development's revenue decreased by \$725 million to \$904 million mainly due to lower revenue from property trading projects in China as a result of fewer units completed and handed over during the year. Revenue from Connectivity increased by \$31 million to \$1,291 million mainly due to M1 reporting higher mobile and enterprise revenue, including contribution from the newly acquired Glocomp Systems (M) Sdn Bhd, partly offset by lower handset sales, and lower revenue from the logistics business following the divestment of the logistics portfolio in Southeast Asia and Australia in July 2022.

Group net profit from continuing operations of \$839 million was \$409 million or 33% lower than that in 2021.

Net profit from Asset Management increased by \$10 million to \$311 million mainly due to higher fair value gains on investment properties recorded by Keppel REIT, and higher fee income arising from acquisitions completed. These were partly offset by mark-to-market losses from investments, as well as lower fair value gains on data centres recorded by Keppel DC REIT and private funds.

Energy & Environment registered a net profit of \$172 million in 2022, reversing the net

loss of \$189 million in 2021, which had included an impairment of \$318 million relating to the Group's exposures to KrisEnergy, partially offset by share of Floatel's net restructuring gain of \$215 million. For the current year, the segment recorded higher electricity and gas sales and contributions from Keppel Seghers' projects abroad, higher share of results from an associated company in Europe, and lower share of losses from Floatel. These were partially offset by the provision for supply chain cost escalation in the environment business.

Net profit from Urban Development decreased by \$481 million to \$282 million mainly due to lower contributions from property trading projects in China, lower fair value gains from investment properties, as well as lower gains from enbloc sales. The segment completed the disposals of Upview and Sheshan Riviera projects in Shanghai in 2022, as compared to the recognition of gains from the disposals of 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 in 2021.

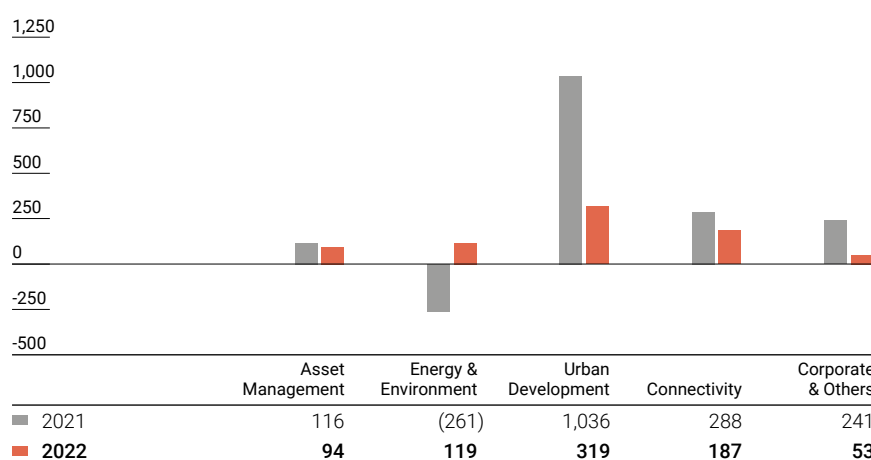
Connectivity's net profit of \$37 million was \$27 million lower than that in 2021. This was mainly due to the absence of gains from the divestment of interests in Keppel Logistics (Foshan) and Wuhu Sanshan Port Company Limited in 2021, and lower fair value gains on data centres, which was partly offset by higher net profit from M1.

Net profit from Corporate & Others decreased by \$272 million to \$37 million mainly due to lower fair value gains on investments and lower investment income. In the prior year, the segment recorded significant distribution income and fair value gains from its investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P..

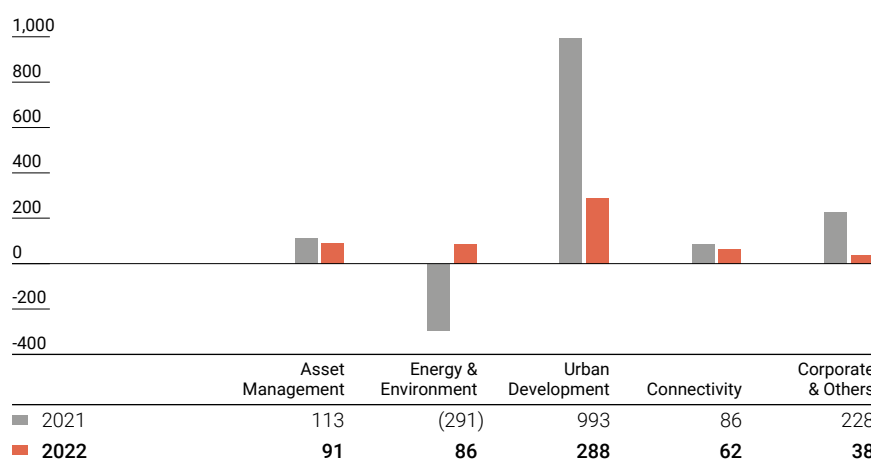
The Group's taxation decreased yoy mainly due to lower taxable profit from Urban Development. Taking into account income tax expenses, non-controlling interests and profit attributable to holders of perpetual securities, the Group's net profit from continuing operations attributable to shareholders for 2022 was \$839 million. All segments were profitable, including Energy & Environment which had registered a loss in 2021.

Including discontinued operations, the Group's net profit attributable to shareholders was \$927 million, which was \$96 million lower yoy.

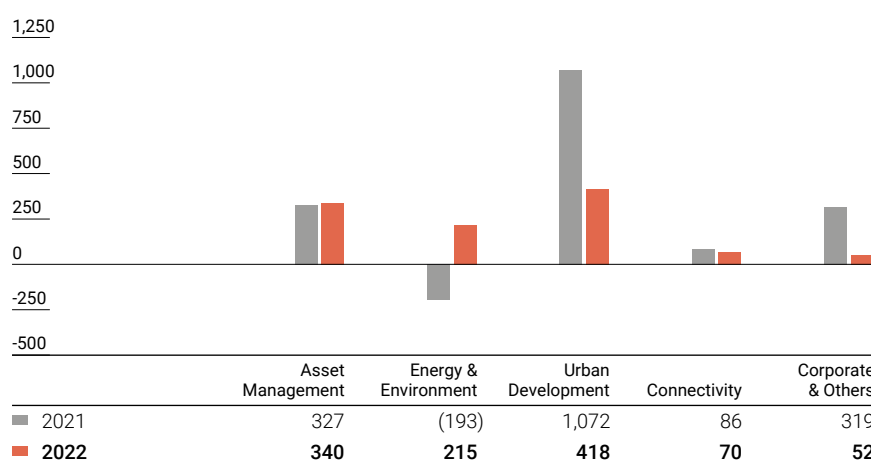
EBITDA¹ (\$ million)



Operating Profit/(Loss)¹ (\$ million)



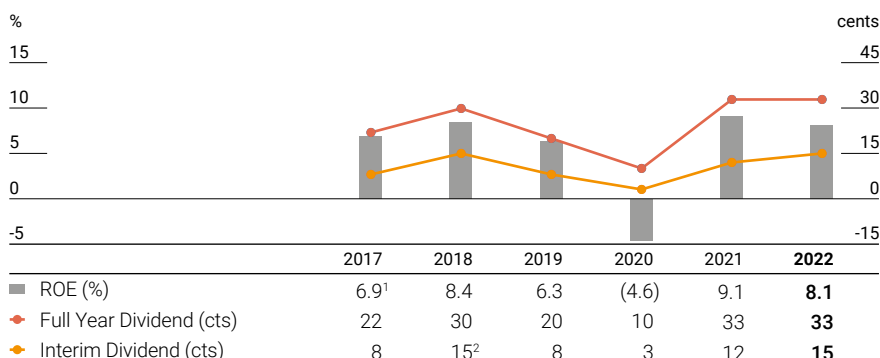
Profit/(Loss) Before Tax¹ (\$ million)



¹ Numbers are for continuing operations.

Financial Review

ROE & Dividend



¹ Excludes one-off financial penalty from global resolution & related costs.

² Includes special cash dividend of 5.0 cents/share.

The discontinued operations recorded a net profit of \$88 million, as compared to the net loss of \$225 million in 2021. In addition to revenue recognition from new projects and higher progressive revenue recognition on existing projects, the offshore & marine business recorded higher investment income, gains from the divestment of certain assets and a partial write-back of impairments on legacy rigs. These were partly offset by the provisions made for cost overruns on certain projects in Keppel's O&M's yard in the US. The Group has also ceased depreciation for the relevant assets classified under the disposal group held for sale.

Shareholder Returns

ROE was 8.1%, compared to 9.1% in the previous year.

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 2022, comprising a proposed final cash dividend of 18.0 cents per share as well as the interim cash dividend of 15.0 cents per share distributed in the third quarter of 2022. On a per share basis, it translates into a gross yield of close to 7% on Keppel's adjusted share price of \$4.73¹ as at 31 December 2022.



¹ Adjustment relates to distribution *in specie* of Sembcorp Marine Ltd shares. Source: Bloomberg.

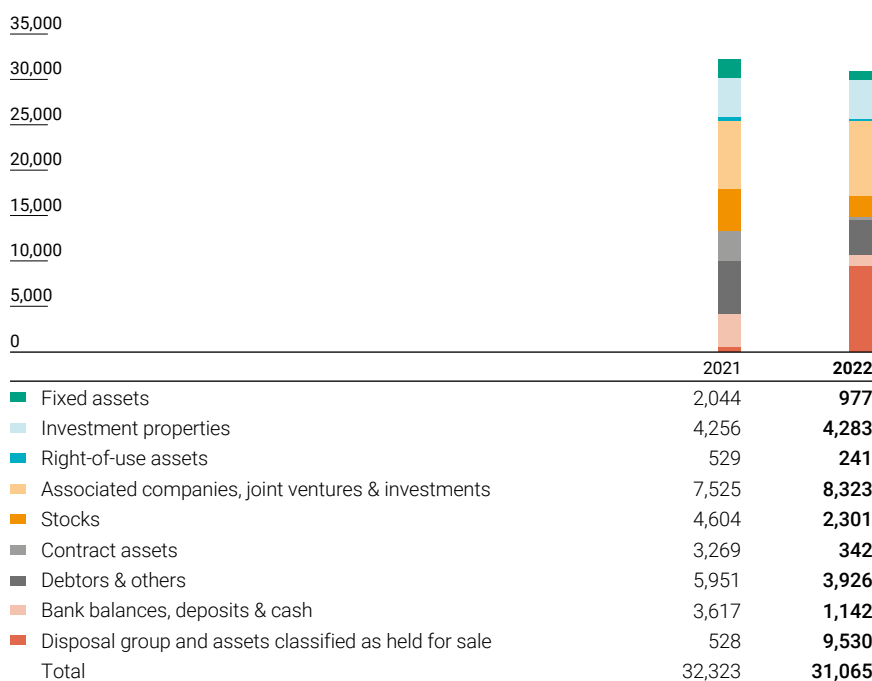
Financial Position

Following the announcement on 27 April 2022 and in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities related to Keppel O&M, excluding the out-of-scope assets, had been presented in the balance sheet as "Disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" as at 31 December 2022.

Group shareholders' funds decreased by \$0.48 billion to \$11.18 billion as at 31 December 2022. The decrease was mainly attributable to share buyback programme and foreign exchange translation losses, payment of final dividend of 21.0 cents per share in respect of financial year 2021, and payment of interim dividend of 15.0 cents per share in respect of the half year ended 30 June 2022, partly offset by retained profits and increase in fair value on cash flow hedges during the year.

Group total assets were \$31.07 billion as at 31 December 2022, \$1.26 billion lower than

Total Assets Owned (\$ million)



We will be distributing a total cash dividend of 33.0 cents per share for FY 2022, representing a gross yield of close to 7% on Keppel's adjusted share price of \$4.73 as at 31 December 2022.

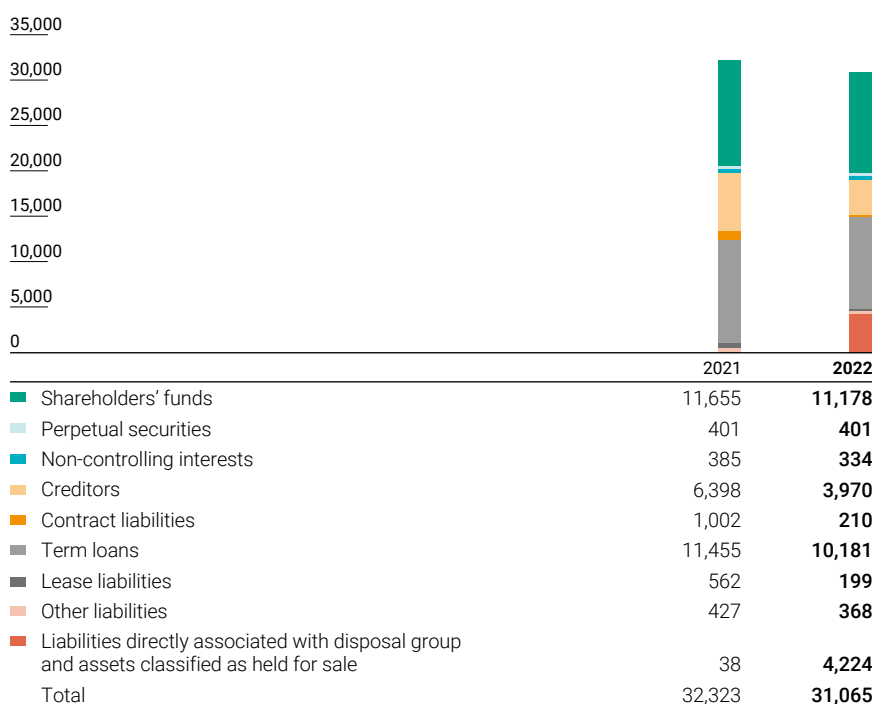
the previous year end. This was largely attributable to decrease in bank balances, deposits & cash, stocks and contract assets, partly offset by increase in investments in associated companies and joint ventures.

Group total liabilities of \$19.15 billion as at 31 December 2022 were \$0.73 billion lower than the previous year end. This was largely attributable to the net repayment of term loans.

Management also took into consideration climate-related issues and there was no material impact on the Company's financial reporting in FY 2022.

Group net debt increased by \$0.84 billion to \$9.24 billion as at 31 December 2022, driven largely by dividend payments, share buybacks, investments in associated companies and joint ventures as well as additions of fixed assets and investment properties. Total equity decreased by \$0.53 billion mainly due to decrease in shareholders' funds as explained above. As a result, group net gearing ratio increased from 68% at 31 December 2021 to 78% at 31 December 2022.

Total Liabilities Owed and Capital Invested (\$ million)



Financial Review

Total Shareholder Return (%)



Total Shareholder Return

Our 2022 Total Shareholder Return (TSR) of 49.3% was 40.9 percentage points above the benchmark Straits Times Index's (STI) TSR of 8.4%. Our 10-year annualised TSR growth rate was 0.1% as compared to STI's 3.9%.

Our 2022 Total Shareholder Return of 49.3% was 40.9 percentage points above the benchmark Straits Times Index's TSR of 8.4%.

Cash Flow

Net cash from operating activities was \$260 million for 2022. Net cash used in investment activities was \$668 million. The Group spent \$1,616 million on investments and operational capital expenditure and net advances to associated companies, joint ventures and joint venture partner of \$211 million. After taking into account the proceeds from divestments

and dividend income of \$1,159 million, the free cash outflow was \$408 million.

The free cash outflow as compared to free cash inflow in the prior year was mainly due to lower divestment proceeds from asset monetisation completed and higher investments made during the year. Proceeds from divestments completed during the

year included the divestment of Shanghai Fengwo Apartment Management Co Ltd, Shanghai Jinju Real Estate Development Co Ltd and Keppel Logistics Pte. Ltd., all of which are part of the Group's asset monetisation programme. In 2022, the Group invested in several energy & environment and sustainable urban renewal-related investments including –

Cash Flow

	2022 \$ million	22 vs 21 + / (-)	2021 \$ million
Operating profit	727	(171)	898
Depreciation, amortisation & other non-cash items	(406)	164	(570)
Cash flow provided by operations before changes in working capital	321	(7)	328
Provisions made for stocks, contract assets and doubtful debts	87	(159)	246
Working capital changes	418	927	(509)
Interest receipt and payment & tax paid	(566)	(149)	(417)
Net cash from/(used in) operating activities	260	612	(352)
Investments & capital expenditure	(1,616)	(844)	(772)
Divestments & dividend income	1,159	(1,719)	2,878
Advances from/(to) associated companies, joint ventures and joint venture partner	(211)	(213)	2
Net cash from/(used in) investing activities	(668)	(2,776)	2,108
Free cash flow	(408)	(2,164)	1,756
Dividend paid to shareholders of the Company & subsidiaries	(676)	(319)	(357)

We continued to strengthen our business resilience amidst rising interest rates. As at end-2022, about 67% of the Group's borrowings were on fixed rates, with an average interest cost of 3.24% and weighted tenor of about three years.

Cleantech Renewable Assets, a solar energy platform; Eco Management Korea Holdings Co., Ltd, an integrated waste management services company; and 800 Super Holdings Limited, an integrated environmental solutions provider and capital expenditures.

Total distribution to shareholders of the Company and non-controlling shareholders of subsidiaries for the year amounted to \$676 million.

Borrowings¹

The Group borrows from local and foreign banks in the form of corporate 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 2022 were \$10.2 billion (2021: \$11.5 billion). At the end of 2022, 35% (2021: 41%) of Group borrowings were repayable within one year with the balance largely repayable more than two years later.

Unsecured borrowings constituted 93% (2021: 94%) of total 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 \$2.17 billion (2021: \$2.22 billion).

Fixed rate borrowings constituted 66%² (2021: 70%) 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 \$4,710 million whereby it receives foreign currency fixed rates and variable rates equal to AUD BBSY and USD SOFR (in the case of the cross currency swaps) and variable rates equal to SOR, SORA and USD-LIBOR and USD SOFR (in the case of interest rate swaps) and pays fixed rates of between 0.06% 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% (2021: 64%) 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.

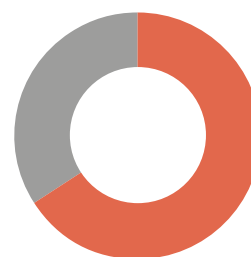
The weighted average tenor of the Group's debt was about three years at the end of 2022 and at the end of 2021, with an increase in average cost of funds as compared to end of 2021.

Secured/Unsecured Borrowings (%)



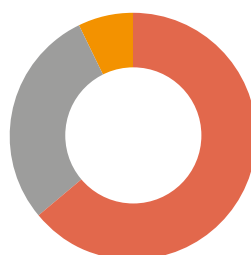
● Secured	7
● Unsecured	93
Total	100

Fixed/Floating Borrowings (%)



● Fixed	66 ²
● Floating	34
Total	100

Borrowings by Currency (%)



● SGD	64
● USD	29
● Others	7
Total	100

Debt Maturity (\$ million)



● > 5 Years	1,072	11%
● 4-5 Years	1,468	14%
● 3-4 Years	1,024	10%
● 2-3 Years	1,180	12%
● 1-2 Years	1,859	18%
● < 1 Year	3,578	35%
Total	10,181	100%

¹ Borrowings exclude lease liabilities.

² Fixed rate borrowings exclude perpetual securities which have been accounted for as equity. Including perpetual securities, fixed rate borrowings would be 67%.

Financial Review

Keppel's strong financial capacity allows us to drive transformation and pursue growth opportunities in line with Vision 2030, as well as reward our shareholders.

Capital Structure & Financial Resources

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

Capital Structure

Total equity at end-2022 was \$11.91 billion as compared to \$12.44 billion as at end-2021. The Group was in a net debt (including lease liabilities) position of \$9,238 million as at end-2022, which was above the \$8,400 million as at end-2021. The Group's net gearing ratio was 0.78 times as at end-2022, compared to 0.68 times as at end-2021.

At the Annual General Meeting in 2021, shareholders gave their approval for the mandate to buy back shares. During the year, 75,864,000 shares were bought back and held as treasury shares. The Company also transferred 8,209,410 treasury shares to employees upon vesting of shares released under the KCL Share Plans. As at the end of the year, the Company had 68,597,849 treasury shares. Except for the transfer, there was no other sale, transfer, disposal, cancellation and/or use of treasury shares during the year.

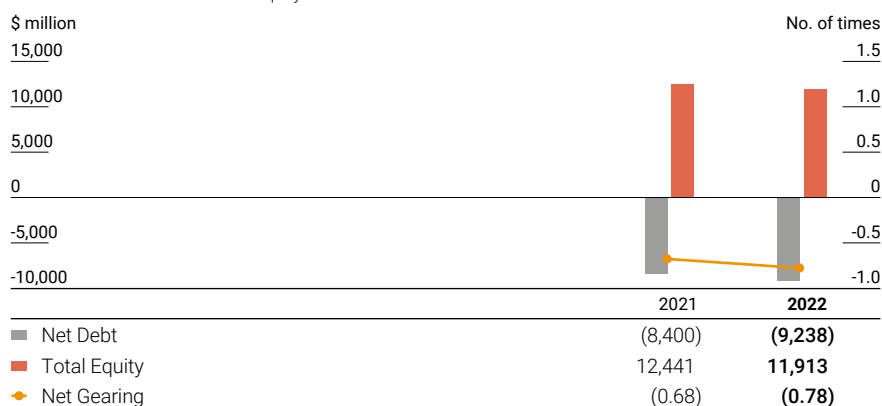
Financial Resources

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

Net Cash/(Gearing)

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



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-2022, total available credit facilities, including cash at Corporate Treasury and bank guarantee facilities, amounted to \$5.83 billion (2021: \$8.08 billion).

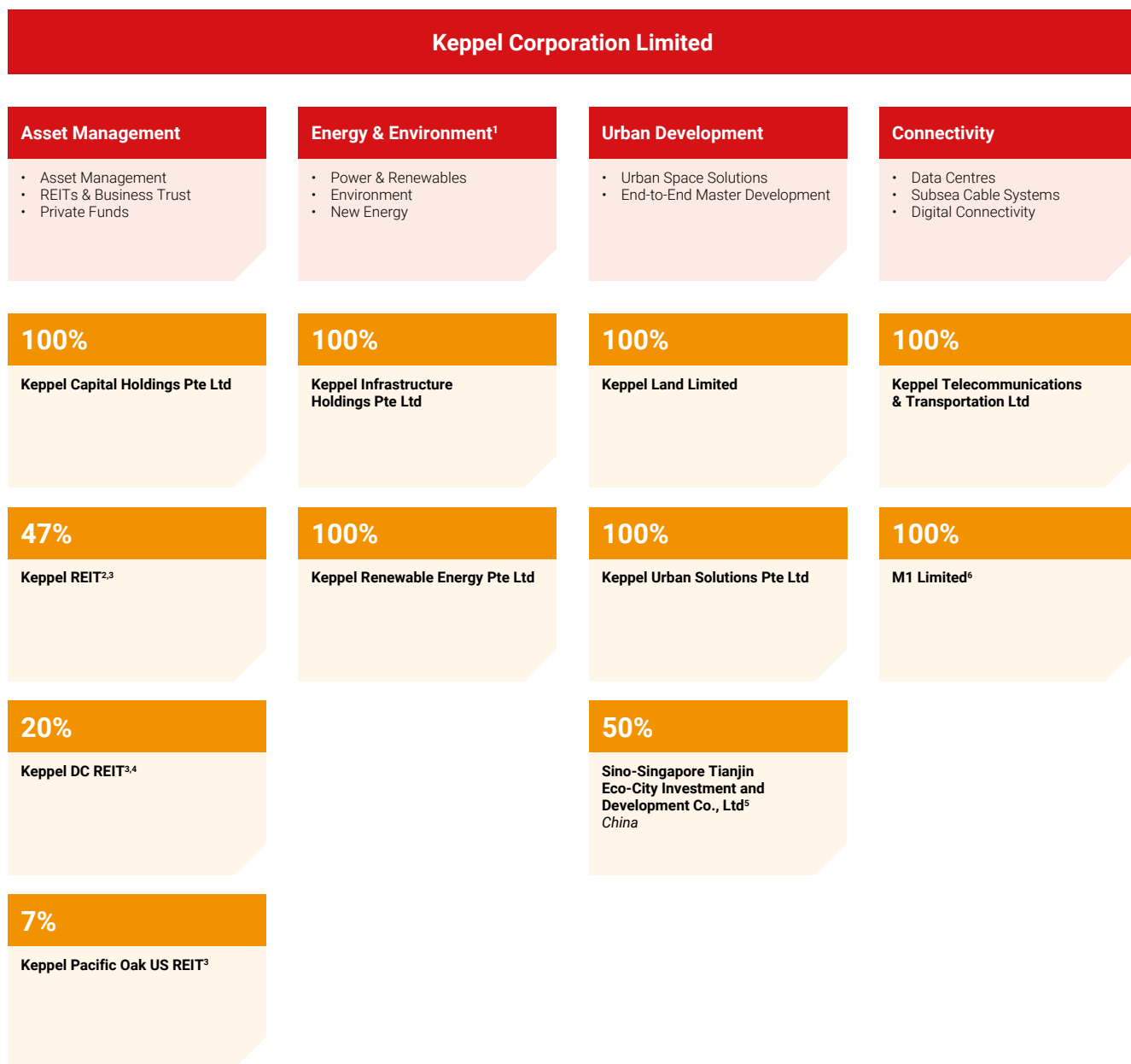
Critical Accounting Judgments & Estimates

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 judgements 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.

Financial Capacity

	\$ million	Remarks
Cash at Corporate Treasury	390	34% of total cash of \$1.14 billion
Available credit facilities to the Group	5,438	Credit facilities of \$9.34 billion, of which \$3.90 billion was utilised
Total	5,828	

Group Structure



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 Excludes Keppel Offshore & Marine (Keppel O&M), as the combination of Keppel O&M and SemboCorp Marine Ltd was completed on 28 February 2023.
- ² Owned by Keppel Land Limited (40%) and Keppel Capital Holdings Pte Ltd (7%).
- ³ Public listed company.
- ⁴ Owned by Keppel Telecommunications & Transportation Ltd (19.6%) and Keppel DC REIT Management Pte Ltd (0.6%).
- ⁵ Owned by a Singapore Consortium, which is in turn 90%-owned by the Keppel Group.
- ⁶ Owned by Keppel Konnect Pte Ltd (19%), and Connectivity Pte Ltd (81%), which are in turn 100%-owned and 80%-owned by the Keppel Group respectively.

Updated as at 2 March 2023. 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:

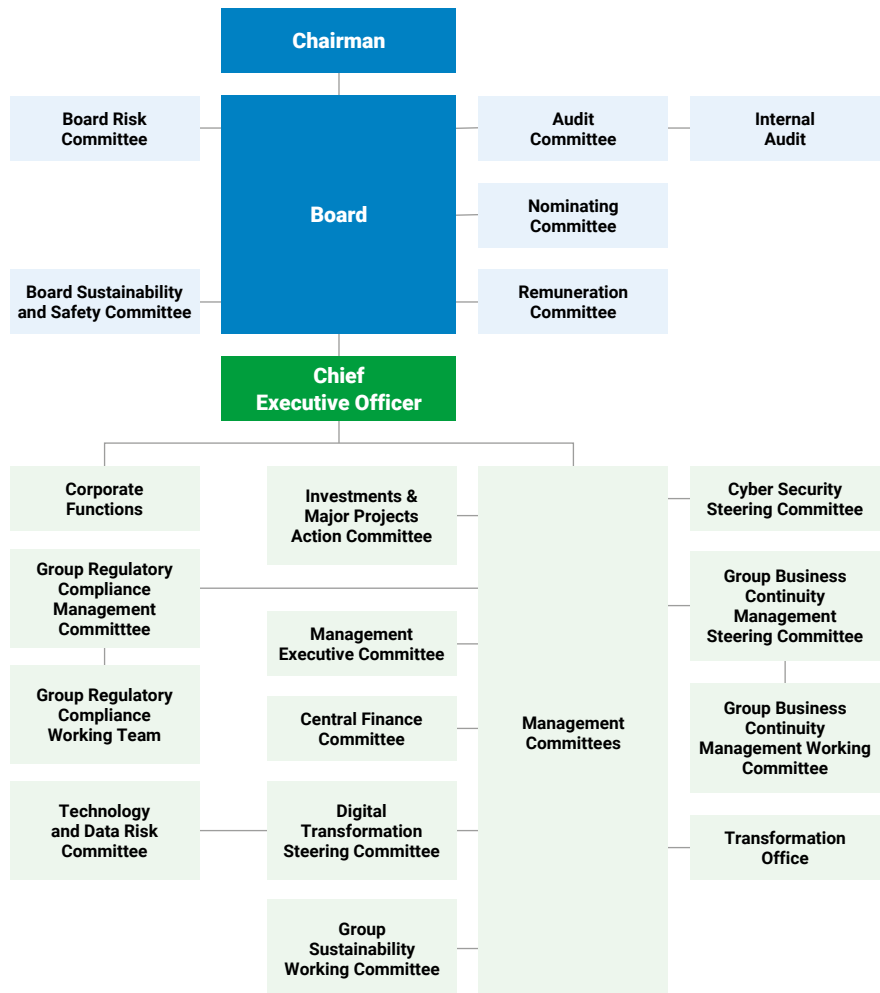
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

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.

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. 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

KCL’s governance structure is as follows:

Governance Framework 2022



of corporate governance with the full support of the directors, Company Secretaries and management.

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 a non-executive and non-independent Chairman. As Lead Independent Director, Mr Vestring supports the Chairman and the Board to ensure effective corporate governance in managing the affairs of 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 channels of the Chairman and management has failed to resolve the matter or has been inadequate or inappropriate. He is also the chairman of the Remuneration Committee and a member of the Nominating Committee.

To assist the Board in the discharge of its oversight function, various board committees, namely the Audit, Board Risk, Nominating, Remuneration, and Board Sustainability and 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, 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 of the respective committees 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*, 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 Executive Committee ("MexCo")*, which brings together the CEO and CFO of the Company, business unit ("BU") CEOs, and select members of the Group's senior management, to review, deliberate and approve major business, governance, organisation/ people and risk management related decisions that impact the whole Group or a substantial part of the Group; to delegate their implementation to specific groups or individuals; to review and track progress of previously approved decisions; and to oversee the development and review of overarching compliance policies and guidelines for the Group. MexCo also oversees sustainability issues, including determining the Group's policies and targets;
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*, 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. *Digital Transformation Steering Committee*, which provides strategic guidance and endorses group-wide technology vision, initiatives and policies to achieve alignment and optimisation in achieving business strategies;
7. *Group Sustainability Working Committee*, which drives, coordinates and monitors the execution of the Group's sustainability efforts;
8. *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;
9. *Group Business Continuity Management Steering Committee*, 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;
10. *Group Business Continuity Management Working Committee*, which supports the Group Business Continuity Management Steering Committee 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
11. *Transformation Office*, which was established to drive the implementation of the Group's Vision 2030, to develop the strategic roadmap of the Company's transformation into an integrated business, and to coordinate the projects and initiatives across the Group.

Corporate Governance

Board Matters

The Company's directors have equal responsibility to oversee the business and affairs of the Group. Management on the other hand is responsible for the day-to-day operation and administration of the Group in accordance with the policies and strategy set by the Board.

At the wholly-owned subsidiary companies level, each major subsidiary company's board comprises at least five directors, including the CEO and CFO of the Company, the CEO of the subsidiary company, one or two next generation leaders of the Group and one independent director from the Board of the Company. This allows for more efficient and coordinated decision making and enables the Board to maintain appropriate oversight through the CEO and CFO of the Company and independent director of the Board on the respective major subsidiary companies' boards, 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 on the boards of major subsidiary companies is to provide them with greater exposure as part of succession planning and talent management. Matters discussed at the quarterly board meetings of the respective major subsidiary companies include sustainability and safety, risk and compliance, audit, internal 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's 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 Group, 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 Group'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: The Company's directors are required 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 2022, 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 Board strategy meeting, which includes directors as well as senior management and potential next generation leadership, includes a review of the progress made, deep-dive discussions on key strategic issues, and alignment on the strategic direction going forward. It provides a good platform for the non-executive directors to have a deep understanding of the Group and its businesses and get to know the current and future leadership team.

For FY 2022, the focus of the strategy meeting was on the progress and execution of Vision 2030, which included an in-depth scenario planning exercise taking into account the volatility of the external environment, as well as recurring topics such as sustainability. The strategy meeting also covered an in-depth review of each of the four business segments (Asset Management, Urban Development, Energy & Environment and Connectivity) and the related key projects.

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**"), extraordinary general meeting ("**EGM**"), and the board and board committee meetings held in FY 2022, are disclosed in the table below:

Attendance

	2022 Annual General Meeting	2022 Extraordinary General Meeting	Board Meetings	Board Committee Meetings				
				Audit	Nominating	Remuneration	Sustainability and Safety	Risk
Danny Teoh	1	1	11	–	4	5	4	–
Loh Chin Hua	1	1	11	–	–	–	4	–
Till Vestring	1	1	11	–	3	5	–	–
Veronica Eng	1	1	11	5	–	–	–	4
Jean-François Manzoni	1	1	9	–	4	5	–	–
Teo Siong Seng	1	1	11	–	–	–	4	–
Tham Sai Choy	1	1	11	5	–	–	–	4
Penny Goh ¹	1	1	11	5	–	2 out of 2	–	4
Shirish Apte	1	1	9	5	–	–	–	4
Olivier Blum ²	0	1	5 out of 6	–	–	–	1 out of 2	–
Jimmy Ng ³	0	1	6 out of 6	–	–	–	–	2 out of 2
No. of Meetings Held	1	1	11	5	4	5	4	4

Notes:

¹ Mrs Penny Goh was appointed as a member of the Remuneration Committee with effect from 1 June 2022.

² Mr Olivier Blum was appointed as a non-executive and independent Director and a member of the Board Sustainability and Safety Committee with effect from 1 May 2022.

³ Mr Jimmy Ng was appointed as a non-executive and independent Director and a member of the Board Risk Committee with effect from 1 May 2022.

Barring unforeseen circumstances, directors are expected to attend all board and board committee meetings. 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 and/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' ("NED") Meetings:

NED meetings, chaired by the Board Chairman, are held at the end of each scheduled quarterly board 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 is shared and discussed with the CEO.

Independent Directors' ("ID") Meetings:

ID meetings, chaired by the Lead Independent Director, are held on a need-be basis after the NEDs' meetings at the end of each scheduled quarterly board meeting, without the presence of the Board Chairman and management. From FY 2023, ID meetings are held twice a year in January and July, and on a need-be basis, without the presence of the Board Chairman and CEO. Any relevant feedback would be shared and discussed with the Board Chairman.

Company Secretaries: The Company Secretaries administer, attend and prepare minutes of board proceedings. They assist the Board Chairman to ensure that board procedures (including but not limited to assisting the Board 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 Board 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.

Corporate Governance

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 directors 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 Board is briefed 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 are 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 2022, some directors attended talks on topics relating to sustainability, digitalisation, decarbonisation and diversity trends, health, safety & environment, technology foresight, China's business environment, risk management, governance and macroeconomic trends. E-training was also conducted on the Group's Code of Conduct and its policies on anti-bribery, conflict of interest, health, safety & environment, whistle-blowing, sanctions, insider trading, and cyber security. All directors have also attended sustainability training courses mandated by Singapore Exchange Regulation (SGX RegCo).

Each director is also invited to participate in the annual Keppel Technology Advisory Panel conference. In the one-day lineup held in

FY 2022, over 25 distinguished speakers shared their vision of the future with over 300 participants including the Company's Board, management and key leadership teams across the Group's lines of business. Topics covered included imagining the customers and employees of tomorrow, how resource constraints will shape the future, connectivity technologies including Web3, Metaverse and Quantum Computing, the next horizon for Energy Transition, the evolving carbon economy of the future, the future of liveability across senior living, built environment and servitisation of business, as well as sustainability financing and impact investing.

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 Nominating Committee ("NC") comprises entirely NEDs, the majority of whom (including the chairman of the NC) are independent, namely:

- Prof Jean-François Manzoni
Independent Chairman
- Mr Danny Teoh
Non-Executive and
Non-Independent Member
- Mr Till Vestring
Independent Member

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 the NC are disclosed on pages 109 to 110 herein.

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, age, race/ethnicity and nationality) 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.

Process for appointment of new directors

- a. NC reviews annually the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, race/ethnicity and nationality, and 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.
- 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.
- 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
- 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 shortlisted 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.

Process for re-nomination of retiring Directors

- a. Pursuant to the Constitution, one-third of the directors shall retire from office at the Company's annual general meeting every year, and a director appointed after the last annual general meeting shall only hold office until the next annual general meeting. If eligible, these directors may submit themselves for re-election.
- 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. NC makes recommendations to the Board for approval.

Corporate Governance

Achievement of Qualitative and measurable Quantitative Objectives identified under the Board Diversity Policy for the period FY 2022 to FY 2024, and Adoption of New Rolling 3-year Board Diversity Objective for the period FY 2023 to FY 2025

The objectives identified by the NC in FY 2021 for the period FY 2022 to FY 2024 were reviewed in January 2022 and more recently in January 2023.

The progress towards achieving such objectives as at the end of FY 2022 are set out below.

Objectives	Progress
<p>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.</p>	<p>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). Prior to his retirement from Citigroup in 2014, Mr Apte had built up 32 years of financial services experience, holding various senior roles within the group, 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.</p> <p>Mr Jimmy Ng was appointed as an independent director to the Board with effect from 1 May 2022. Mr Ng is currently the Group Chief Information Officer, as well as Head of Group Technology & Operations at DBS Bank. He possesses more than 30 years of regional and global experience in both wholesale banking and consumer banking businesses with DBS Bank, RBS, ABN Amro Bank and J.P. Morgan. Prior to his current appointment, Jimmy was the Chief Audit Executive for Group DBS and the Head of Consumer Banking Operations, where he spearheaded the transformation of the Audit function and the Consumer Banking Operations using advanced data analytics and machine learning techniques. The NC was of the view that Mr Ng was a suitable addition to the Board given his in-depth experience and expertise in driving digitalisation as a corporate strategy, and significant experience in the application of technology and innovations across a spectrum of areas, considering that under Vision 2030, the Group's growth would in part be driven by advanced technologies and digitalisation, and investment in new technologies and building capabilities would be critical to get the Group to where it wants to be in the future.</p> <p>Mr Olivier Blum was appointed as an independent director to the Board with effect from 1 May 2022. Mr Blum is currently the Executive Vice-President of Schneider Electric's Energy Management Business and a member of the company's Executive Committee. Prior to this, Mr Blum was the Chief Strategy & Sustainability Officer of Schneider Electric, where he led the development of the company's strategic, sustainability and quality initiatives, while steering its merger, acquisitions, and divestment activities globally. Before this, he was on Schneider Electric's Executive Committee as the company's Chief Human Resources Officer. Currently based in Hong Kong, Mr Blum has been living and working in Asia for the last two decades, during which he has held leadership positions in China and India. The NC was of the view that Mr Blum's in-depth experience and expertise in sustainability could help drive the Group's sustainability-as-a-business initiative and guide the Group on its sustainability journey. Further, as the Group continues on its transformational journey under Vision 2030, the Board will benefit from Mr Blum's regional operational experience in China and India, and his talent management experience as a former Chief Human Resource Officer.</p>
<p>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.</p>	<p>With the appointment of Mr Jimmy Ng and Mr Olivier Blum, both of whom are in their 50s, the age diversity of the Board has improved.</p> <p>The NC, in consultation with management, continues to source for suitable candidates with relevant knowledge and experience while also being mindful of age and gender diversity.</p>
<p>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</p>	<p>Mr Jimmy Ng, who was appointed as an independent director to the Board with effect from 1 May 2022, has in-depth experience and expertise in driving digitalisation as a corporate strategy, and significant experience in the application of technology and innovations across a spectrum of areas.</p> <p>Mr Olivier Blum, who was appointed as an independent director to the Board with effect from 1 May 2022, has in-depth experience and expertise in sustainability that could help drive the Group's sustainability-as-a-business initiative and guide the Group on its sustainability journey.</p>

In January 2023, in view of the substantial progress that had been made in respect of the diversity objectives previously identified, a further 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, was undertaken. It was noted by the NC that the focus of the Board diversity objectives for the next rolling 3-year period from FY 2023 to FY 2025 could be appropriately consolidated as shown in the diagram on the right.

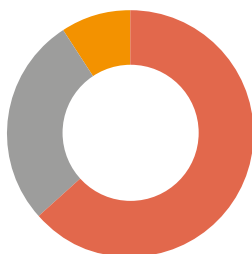


Objective

Source for candidates with deep knowledge and experience in investment, infrastructure/engineering and relevant regional expertise, while being mindful of age and gender diversity.

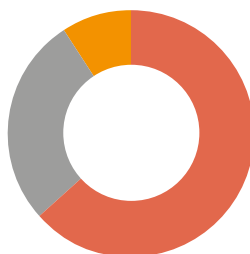
Other Aspects of Diversity

Race or Ethnicity (%)



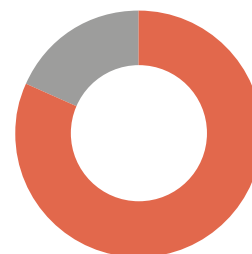
● Chinese	63.6
● Caucasian	27.3
● Indian	9.1
Total	100.0

Tenure (%)



● 0-4 years	63.6
● 5-9 years	27.3
● Above 9 years	9.1
Total	100.0

Gender (%)



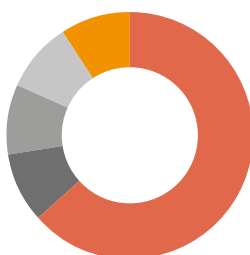
● Male	81.8
● Female	18.2
Total	100.0

Age (%)



● 51-55	9.1
● 56-60	18.2
● 61-65	27.3
● 66-70	45.4
Total	100.0

Country of Origin, Nationality or Cultural Background (%)



● Singaporean	63.6
● German	9.1
● Canadian	9.1
● British	9.1
● French	9.1
Total	100.0

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

Corporate Governance

Retirements and Re-nomination

For the upcoming AGM, Mr Danny Teoh, Mr Till Vestring and Ms Veronica Eng will be retiring by rotation pursuant to the Constitution, and being eligible, will be seeking re-election. Mr Olivier Blum and Mr Jimmy Ng, having been appointed after the AGM held in FY 2022 (“2022 AGM”), will also be retiring at the upcoming AGM, and being eligible, will also be seeking re-election.

The NC has reviewed the abovementioned directors’ eligibility, contribution and performance, and taking into account the results of their recent peer assessment, are of the view that all five 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 the NC, had therefore approved the re-nomination of Mr Danny Teoh, Mr Till Vestring, Ms Veronica Eng, Mr Olivier Blum and Mr Jimmy Ng 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.

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.

Annual Review of Board Independence

The NC determines on an annual basis whether or not a director is independent. In January 2023, 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, consistent with the approach taken since the re-designation of Mr Teoh as non-executive and non-independent Chairman with effect from 1 January 2022, deemed Mr Teoh as non-independent.

The NC noted Mr Till Vestring had declared himself independent by virtue of the absence of ties, relationships or obligations to the Company. Taking these factors into consideration, along with his invaluable contributions to the Board and board committees, the NC unanimously agreed that Mr Vestring had 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 Ms Veronica Eng had declared herself independent and declared her position as member of the Investment Committee of Temasek Trust, which was established by Temasek to provide financial oversight and governance of philanthropic endowments and gifts from Temasek and other donors. Noting that Ms Eng did not hold any executive or management role in Temasek Trust, along with Ms Eng’s invaluable contributions to the Board and board committees, 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 noted that Prof Jean-François Manzoni had declared himself independent. Noting Prof Jean-François Manzoni’s absence of relationship to the Company which could interfere or be perceived to interfere with his independent judgment, the absence of circumstances which would deem him to be non-independent, and his valuable contributions to the Board and board committees, the NC unanimously agreed that Prof Jean-François Manzoni had 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 Mr Teo Siong Seng had declared his position as Executive Chairman of Pacific International Lines Pte Ltd which is majority owned by Heliconia Capital Management Pte. Ltd., a wholly-owned 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, the NC considered that market perception might be different, and the NC hence decided to deem Mr Teo as a non-executive and non-independent director.

The NC noted that Mr Tham Sai Choy had declared his directorship on DBS Group Holdings, DBS Bank Ltd., and DBS Bank (China) Limited, which provide banking 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, the NC unanimously agreed that Mr Tham had 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 provides legal services to the Group. Mrs Goh 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, the NC unanimously agreed that Mrs Goh 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 noted that Mr Shirish Apte had declared himself independent. Noting Mr Shirish Apte's absence of relationship to the Company which could interfere or be perceived to interfere with his independent judgment, the absence of circumstances which would deem him to be non-independent, and his valuable contributions to the Board and board committees, the NC unanimously agreed that Mr Shirish Apte had 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 Mr Jimmy Ng is the Group Chief Information Officer, as well as Head of Group Technology & Operations at DBS Bank which provides banking services to the Group. The NC considered that such interests had already been declared to the Board, and that Mr Ng 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. The NC further noted Mr Ng's declaration that apart from providing banking services to the group, DBS also procures telco services (including services from M1) after obtaining a range of quotes and evaluation by a committee. Taking these factors into consideration, along with Mr Ng's invaluable contributions to the Board and board committees, the NC unanimously agreed that Mr Ng had 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 Mr Olivier Blum declared himself independent and that he was an executive Vice President of Schneider Electric's Energy Management business. Noting Mr Blum's declaration that Schneider Electric is a minor supplier of the Keppel Group, and Mr Blum's invaluable contributions to the Board and board committees, the NC unanimously agreed that Mr Blum had 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.

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, Mr Shirish Apte, Mr Olivier Blum and Mr Jimmy Ng 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 abovementioned directors. In view of the above, the Board currently comprises a majority of independent directors, with a total of 11 directors of whom eight are independent. Taking into account the independence and diversity of the Board, the NC was 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 2023 and was 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 2022, all the directors performed well. The NC was therefore satisfied that in FY 2022, 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.

Corporate Governance

Key Information Regarding Directors

The following key information regarding directors is set out in the following pages of this Annual Report:

Pages 38 to 41: 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 127: 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, and the contribution by the Chairman and peer assessment of the individual directors to the effectiveness of the Board. The evaluation for FY 2022 was conducted by Egon Zehnder, as supported by the NC. The evaluation process is set out on page 111 of this Annual Report.

Formal Process and Performance Criteria:

The evaluation processes and performance criteria are disclosed in Appendix 1 to this report. The performance criteria was similar to that adopted in 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 allow 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 helps the directors to focus on their key responsibilities. The assessment exercise also allows for peer review with a view to raising the quality of Board members. It also assists 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 have 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 non-executive directors, the majority of whom (including the chairman of the RC) are independent, namely:

- Mr Till Vestring
Independent Chairman
- Mr Danny Teoh
Non-independent Member
- Prof Jean-François Manzoni
Independent Member
- Mrs Penny Goh
(from 1 June 2022)
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 and KCL Performance Share Plan (the KCL RSP and KCL PSP). 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 the RC are disclosed on page 110 herein.

Access to Expert Advice: The RC has access to expert advice from external remuneration consultants where required. In FY 2022, the RC sought views from external remuneration consultant, 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

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 Sustainability and Safety Committee	\$47,000	\$31,000
Nominating Committee	\$40,000	\$28,000

responsibilities of the Board and board committees. The revised directors' fee structure took effect from FY 2022 onwards and is set out in the table above.

Shareholders' approval for the payment of directors' fees will be sought at each AGM. If approved, each 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 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 directors' fees for that year (calculated on a pro-rated basis, where applicable) in cash.

The aggregate directors' fees for NEDs for FY 2023 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 2023. 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 and performance of the Group, its businesses and individual employees, 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:

- Shareholder Alignment: To incorporate performance measures that are aligned to shareholders' interests;
- Long-term Orientation: To motivate employees to drive sustainable long-term growth;
- Simplicity: To ensure that the remuneration structure is easy to understand and communicated to stakeholders; and
- Synergy: To facilitate talent mobility and enhance collaboration across businesses.

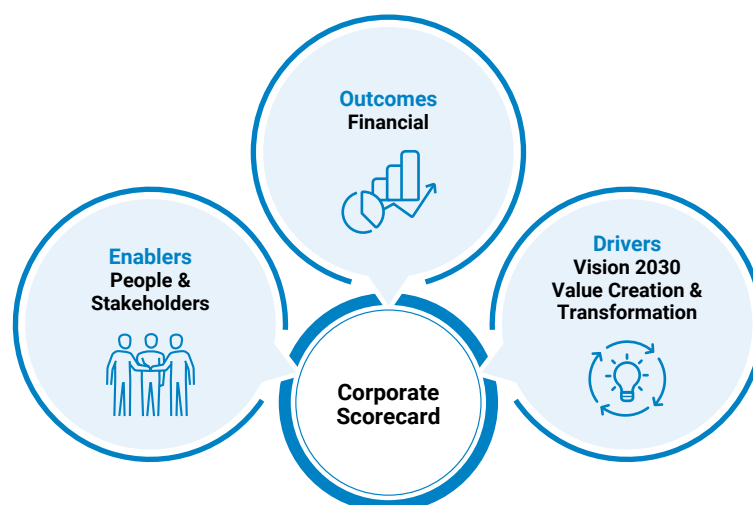
The total remuneration structure comprises three components; that is, annual fixed cash, annual performance bonus and the KCL Share Plans. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The size of the Company's annual performance bonus pot is determined by the Group's financial and non-financial performance and is distributed to employees based on their individual performance. For FY 2022, contingent shares were awarded under the New Share Plans. The KCL RSP and KCL PSP 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. The KCL PSP 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 judgement 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.

Corporate Governance

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 2022, there are three scorecard areas that the Company has identified as key to measuring the performance of the Group and aligned with the Vision 2030 goals – (i) Drivers – Vision 2030 Value Creation and Transformation; (ii) Outcomes – Financials; and (iii) Enablers – People and Stakeholders. 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. 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 Equity, Net Profit and Reduction in Carbon Emissions 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;
- c. vesting of contingent share awards under the KCL PSP 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.

For FY 2022, in consideration of the extraordinary contribution and effort put in by key management and certain employees towards the successful combination of Keppel Offshore & Marine Ltd ("**KOM**") and Sembcorp Marine Ltd ("**SCM**"), a one-off Special Bonus award had been granted to these individuals as a form of recognition. The Special Bonus is payable in the form

of cash bonus and deferred shares that will vest over a 3-year period.

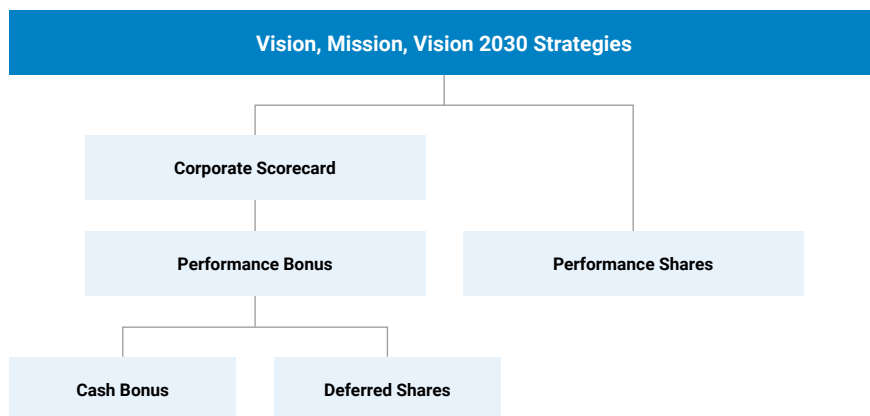
The RC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Group's risk profile.

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 Board and RC are of the view that the remuneration is aligned to performance during FY 2022.

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 applies to a broader base of employees while the KCL PSP applies to a selected group of key management personnel. The range of performance targets to be set under the KCL PSP emphasise stretched targets aimed at sustaining longer-term growth.

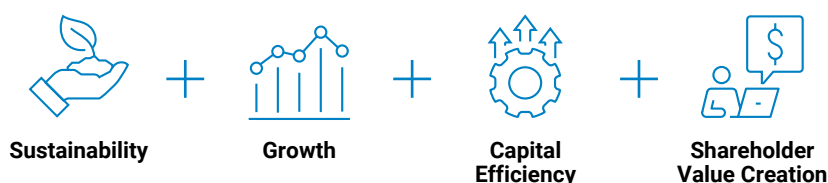
Given the Group's strong focus on providing sustainability-related solutions, various aspects of the remuneration framework have been enhanced for a stronger alignment with this focus. Sustainability related targets relating to the Group's own carbon footprint as well as commercialisable solutions have been incorporated in various incentive programmes, including the annual scorecard that determines the annual performance bonus pool

for all employees, the 3-year KCL PSP that is awarded to a selected group of key management personnel as well as the one-time 5-year V2030 PSP-TIP that was awarded to selected senior management and key employees who will be contributing significantly towards the attainment of Vision 2030. The weightages of the sustainability targets vary across the various programmes, weighing up to 25% for the 3-Year KCL PSP awards.

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. 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.

Details of the KCL Share Plans are set out in pages 128 to 131, and pages 166 to 169.

Targets of the 3-Year KCL Performance Share Plan (From FY 2022 Onwards)



Corporate Governance

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 2022

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 (\$)	Share Awards ^{3,4} (\$)		Total Remuneration (\$)
			Cash component ⁵	Shares component ⁵		PSP	RSP	
Loh Chin Hua	1,253,200	2,188,302	–	–	n.m. ⁶	2,428,000	2,272,998	8,142,500 ^{7,8}
Danny Teoh	–	–	525,000	225,000	–	–	–	750,000
Till Vestring ⁹	–	–	143,500	61,500	–	–	–	205,000
Veronica Eng ¹⁰	–	–	152,600	65,400	–	–	–	218,000
Jean-François Manzoni	–	–	125,300	53,700	–	–	–	179,000
Teo Siong Seng	–	–	108,500	46,500	–	–	–	155,000
Tham Sai Choy ¹¹	–	–	149,100	63,900	–	–	–	213,000
Penny Goh ¹²	–	–	145,023	62,152	–	–	–	207,175
Shirish Apte ¹³	–	–	132,300	56,700	–	–	–	189,000
Olivier Blum ¹⁴	–	–	65,311	27,990	–	–	–	93,301
Jimmy Ng ¹⁵	–	–	68,600	29,400	–	–	–	98,000

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 2022 were met.
- ² Based on the NEDs' fee structure set out in the 2021 Annual Report, the total fees amount to \$2,307,476. This amount is within the sum of up to S\$2,491,000 approved in the 2022 AGM.
- ³ Shares awarded under the KCL PSP are subject to pre-determined performance targets over a three-year performance period. As at 29 April 2022, being the grant date for the contingent awards under the KCL PSP, the estimated value of each share was \$6.07. For the KCL PSP, 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 award of KCL RSP deferred shares was granted for Mr Loh Chin Hua's performance and contributions in FY 2022. The Company's 2022 volume-weighted average share price of \$6.64 was used to determine the number of KCL RSP deferred shares to be awarded to him as well as his FY 2022 total remuneration. As at 15 February 2023, being the grant date for the awards under the KCL RSP, the estimated value of each share was \$6.73.
- ⁵ The amounts stated may be adjusted as indicated on pages 92 to 93 of this report.
- ⁶ n.m. – not material
- ⁷ In addition to the remuneration disclosed above, in view of the extraordinary contribution and effort put in by key management and certain employees towards the successful combination of Keppel Offshore & Marine Ltd and Sembcorp Marine Ltd, a one-off Special Bonus award had been granted to these individuals as a form of recognition (as per above). The RC had granted Mr Loh Chin Hua a one-off cash bonus of \$1,000,003 and a one-off grant of \$999,997 KCL RSP deferred shares. The Company's 2022 volume-weighted average share price of \$6.64 was used to determine the number of KCL RSP deferred shares to be awarded. Shares awarded under the KCL RSP are subject to vesting over a 3-year period. As at 1 March 2023, being the grant date for the awards under the KCL RSP, the estimated value of each share was \$5.13.
- 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 Till Vestring was concurrently a member of the Board of Keppel Telecommunications & Transportation Ltd in FY 2022 and will receive a fee of \$45,000 for his services rendered in the year.
- ¹⁰ Ms Veronica Eng was concurrently a member of the Board of Keppel Capital Holdings Pte Ltd in FY 2022 and will receive a fee of \$45,000 for her services rendered in the year.
- ¹¹ Mr Tham Sai Choy was concurrently a member of the Board of Keppel Offshore and Marine Ltd in FY 2022 and will receive a fee of \$45,000 for his services rendered in the year.
- ¹² Mrs Penny Goh retired as Chairman of Keppel REIT Management Limited ("KRML") with effect from 31 May 2022 and was a member of the Board of Keppel Land Limited ("KLL") in FY 2022. She will receive a prorated fee of \$62,055 for her services rendered to KRML and a fee of \$45,000 for her services rendered to KLL in the year.
- ¹³ Mr Shirish Apte was concurrently a member of the Board of Keppel Infrastructure Holdings Pte Ltd in FY 2022 and will receive a fee of \$45,000 for his services rendered in the year.
- ¹⁴ Mr Olivier Blum was appointed to the Board and as a member of the Board Sustainability and Safety Committee with effect from 1 May 2022. Fees are prorated accordingly.
- ¹⁵ Mr Jimmy Ng was appointed to the Board and as a member of the Board Risk Committee with effect from 1 May 2022. Fees are prorated accordingly.

PSP and RSP Shares granted and vested for the Executive Director are shown below:

Name of Executive Director	PSP Awards	Vesting Date	Awards of PSP Shares	Number of PSP Shares Vested	Value of PSP Shares Vested (\$) ¹	RSP Awards	Vesting Date	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	359,531	2,149,995	2020 Awards	28 Feb 2020	301,887	100,629	643,583	
							26 Feb 2021		100,629	517,233	
	2018 Awards ³	28 Feb 2022	0 to 480,000	134,400	803,712			28 Feb 2022		100,629	601,761
								26 Feb 2021	298,262 ⁵	86,956	446,954
	2019 Awards ³	28 Feb 2023	0 to 782,925 ⁵	-	-			28 Feb 2022		86,956	519,997
								28 Feb 2023		-	-
	2020 Awards	28 Feb 2023	0 to 782,925 ⁵	-	-			28 Feb 2023		-	-
								28 Feb 2022	510,775 ⁵	132,325	791,304
	2021 Awards	29 Feb 2024	0 to 782,925 ⁵	-	-			28 Feb 2022		-	-
		27 Feb 2026	0 to 2,080,650 ^{4,5}	-	-			28 Feb 2023		-	-
	2022 Awards	28 Feb 2025	0 to 858,000 ⁵	-	-		2023 Awards	28 Feb 2023	640,118 ⁵		
31 Mar 2023									-	-	
29 Feb 2024									-	-	
28 Feb 2025									-	-	

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 2022 were met.
- ² Refers to one-time contingent shares awarded under the Vision 2020 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 one-time contingent shares awarded under the Vision 2030 KCL PSP – TIP.
- ⁵ Arising from the distribution of SCM shares by way of distribution *in specie* to entitled Keppel shareholders following completion of the proposed combination of KOM and SCM on 28 February 2023 on the basis of 19.085033835 SCM shares per Keppel share, the RC approved the adjustments to unvested shares under the award.

The total remuneration paid to the key management personnel (who are not directors or the CEO) in FY 2022 was \$19,507,200. 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 and Name of Key Management Personnel	Base/Fixed Salary (%)	Performance-Related Cash Bonuses Earned ¹ (%)	Benefits-in-Kind (%)	Contingent Awards of Shares	
				PSP (%)	RSP (%)
Above \$4,250,000 to \$4,500,000					
Chan Hon Chew	19	28	n.m.	24	29
Above \$3,500,000 to \$3,750,000					
Tan Hua Mui, Christina ²	21	28	n.m.	24	27
Above \$2,500,000 to \$2,750,000					
Ong Leng Yeow, Chris	25	25	n.m.	24	26
Lim Lu-Yi, Louis	25	26	n.m.	24	25
Lim Joo Ling, Cindy	22	28	n.m.	22	28
Above \$1,750,000 to \$2,000,000					
Pang Thieng Hwi, Thomas	27	24	n.m.	25	24
Manjot Singh Mann	33	19	4	25	19

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 2022 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 In addition to the remuneration disclosed above, in view of the extraordinary contributions put in by the key management towards the successful combination of KOM and SCM, a one-off Special Bonus award comprising cash bonus and KCL RSP deferred shares had been granted to them. The Company's 2022 volume-weighted average share price of \$6.64 was used to determine the number of contingent KCL RSP deferred shares to be awarded. Shares awarded under the KCL RSP are subject to vesting over a 3-year period. As at 8 February 2023 and 1 March 2023, being the grant dates for the contingent awards under the KCL RSP, the estimated value of each share was \$6.69 and \$5.13 respectively. The cash bonus and deferred shares awards are each in the range of \$500,000 to \$750,000 for Mr Chan Hon Chew and Mr Chris Ong, and in the range of \$250,000 to \$500,000 for the remaining key management personnel.

Corporate Governance

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 2022. **"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 independent directors, namely:

- Mr Tham Sai Choy
Independent Chairman
- Ms Veronica Eng
Independent Member
- Mrs Penny Goh
Independent Member
- Mr Shirish Apte
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, 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 AC are set out on page 108 herein.

Audit

The AC met with the external auditors five times during the year and one of the 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 one of the 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 noted their performance to be adequate. 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 pages 192 and 193.

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 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.

The purpose, authority and responsibility of Group Internal Audit are defined in the Audit Charter, which is reviewed annually and approved by the AC. The 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 internal audit engagements; and defines the scope of internal audit activities. The Audit Charter mandates Group Internal Audit to maintain a quality assurance and improvement programme 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 Institute of Internal Auditors' ("**IIA**") Code of Ethics.

Group Internal Audit is guided by the International Professional Practices Framework established 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.

Group Internal Audit adopts 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. This plan is reviewed and approved by the AC, who are also appraised on material changes to the plan regularly. Audits are planned based on the results of the assessment, with priority

given to high risks. 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 reported to 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.

With effect from 15 December 2022, Mr Raghupathi Rao took over from Ms Sepalika Kulasekera as the General Manager of Group Internal Audit.

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 an 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 2022, 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, revenue recognition and contract cost, impairment assessment of goodwill arising from the acquisition of M1, the presentation of the results of discontinuing operations, the assessment of the carrying amount of the disposal group held for sale in relation to KOM, and disclosures of material subsequent events, that might affect the integrity of the financial statements. The assessment of carrying amount of the disposal group held for sale in relation to KOM includes financial exposure in relation to material contracts, recoverability of contract assets, material receivables and stocks, and impairment assessment of fixed assets. 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 2022.

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 the carrying amount of the disposal group held for sale in relation to KOM, 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 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 allowed the perpetration of 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 112 hereto. The AC reviews the Policy yearly to ensure that it remains current.

Interested Person Transactions

The Company has established policies and procedures for reviewing and approving interested person transactions ("IPTs") in accordance with the general mandate from shareholders that allows for such transactions where made on normal commercial terms and 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.

The Asset Co Transfer and the KOM Combination (as defined in the Company's SGXNet announcement dated 27 April 2022), collectively the "KOM Transaction", that were completed in February 2023, were interested person transactions. In accordance with the SGX Listing Rules, the Company appointed an independent financial advisor ("IFA") to advise the AC and the Company's directors who were considered independent for the purpose of the interested person transaction as to whether the KOM Transaction was on normal commercial terms and was not prejudicial to the interests of the Company and its minority shareholders. The AC considered the relevant factors and the advice and opinion of the IFA and reported to the shareholders of the Company in the Company's circular dated 23 November 2022 that the KOM Transaction was on normal commercial terms and was not prejudicial to the interests of the Company and its minority shareholders.

Details of IPTs entered into by the Group in FY 2022 are set out on page 227 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.

Board Risk Committee

The Board Risk Committee ("BRC") comprises entirely independent directors, namely:

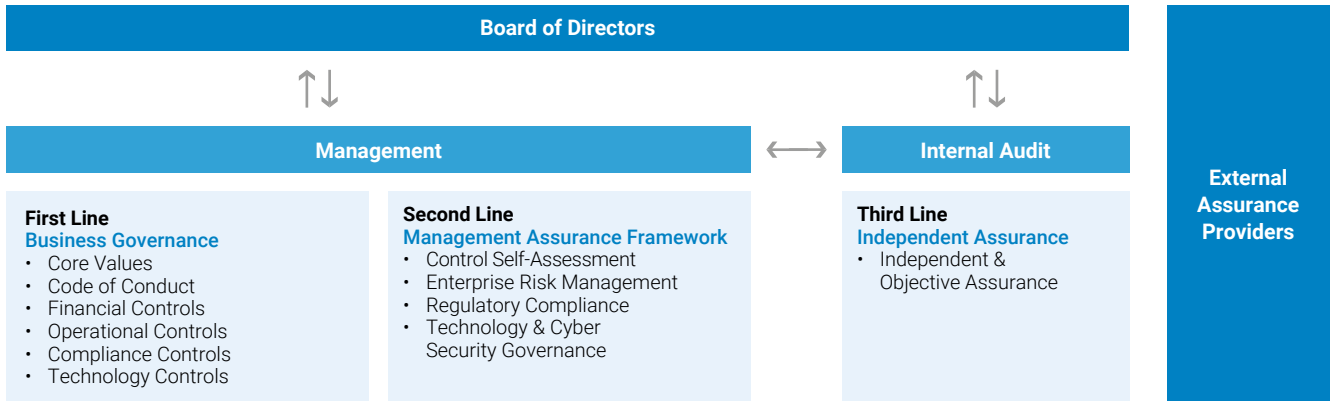
- Ms Veronica Eng
Independent Chairperson
- Mr Tham Sai Choy
Independent Member
- Mrs Penny Goh
Independent Member
- Mr Shirish Apte
Independent Member
- Mr Jimmy Ng
(from 1 May 2022)
Independent Member

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 the BRC are disclosed on page 109 herein.

Corporate Governance

Keppel's System of Management Controls



↑ Accountability, reporting
↓ Delegation, direction, resources, oversight
↔ Alignment, communication, coordination, collaboration

The Group Risk & Compliance (“GRC”) department, working in conjunction with the business teams, supports 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 risks. 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 each key risk area is 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 118 to 121 of this Annual Report. The Group is guided by a set of Risk Tolerance Guiding Principles, as disclosed on page 118.

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 where applicable. Employees are also guided by the Group’s Core Values and expected to comply strictly with

Keppel’s Code of Conduct. Keppel Cyber Security Centre consist of Cyber Technology and Cyber Operations pillars, partnering business and managing cyber risks through advisory, building, and running sustainable next-generation solutions to combat against evolving cyber threats while meeting business objectives.

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. GRC, working in conjunction with the Group and respective BUs’ line functions and committees, oversees the implementation of the Group’s ERM 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 BUs’ line functions and committees support and work alongside GRC and the Group’s and

BUs' 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. The Technology Governance Framework was strengthened in 2022 with the adoption of a uniform framework structure and methodology to enable the Group and business units to monitor and manage technology risks better and more effectively, as well as to ensure that activities associated with technology are aligned with the overall business objectives through the establishment of the three (3) pillars in Technology Governance (i.e. Policy, Technology Risk Management and Compliance). The Technology Governance Framework aims to provide an approach to ensure technology risks are identified and adequately mitigated in the design, operation, use, and management of the Group's computing resources taking into consideration statutory, regulatory, contractual, and security requirements. This framework covers the use of all technology systems and assets within the Group, including 3rd party service providers. The Head of Group Cyber Security, providing oversight to Keppel Cyber Security Centre and Cyber Governance, has a reporting line to the Board Risk Committee to reinforce independence and facilitate Board oversight. Group Cyber Security drives the enterprise vision, strategy and programme to ensure that the Group's technology assets are adequately protected from cyber threats. Cyber Governance maintains cyber policies aligned with industry standards such as ISO 27001/2, US National Institute of Standards and Technology as well as local regulators' requirements to ensure effective management of cybersecurity risks. Cyber assurance and compliance programmes are executed to ensure developed processes and controls are effective and adhered to.

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 2022

At Keppel, accountability is a core value. As Keppel's Code of Conduct states, "we care how results are achieved, not just that they are attained." Implementing that core value through enhancing Keppel's regulatory compliance process and by reminding every Keppelite of that core value is a focus of attention for Keppel, Keppel's 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 the Group's compliance initiatives are set out on pages 122 to 124 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. During the year, overseas entities comprising Keppel Land India, Keppel Infrastructure Belgium and Qatar, as well as additional Singapore entities of Keppel Infrastructure, achieved ISO 37001 certification.
- b. Digitalisation initiatives comprise implementing an integrated system (Ethixbase) for onboarding and monitoring of Third-Party Associates across the Group and launching a Conflicts of Interest (COI) App for declaration of such potential conflicts in key projects.
- c. A Sanctions Compliance Framework was implemented to enhance operationalisation of Group Sanctions Policy.
- d. E-training modules were enhanced to cover Sanctions Compliance and Business Continuity Management in the 2022 Annual Training and Declaration of Group Policies.

Corporate Governance

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 ("ESG") 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 and hospitality;
- b. dealing with third party associates – due diligence;
- c. political contributions;
- d. donations and sponsorships;
- e. facilitation payments; and
- f. 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 corrupt practices 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. a mandatory annual e-learning training and declaration covering all employees comprising the Keppel Group Code of Conduct and all other key compliance policies. For 2022, new e-training modules included Sanctions Compliance and Business Continuity Management. Where necessary and appropriate, compliance training for agents and business partners were also conducted during the year.
- 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 2022, 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 performs appropriate compliance due diligence checks on potential merger and acquisition target entities.

Also, the Group applies its compliance codes, policies and procedures for adoption by 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 2022, the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2022 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 2022, 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 2022, 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.

Corporate Governance

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 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 2022, 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, media releases, the Company's website, public webcasts and media and analyst briefings.



Engagement with stakeholders takes many forms, including live webcasts of financial results briefings (pictured).

The Company's Annual Report is accessible on the Company's website, and can be viewed at or downloaded from <https://www.keppcorp.com/en/investors/annual-reports/>. Shareholders are encouraged to read the Annual Report on the Company's website, but may also request for a physical copy at no cost.

The Company adopts a comprehensive stakeholder engagement approach, 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 are based on the SGX guidelines on Sustainability Reporting, as well as the Global Reporting Initiative's ("GRI") guidance on the approach to determine material topics. 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 ESG issues. An overview of the Company's approach to sustainability management can be found on page 32 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 <https://www.kepcorp.com/en/investors/investor-relations-policy/>, 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 briefings, email communications, publications and content on the Company's corporate website, as well as through facility visits, 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 transcripts of the question-and-answer sessions held during the webcasts or media and analyst briefings are also released on SGXNet and posted on the Company's website.

The Company's mobile-friendly website is regularly updated with the latest information. These include company announcements, half-yearly results and voluntary business updates, annual reports, investor events, stock and dividend information, investor presentation slides, 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 2022, the Company held about 175 in-person and virtual meetings with institutional investors from Singapore, Hong Kong, Japan, the UK, the US, and other countries. The management also travelled for non-deal roadshows in London and New York, and participated in a virtual investment conference organised by CITIC CLSA. The Company also hosted an investor tour of the Keppel Marina East Desalination Plant in Singapore with Citigroup as well as investor visits to the Group's overseas assets.

During the year, the Company engaged the media, analysts and investors to help the 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 2022, the Company held its annual briefing on the Company's developments, as well as a dialogue session with retail shareholders on the proposed transaction involving the Asset Co transfer and the proposed combination of KOM and SCM, as well as the proposed distribution *in specie* of SCM shares. The two events, both of which were hosted by SIAS, drew a total of close to 170 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.

Corporate Governance

Annual General Meeting and Extraordinary General Meeting

In 2022, the Company held its AGM and an EGM to seek shareholders' approval for the proposed combination of KOM and SCM and the proposed distribution *in specie* of SCM shares, 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, the Company implemented real-time electronic communication for questions at the EGM, and the Board addressed all key questions raised. 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 cease with effect from 1 July 2023. The Company will hold a physical AGM in respect of FY 2022 in line with the Company's practice 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 of the Company. 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 allows for absentia voting at general meetings. However, the Company is not implementing absentia voting methods such as voting via mail, email or fax for security, integrity and related considerations.

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 2022 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 track record for distributing about 50 to 60% 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 2022, 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

the CEO are also required to report their dealings in the Company's securities within two business days.

Board Sustainability and Safety Committee

In May 2022, the Board established the Board Sustainability and Safety Committee ("BSSC") to sharpen the Group's focus on sustainability. The role of the former Board Safety Committee has been subsumed under the terms of reference of the BSSC. The BSSC comprises both independent and non-independent directors, namely:

- Mr Teo Siong Seng
Non-independent and
Non-executive Chairman
- Mr Danny Teoh
Independent Member
- Mr Olivier Blum
(from 1 May 2022)
Independent Member
- Mr Loh Chin Hua
Non-independent Member

The BSSC's roles include reviewing the Company's sustainability strategy and its integration with commercial objectives, ensuring that the Company has in place effective sustainability and safety governance structures, as well as overseeing the adoption of and progress towards the Company's sustainability and health, safety and environment ("HSE") goals. The BSSC also monitors international sustainability-related trends and developments, and reviews the processes for identifying, assessing and managing climate-related risks and opportunities. In addition, the BSSC plays a pro-active role in reviewing material changes

in the Company's HSE risk profile, and oversees the management of significant HSE risks and strategic plans, such as Keppel's Zero Fatality Strategy as well as the digital transformation of HSE processes.

The BSSC meets at least four times a year. It considers management's reports and proposals, and reports to the Board on material sustainability and safety issues, as well as its findings and recommendations, where relevant.

In 2022, sustainability issues deliberated by the BSSC included the Company's sustainability roadmap and key work plans, the review of the Company's material ESG factors, as well as the assessment of climate-related risks and opportunities faced by the Company, in line with the recommendations of the Task Force on Climate-related Financial Disclosures.

In addition to meetings, the BSSC makes regular site visits to better understand the issues faced by business units, and also strengthen the Company's safety culture and commitment to sustainability through demonstrating visible leadership. The site visits allow the BSSC to interact directly with the Group's contractors, suppliers, and workers, thus gaining deeper insights into the Group's sustainability and safety performance. In 2022, the BSSC visited Keppel Land's 19 Nassim project site, as well as the construction site of Keppel Data Centre Singapore 7 (KDC SGP 7) at Genting Lane.

The detailed terms of reference of the BSSC are disclosed on page 110 herein.



The BSSC makes regular site visits to better understand the issues faced by business units, and also strengthen the Company's safety culture and commitment to sustainability.

Corporate Governance

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).
 - a. Review the Board's comment on the adequacy and effectiveness of the Group's internal control systems, and risk management 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.
 - 1.3 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.
 - 1.4 Internal and External Audit
 - a. Review the adequacy, effectiveness and independence, scope and results of the internal and external audit function, at least annually and report the Audit Committee's assessment to the Board.
 - b. Ensure that the Head of Internal Audit and external auditors have direct and unrestricted access to the chairman of the Audit Committee, and that they are able to meet separately and privately to discuss matters and concerns.
 - c. Monitor and assess the role and effectiveness of the internal audit function, including the internal audit charter, plans, activities (including consulting services), staffing budget, resources and organisational structure of the internal audit function.
 - d. 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.
 - e. Review audit plans and reports of the external auditors and internal auditors on a periodic basis and management's responsiveness to the findings and recommendations and effectiveness of actions taken.
 - f. Ensure that a Quality Assurance Review on internal audit function is independently conducted at least once every five years.
 - g. Decide and approve 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.
 - h. 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.
 - i. Review the nature and extent of non-audit services performed by the external auditors, to ensure their independence and objectivity.
- 1.5 Oversee the establishment and operation of the whistle-blowing process. 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.
 - 1.6 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.
 - 1.7 Investigate any matters within the Audit Committee's purview, whenever it deems necessary.
 - 1.8 Perform such other functions as the Board may determine.
 - 1.9 Report to the Board on:
 - a. the significant issues and judgments that the Audit Committee considered in relation to the financial statements, and how these issues were addressed;
 - b. the Audit Committee's assessment of the adequacy and effectiveness of internal control and risk management systems that relate to financial reporting and other financial-related risks and controls, and any material matters, findings and recommendations;
 - c. the Audit Committee's assessment of the adequacy, effectiveness and independence of the internal audit function;
 - d. the Audit Committee's assessment of the independence and objectivity of the external auditors, taking into consideration the aggregate and respective fees paid for audit and non-audit services;
 - e. the Audit Committee's assessment of the quality of the work carried out by the external auditors, and the basis of such assessment; and
 - f. the significant matters raised through the whistle-blowing channel.
 - 1.10 The Audit Committee shall ensure proper disclosure and reporting to shareholders on interested party transactions as required by the SGX Listing Manual.
 - 1.11 The Audit Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
 - 1.12 The Audit Committee shall produce a report on its activities to be included in the Company's annual report. The report should also disclose the measures taken by the Committee members to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements; and an explanation of how the prospects of the Group have been assessed, over what period it has done so, and why the Board should consider it to be appropriate to use that period.
 - 1.13 Review the Audit Committee's terms of reference annually and recommend any proposed changes to the Board for approval.

- 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 cybersecurity 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 and 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 and 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 and 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 non-executive directors, 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.

Corporate Governance

- 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 Sustainability and Safety Committee**
Sustainability
- 1.1 Review the Company's sustainability strategy, with reference to industry peers and expectations, to ensure that they are relevant to evolving local and global sustainability trends and developments.
- 1.2 Ensure that the Group has in place an effective governance structure for sustainability matters.
- 1.3 Review annually the reasons for and the process of selecting the ESG factors identified to be material to the Group's business, taking into account the prevailing business strategy, market conditions and stakeholder concerns.
- 1.4 Review annually the processes for identifying, assessing, and managing climate-related risks and opportunities across the 4 pillars of governance, strategy, risk management, and metrics and targets, and related reporting aligned with the Taskforce on Climate-related Financial Disclosures.
- 1.5 Oversee the adoption of the Company's sustainability goals and targets, as well as management's plans and progress towards achieving the goals and targets.
- 1.6 Consider management's proposals and recommendations on sustainability related policies and practices and make recommendations to the Board where relevant.
- 1.7 Monitor the Group's performance against previously disclosed targets in relation to identified material ESG factors.
- 1.8 Monitor the integration of the Company's sustainability strategy into the Company's general commercial objectives and align the management of key sustainability issues and impacts with the Company's broader business and sustainability strategy.
- 1.9 Monitor international sustainability-related trends and developments and consider the implications on the Company's sustainability strategy.
- 1.10 Review stakeholder engagement plan(s) to ensure that stakeholders' concerns are meaningfully captured and addressed.
- 1.11 Review and approve the independent assurance and audit process, and assess annually the adequacy and effectiveness of the process.
- 1.12 Review the Group's diversity and inclusion management.
- 1.13 Review the Company's sustainability reporting and sustainability-related disclosures.
- Safety**
- 1.14 Review the policies, practices and performance of the Group relating to safety, including in particular the safe condition and responsible operation of the Group's assets and business, as well as employee health and well-being.
- 1.15 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.
- 1.16 Monitor HSE performance of the Group and the BUs, 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.
- 1.17 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.
- 1.18 Structure an audit programme of the Group's 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.
- 1.19 Ensure a process is in place to have fatalities and other major incidents investigated by an independent and competent team.
- 1.20 Review any major incident that impact, or has the potential to impact, the Group's safety, environmental and social performance.

Nature of Directors' Appointments and Membership on Board Committees

The Board currently has 11 members, the majority of whom are non-executive and independent and each board committee (except for Board Sustainability and Safety Committee) comprise at least three members, a majority of whom (including the chairman) are non-executive and independent. The current composition of the Board Committees are as follows:

Director	Committee Membership				
	Audit Committee	Nominating Committee	Remuneration Committee	Board Risk Committee	Board Sustainability and 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	Member	–
Shirish Apte Independent Director	Member	–	–	Member	–
Olivier Blum Independent Director	–	–	–	–	Member
Jimmy Ng Independent Director	–	–	–	Member	–

Board Assessment

Evaluation Processes for FY 2022

Each Board member was required to complete evaluation questionnaires on the performance of the Board, board committees and individual directors (including the Board Chairman). Egon Zehnder conducted one-on-one interviews with each director. Based on the feedback, Egon Zehnder prepared a consolidated report and briefed the NC chairman and the Board Chairman on the report. Thereafter, Egon Zehnder and the 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. Thereafter and where necessary, the NC chairman will in consultation with the Board Chairman meet with directors individually to provide feedback on 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 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).

Corporate Governance

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:

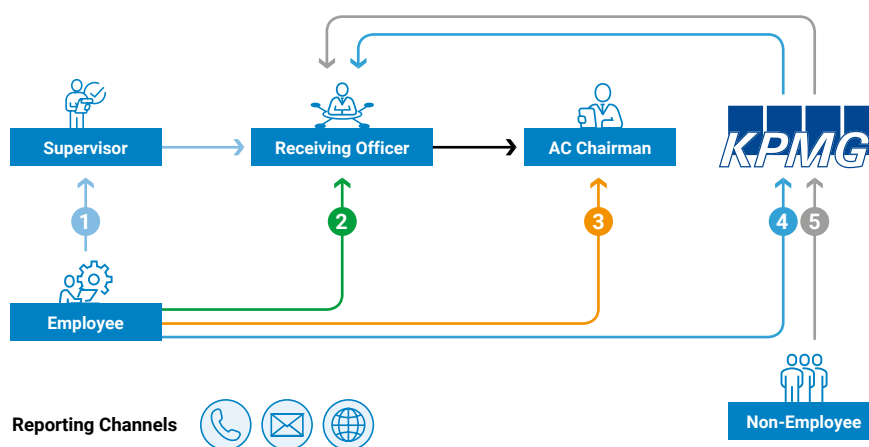
- a. dishonest, including but not limited to theft or misuse of resources within the Group;
- b. fraudulent;
- c. corrupt;
- d. illegal;
- e. other serious improper conduct;
- f. an unsafe work practice; or
- g. any other conduct which may cause financial or non-financial loss to the Group or damage 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. He reports directly to the 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, Germany, India, Netherlands and Malaysia. 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.keppcorp.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 annual general meeting to be held in 2022 is set out below.

Name of Director	Danny Teoh	Till Vestring	Veronica Eng	Olivier Blum	Jimmy Ng
Date of Appointment	1 October 2010	16 February 2015	1 July 2015	1 May 2022	1 May 2022
Date of last re-appointment (if applicable)	2 June 2020	2 June 2020	2 June 2020	N.A.	N.A.
Age	67	59	69	52	58
Country of principal residence	Singapore	Singapore	Singapore	France	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 87 of this Annual Report				
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC chairman, AC member etc.)	Chairman; Non-Executive and Non-Independent Director; Nominating Committee (Member); Remuneration Committee (Member); Board Sustainability and Safety Committee (Member)	Non-Executive and Lead Independent Director; Remuneration Committee (Chairman); Nominating Committee (Member)	Non-Executive and Independent Director; Board Risk Committee (Chairman); Audit Committee (Member)	Non-Executive and Independent Director; Board Sustainability and Safety Committee (Member)	Non-Executive and Independent Director; Board Risk Committee (Member)
Professional qualifications	Associate member of the Institute of Chartered Accountants in England & Wales	Master of Economics, University of Bonn, Germany; Master of Business Administration, Haas School of Business, University of California, Berkeley	Bachelor of Business Administration (First Class Honours), University of Singapore	Master Business Administration and General Management, Grenoble Business School (GEM), France	Bachelor of Science Degree in Information Systems, National University of Singapore; Masters in Business Administration, Nanyang Technological University
Working experience and occupation(s) during the past 10 years	Managing Partner, KPMG LLP, Singapore (2005 to 2010)	Advisory Partner, Bain & Company Southeast Asia	Founding Partner of Permira (1985 to 2015) and Professor (Practice), NUS Business School	Executive Vice President, Energy Management Business, Schneider Electric, Hong Kong – Present Chief Strategy & Sustainability Officer, Schneider Electric, Hong Kong – 2020 to 2022 Chief Human Resources Officer, Schneider Electric, Hong Kong – 2014 to 2022 Executive Vice President (Global), Home & Distribution Division, Schneider Electric, Hong Kong – 2013 to 2020 Regional Managing Director, Schneider Electric, India – 2008 to 2013	Group Chief Information Officer and Head of Technology & Operations, DBS Bank – 2019 to present Trainer – SMU Financial Training Institute – 2009 to present Deputy Head of Technology & Operations, DBS Bank – 2018 to 2019 Group Head Audit, DBS – 2012 to 2017 Managing Director, Head Consumer Banking Operations – 2009 to 2012

Corporate Governance

Name of Director	Danny Teoh	Till Vestring	Veronica Eng	Olivier Blum	Jimmy Ng
Shareholding interest in the listed issuer and its subsidiaries	129,825 (direct interest) in Keppel Corporation Limited 8,911 (direct interest) in Keppel REIT	103,000 (direct interest) in Keppel Corporation Limited	56,000 (direct interest) in Keppel Corporation Limited	Nil	28,600 (direct interest) in Keppel DC REIT
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	No
Conflict of interest (including any competing business)	No	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	Yes
Other Principal Commitments including Directorships – Past (for the last 5 years)	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	Inchcape plc; Singapore Chinese Orchestra Company Limited	Nil	Nil	Nil
Other Principal Commitments including Directorships – Present	Nil	Leap Philanthropy Ltd; Advanced Micro Foundry Pte. Ltd.; Delaware Consulting International CVBA; Keppel Telecommunications & Transportation Ltd; Advisory Partner, Bain & Company Southeast Asia	Keppel Capital Holdings Pte. Ltd.; Eastspring Investments Group Pte. Ltd.; Professor (Practice), NUS Business School	Delta Dore, France; Aveva Group PLC, United Kingdom; Luminous Power Technologies (P) Ltd, India (Chairman)	Singapore Clearing House Pte Ltd; Evolve Digitech Pte Ltd, Steering Committee of Asian Institute of Digital Finance (Committee Member)

Name of Director	Danny Teoh	Till Vestring	Veronica Eng	Olivier Blum	Jimmy Ng
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	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	No
c. Whether there is any unsatisfied judgment against him?	No	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	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	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	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	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	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	No

Corporate Governance

Name of Director	Danny Teoh	Till Vestring	Veronica Eng	Olivier Blum	Jimmy Ng
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	No	No	No	No	No
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	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	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	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	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	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	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	Yes	No	No
If yes, please provide details of prior experience.	DBS Group Holdings Limited; DBS Bank Ltd; M1 Limited; CapitaMall Trust Management Limited (as manager of CapitaMall Trust)	Inchcape plc	Ms Eng has been a director on the Board of the Company since 2015	Nil	Nil
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.	N.A.	N.A.	N.A.	Mr Blum will be completing the Listed Entity Directors' programme organised by the Singapore Institute of Directors in 2023	Mr Ng has completed the Listed Entity Directors' programme organised by the Singapore Institute of Directors
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).					

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	Principles	Page Reference in this Report
Board Matters		Accountability and Audit	
The Board's Conduct of Affairs		Risk Management and Internal Controls	
Principle 1		Principle 9	
Provision 1.1	Page 84	Provision 9.1	Pages 118 to 121
Provision 1.2	Page 86	Provision 9.2	Page 103
Provision 1.3	Page 84	Audit Committee	
Provision 1.4	Pages 86 to 103 and 108 to 110	Principle 10	
Provision 1.5	Pages 85 and 91	Provision 10.1	Pages 98, 99 and 108
Provision 1.6	Page 86	Provision 10.2	Page 98
Provision 1.7	Pages 85 and 86	Provision 10.3	Page 98
Board Composition and Guidance		Provision 10.4	Page 98
Principle 2		Provision 10.5	Page 98
Provision 2.1	Pages 90 and 91	Shareholder Rights and Responsibilities	
Provision 2.2	Pages 90 and 91	Shareholder Rights and Conduct of General Meetings	
Provision 2.3	Pages 90 and 91	Principle 11	
Provision 2.4	Pages 87 to 89	Provision 11.1	Pages 104 to 106
Provision 2.5	Page 85	Provision 11.2	Pages 104 to 106
Chairman and Chief Executive Officer		Provision 11.3	Pages 85 and 104 to 106
Principle 3		Provision 11.4	Page 106
Provision 3.1	Pages 82 and 83	Provision 11.5	Page 106
Provision 3.2	Pages 82 and 83	Provision 11.6	Page 106
Provision 3.3	Page 82	Engagement with Shareholders	
Board Membership		Principle 12	
Principle 4		Provision 12.1	Pages 104 to 106
Provision 4.1	Pages 86 to 91 and 109 to 110	Provision 12.2	Page 105
Provision 4.2	Page 86	Provision 12.3	Page 105
Provision 4.3	Page 86	Managing Stakeholder Relationships	
Provision 4.4	Pages 90 and 91	Engagement with Stakeholders	
Provision 4.5	Pages 86, 91 and 92	Principle 13	
Board Performance		Provision 13.1	Page 105
Principle 5		Provision 13.2	Page 104
Provision 5.1	Page 92	Provision 13.3	Page 105
Provision 5.2	Page 111	Remuneration Matters	
Procedures for Developing Remuneration Policies		Principle 6	
Principle 6		Provision 6.1	Pages 92 and 110
Provision 6.1	Pages 92 and 110	Provision 6.2	Page 92
Provision 6.2	Page 92	Provision 6.3	Pages 92 and 110
Provision 6.3	Pages 92 and 110	Provision 6.4	Page 92
Provision 6.4	Page 92	Level and Mix of Remuneration	
Level and Mix of Remuneration		Principle 7	
Principle 7		Provision 7.1	Pages 92 to 97
Provision 7.1	Pages 92 to 97	Provision 7.2	Pages 92 to 97
Provision 7.2	Pages 92 to 97	Provision 7.3	Pages 92 to 97
Provision 7.3	Pages 92 to 97	Disclosure on Remuneration	
Disclosure on Remuneration		Principle 8	
Principle 8		Provision 8.1	Pages 92 to 97
Provision 8.1	Pages 92 to 97	Provision 8.2	Page 98
Provision 8.2	Page 98	Provision 8.3	Pages 92 to 97
Provision 8.3	Pages 92 to 97		

Risk Management

We undertake only appropriate and well-considered risks, taking into account the impact to our business, stakeholders, and long-term corporate sustainability.

Keppel adopts a balanced approach to risk management to optimise returns while considering their impact on corporate sustainability. Managing risks effectively 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 risk-reward methodology is the optimal approach. This applies to all aspects of our business, and particularly, our commitment to environmental, social and governance issues and our commitment to deliver long-term value to our stakeholders.

Our Risk-Centric Culture and Enterprise Risk Management (ERM) Framework enables the Group to respond to the dynamic economic environment, evolving business demands, as well as to seize new business 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 page 109 of this report. The Board has set out three risk tolerance guiding principles to determine the nature and extent of material risks which the Board is prepared to take in achieving the Group's 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 99 to 104 under Principle 9 (Risk Management and Internal Controls), allows the Board and management to

determine the adequacy and effectiveness of the Group's risk management system. Along with our shifting business landscapes, 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 the Singapore Institute of Directors.

Management and risk teams across BUs closely drive and coordinate Group-wide activities and initiatives under the ERM framework. These are



Figure 1



facilitated by regular meetings on policies or standards, or to 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 industry developments and best practices.

The key risks identified for FY 2022 encapsulate both existing business activities and the transformation and growth initiatives under Vision 2030. We are committed to addressing these risks in line with our philosophy of undertaking only appropriate and well-considered risks to optimise returns in a balanced and holistic manner, with an objective to deliver sustainable long-term value to our stakeholders.

Strategic Risks

Market & Competition

The major drivers of the Group's strategic risk include market forces, evolving competition, changing customer demands, and disruptive technology. The Group is also exposed to other external factors like volatility in the global economy such as rising interest rates, inflation and volatility in global markets, and geopolitical tensions. Despite the many challenges faced by our businesses, the Group has adapted and continued to operate resiliently in 2022. We had proactively taken mitigating actions to adjust and adapt our strategies and responses. During the year, the Board and management stayed focused on the execution of Vision 2030. As the Group evolves to become a global asset manager and operator creating solutions for a sustainable future, we will continually refine and enhance our risk management framework to support our business and objectives.

Strategic Ventures, Investments & Divestments

The Group adopts a structured process for evaluating investment and divestment

decisions, including strategic ventures. These endeavours are monitored to ensure alignment with the Group's strategic intent, investment objectives and desired returns. Strategies are revised and updated, where required, in response to the changing business environment.

The Investment and Major Project Action Committee works closely with the Board to guide the Group in ensuring that any such 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 or variables. Key factors considered include the project's 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.

Climate Change

The Group's climate change risk forms part of the material environmental, social and governance issues addressed by the Board and management. The Group supports the Task Force on Climate-related Financial Disclosures and has worked towards incorporating its recommendations in our reporting framework.

Sustainability is at the core of the Group's strategy with climate change risk reviewed and assessed within our ERM framework (Figure 1). The ERM framework guides the Group on the processes and methods applied in identifying, assessing and managing sustainability-related risks.

As part of climate change risk management, we continually assess both physical and transition risks for the Group and strengthen our organisational capabilities in response. In 2022, the Group commenced a climate change physical risk financial impact assessment as well as a qualitative assessment of climate-related transition risks. More details will be provided in our Sustainability Report 2022, which will be published in May 2023.

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 value Customer and Stakeholder Experience which have a direct bearing on trust and brand reputation. Hence, we consistently monitor our products and services for safety, quality and reliability. We continually review feedback and post-sales support, and commit ourselves to uphold personal data privacy, product safety and related matters including our responsiveness to inputs from all stakeholders.

Human Resources

We place a strong emphasis on attracting and developing a high-performing talent pool. To drive our new engines of growth under Vision 2030, we leverage both internal and external programmes to develop the necessary skillsets to enable Keppel's next phase of growth. This includes nurturing employees, maintaining good industrial relations and fostering conducive work environment. We are committed to strengthening succession planning and bench strength, as well as building and acquiring new organisational capabilities in line with our strategic objectives, whilst maintaining our status as an employer of choice.

Risk Management

We emphasise the importance of having a risk-centric mindset, and developing the ability to identify and assess risks, implement mitigating actions, and monitor residual risks in all employees. Keppel Leadership Institute helps to create this mindset by embedding risk management in its leadership courses.

Operational Risks Project Management

Risk management is an integral part of all projects from initiation to completion to facilitate early detection and proactive management of operational risks. We adopt a systematic risk assessment and monitoring process with special attention given to technically challenging and high-value projects, including greenfield developments, the deployment of new technology and/or operations in new geographies.

During project execution, regular reviews are conducted along with 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 intervention is required. We also conduct knowledge-sharing workshops to share best practices or lessons learnt across the Group. These risk management processes help ensure our project delivery is on time and within budget, without compromising on safety or quality, as well as regulatory and contractual obligations.

Health, Safety & Environment

Safety is a Keppel core value and we are committed to upholding the highest standards of safety in all aspects of our business operations. 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.

The Group continues to focus on and emphasise the importance of staff health and safety by implementing appropriate processes and ensuring adherence to industry standards, regulations, or government guidelines to protect employees or other stakeholders from potential exposure to health or safety hazards. Efforts are made across BUs to ensure adherence to workplace health and safety precautions, such as the use of personal protective equipment and safety risk assessments prior to work commencing.

Keppel's 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 leading risk indicators/metrics to monitor HSE performance standards.

In 2022, Keppel won 11 Workplace Safety and Health (WSH) Awards for exemplary safety performance, implementation of robust HSE management systems and efforts to innovate solutions that improve HSE. Unfortunately, three fatalities occurred at a yard in Singapore. Keppel has investigated the incidents and implemented the necessary measures to prevent recurrence.

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, including protection of the environment and biodiversity.

Business & Operational Processes

The Group is connected by common shared services and platforms that promote operating efficiency, while enhancing productivity, compliance and controls. Where relevant, 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.

Taking a risk-based approach, we seek to improve digitalisation and automation in enhancing or optimising our processes. We also continually evaluate our procedures, policies and authority limits to ensure that they stay relevant.

Business Continuity

We are committed to Business Continuity Management (BCM) standards that equip us with the capability to respond effectively to business disruptions. We plan for contingencies in the event of major catastrophes occurring in our operating regions. This includes events such as natural disasters, fire, pandemics, terrorism and cyber-attacks, as well as the failure of critical equipment/systems and industrial accidents. We also continually monitor other potentially disruptive threats to our business operations and adapt our plans to ensure operational resilience.

The Group's Incident Reporting and Crisis Management operating standard guides us in the management of and response to major incidents, 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 refine our capabilities in responding to major incidents or crises with the aim of safeguarding our people, assets, and stakeholders' interests, as well as Keppel's reputation.

We also recognise the significance of cyber threats as a potential cause of business disruption and maintain a Group Cyber Incident Response plan, which details our response and recovery protocols in the event of a cyber incident. The plan takes reference from local and international standards and Cyber Tabletop Exercises are conducted regularly to validate the effectiveness of these protocols.

Cyber Security, Data Protection and Technology

Technology, cyber security and data-related risks, including outsourced services, are a part of the Group's operational risks. We recognise the criticality of global cyber threats and have established technology and cyber governance structures and frameworks to address both general technology and cyber security controls, covering key areas such as business disruption, theft/loss of confidential data and data integrity.

The Group continually monitors its technology and cyber security related risks. The work involves the identification, assessment and management of risks within critical technology and data assets, applying leading industry guidelines where relevant, for example such as those by the Cyber Security Agency of Singapore. The Group also seeks to improve technology and cyber security standards and inculcate a culture of cyber awareness among employees. In 2022, Keppel Telecommunications & Transportation (KTT) discovered that an unidentified hacker (or hacker group) had accessed a server previously owned and used by KTT on which some old KTT files were stored. The incident was limited to data stored on the previously owned server and there has been no compromise of any of the IT systems of KTT and the data on KTT's IT systems remain secure. Immediate steps were taken to contain the incident and stop any further intrusions.

In 2022, the Group made progress on various initiatives to strengthen our technology and cyber security governance and controls through the refinement and alignment of our policies, processes and systems, as well as the consolidation of systems and servers. Training and assessment exercises were conducted

throughout the year to heighten employees' overall awareness of technology and cyber threats.

Relating to the integration and usage of technology, technical teams and other experts from across the Group enable us to keep abreast of evolving technology. Risk mitigation or responses are 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 thought leaders and business veterans from key industries relevant to Keppel, 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 26, 27, 44 and 45 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 regulatory compliance. We recognise that non-compliance with any law or regulation may have a detrimental effect to the Group in multiple areas such as financial and operational performance, or reputation. As such, we regularly stay updated on changes to laws and regulations to assess any exposures or risks effectively and expeditiously.

Significant regulatory 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, key risk areas include situations where external agents are appointed for business development.

We continually enhance our regulatory compliance policies and procedures to ensure that the Group maintains a high level of compliance and ethical standards in the way we conduct business. We have zero tolerance for fraud, bribery, corruption and any violation of laws and regulations.

In 2022, we continued to refine our regulatory compliance programme, update processes, deepen employee understanding, and ensure that compliance awareness and principles are well embedded 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 122 to 124 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 the financial statements and adequacy of the internal control framework supporting the statements. Where required, we leverage the expertise of the external auditors in the interpretation of financial reporting standards and changes to existing or new reporting requirements. We also conduct regular training and education programmes to enhance the capabilities of our finance managers across the Group.

Our system of internal controls is outlined in Keppel's System of Management Controls detailed in pages 100 to 101 of this report.

Financial Management

Financial risk management relates to the Group's ability to meet financial obligations and mitigate credit, liquidity, currency and interest rate risks. Details can be found on pages 200 to 211 of this report. In these areas, policies, processes and financial authority limits are reviewed regularly to ensure their adequacy in mitigating risks and 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 our shareholders, while maintaining a strong balance sheet to seize new opportunities.

In 2022, as global economies continued to face pressure from macroeconomic challenges and global volatility, the Group maintained a proactive approach to liquidity management and performed stress tests to assess its exposure to volatility in currency and rising interest rates, with mitigating actions taken where required.

Our financial management 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 are diversified against the systemic risks of operating in a specific geography.

Proactive Management of Risks

Effective risk management is dynamic and encompasses the evaluation of both risks and opportunities. We recognise the need to effectively manage risks as an inherent part of business operations to optimise returns. We take a business-centric approach to managing risks and aligning business activities with risk considerations, and discuss issues in an open and transparent manner, to enable us to pursue optimal risk-return initiatives.

Our risk framework and processes continually evolve to ensure that they stay effective and relevant. This is dependent on our people and processes, and the Group's ability to remain vigilant to emerging risks and opportunities. Across the Group, we identify and review emerging risks at all levels throughout the year. Where relevant, these are escalated and discussed at various forums to determine any further actions and/or responses. We recognise that our systems and processes provide reasonable but not absolute assurance, and hence continuously look to adapt and improve to ensure that our ability to manage and respond to risks 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 2022, 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 major business units (BUs) to ensure consistency and operational effectiveness of the compliance programme. During the year, overseas entities comprising Keppel Land India, Keppel Infrastructure Belgium and Qatar, as well as additional

Singapore entities of Keppel Infrastructure achieved ISO 37001 certification.

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, overarching compliance policies and guidelines for the Group. It also reviews and conducts compliance training and communication programmes.

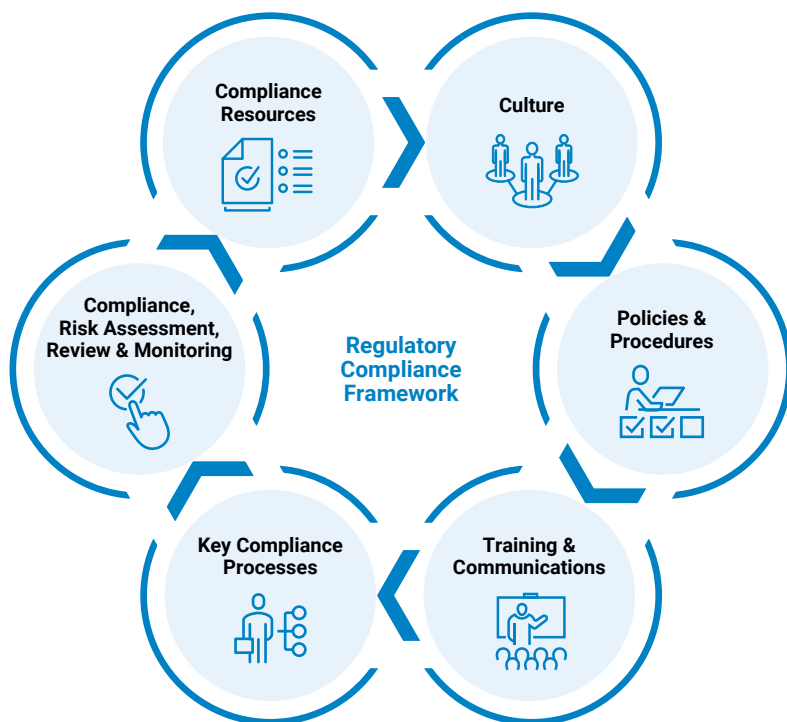
Each BU has a dedicated Compliance Lead. He/she is supported by the respective risk and compliance teams and is responsible for driving and administering the compliance programme and agenda for the BU. This includes providing support to BU management with subject matter expertise, process excellence 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; as well as 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 BUs' 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 the Board and management 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 99 of this report, are widely communicated and made accessible.

Personal Data Privacy 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 are 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.

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.

Regulatory Compliance

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. On the annual e-learning training programme, new e-training modules covering Sanctions Compliance and Business Continuity Management were introduced in 2022.

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 2022, we enhanced the news bulletin, with a focus on topical risk and compliance matters including sanctions, anti-money laundering and phishing attacks, together with 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 2022, the due diligence process for the onboarding and monitoring of TPAs was further enhanced with the implementation of a system platform and solution to standardise and automate processes across the Group.

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.

In addition to the mandatory annual declaration of conflict of interest by all employees of Keppel Group, a Conflict of Interest App was launched to facilitate the conflict of interest review and conflict resolution process.

The Russia-Ukraine conflict has led to several sanctions and export control measures imposed by governments globally and we continue to remain vigilant and monitor the impact to the Group with action taken accordingly under our sanctions framework.

Risk Assessment, Review & Monitoring

We continually develop Keppel's compliance resources and framework. This enables 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

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Directors' Statement

For the financial year ended 31 December 2022

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 2022.

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 140 to 226, 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 2022, 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
Olivier Pascal Marius Blum (appointed on 1 May 2022)
Jimmy Ng Hwee Kim (appointed on 1 May 2022)

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

The Audit Committee carried out its function in accordance with the Companies Act 1967, AC Guide issued by Singapore Institute of Directors, Rule 1207(10) of the Listing Manual and Code of Corporate Governance, which include 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 systems 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 risk management systems, and state whether it concurs with the Board's comments; and if there are material weaknesses identified in the Group's internal controls systems, 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 on a periodic basis, and management's responsiveness to any findings and recommendations to the extent set out/identified, and effectiveness of actions taken;
- Ensured that a Quality Assurance Review (QAR) on internal audit function is independently conducted at least once every five years;
- Reviewed the adequacy, effectiveness, independence, objectivity, scope and results of the external auditors and internal auditors annually;
- Reviewed the nature and extent of non-audit services performed by external auditors;
- Met 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;
- Monitored and assessed the role and effectiveness of the internal audit function, including the internal audit charter, plans, activities (including consulting services), staffing, budget, resources and organisational structure of the internal audit function;
- 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;
- Oversee the establishment and operation of the whistleblowing process. 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		
	1.1.2022 or date of appointment, if later	31.12.2022	21.1.2023
Keppel Corporation Limited			
<i>(No. of ordinary shares)</i>			
Danny Teoh	104,825	129,825	129,825
Loh Chin Hua	2,135,826	2,949,667	2,949,667
Loh Chin Hua (deemed interest)	38,500	38,500	38,500
Till Bernhard Vestring	96,000	103,000	103,000
Veronica Eng	47,000	56,000	56,000
Jean-François Manzoni	116,000	123,000	123,000
Tham Sai Choy	162,570	170,570	170,570
Penny Goh	37,000	44,000	44,000
Teo Siong Seng	7,000	14,000	14,000
Teo Siong Seng (deemed interest)	21,483	21,483	21,483
Shirish Moreshwar Apte	-	3,000	3,000
<i>(Unvested restricted shares to be delivered after 2019)</i>			
Loh Chin Hua	100,629	-	-
<i>(Unvested restricted shares to be delivered after 2020)</i>			
Loh Chin Hua	173,914	86,958	86,958
<i>(Unvested restricted shares to be delivered after 2021)</i>			
Loh Chin Hua	-	264,650	264,650
<i>(Contingent award of performance shares issued in 2018 to be delivered after 2021)^{1,2}</i>			
Loh Chin Hua	320,000	-	-
<i>(Contingent award of performance shares issued in 2019 to be delivered after 2022)^{1,3}</i>			
Loh Chin Hua	365,000	365,000	365,000
<i>(Contingent award of performance shares issued in 2020 to be delivered after 2023)^{1,4}</i>			
Loh Chin Hua	365,000	365,000	365,000
<i>(Contingent award of performance shares issued in 2021 to be delivered after 2023)¹</i>			
Loh Chin Hua	365,000	365,000	365,000
<i>(Contingent award of performance shares issued in 2022 to be delivered after 2024)¹</i>			
Loh Chin Hua	-	400,000	400,000

Directors' Statement

4. Directors' interests in shares and debentures (continued)

	Holdings At		
	1.1.2022 or date of appointment, if later	31.12.2022	21.1.2023
Keppel Corporation Limited			
<i>(Contingent award of performance shares – Transformation Incentive Plan issued in 2016 to be delivered after 2021)</i> ¹			
Loh Chin Hua	750,000	-	-
<i>(Contingent award of performance shares – Transformation Incentive Plan issued in 2021 to be delivered after 2025)</i> ¹			
Loh Chin Hua	970,000	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.
- ⁴ The performance period of the KCL PSP award 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 2021, 2022 and 2023 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-Deferred Shares and KCL RSP 2020-Deferred Shares are disclosed in Note 3 to the financial statements and as follows:

Contingent awards:

Date of Grant	Number of Shares					Balance at 31.12.2022
	Balance at 1.1.2022	Contingent awards granted	Adjustment upon release	Released	Cancelled	
KCL PSP						
30.4.2018	1,180,000	-	(684,400)	(495,600)	-	-
30.4.2019	1,542,847	-	-	-	(80,000)	1,462,847
31.3.2020	1,449,033	-	-	-	(70,000)	1,379,033
	<u>4,171,880</u>	<u>-</u>	<u>(684,400)</u>	<u>(495,600)</u>	<u>(150,000)</u>	<u>2,841,880</u>
KCL PSP-TIP						
29.4.2016	3,314,617	-	(2,013,111)	(1,276,163)	(25,343)	-
28.4.2017	1,752,089	-	(1,116,867)	(635,222)	-	-
28.2.2020	1,100,000	-	(666,650)	(433,350)	-	-
	<u>6,166,706</u>	<u>-</u>	<u>(3,796,628)</u>	<u>(2,344,735)</u>	<u>(25,343)</u>	<u>-</u>
KCL PSP-M1 TIP						
17.2.2020 ⁵	127,900	-	-	-	(12,800)	115,100
17.2.2020	295,600	-	-	-	(30,800)	264,800
	<u>423,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,600)</u>	<u>379,900</u>

⁵ 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.

Date of Grant	Number of Shares					Balance at 31.12.2022
	Balance at 1.1.2022	Contingent awards granted	Adjustment upon release	Released	Cancelled	
KCL PSP 2020						
30.4.2021	1,490,000	-	-	-	(70,000)	1,420,000
29.4.2022	-	1,775,000	-	-	(80,000)	1,695,000
	<u>1,490,000</u>	<u>1,775,000</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>3,115,000</u>
KCL PSP 2020-TIP						
30.7.2021	11,140,000	-	-	-	(710,000)	10,430,000
29.4.2022	-	840,000	-	-	(50,000)	790,000
	<u>11,140,000</u>	<u>840,000</u>	<u>-</u>	<u>-</u>	<u>(760,000)</u>	<u>11,220,000</u>

Awards:

Date of Grant	Number of Shares					Balance at 31.12.2022
	Balance at 1.1.2022	Awards granted	Adjustment upon release	Released	Cancelled	
KCL RSP 2020 - Deferred Shares						
15.2.2022	-	6,317,893	(8,862)	(6,309,031)	-	-
	<u>-</u>	<u>6,317,893</u>	<u>(8,862)</u>	<u>(6,309,031)</u>	<u>-</u>	<u>-</u>

Awards released but not vested:

Date of Grant	Number of Shares					Balance at 31.12.2022
	Balance at 1.1.2022	Released	Vested	Cancelled	Other adjustments	
KCL PSP						
30.4.2018	-	495,600	(495,600)	-	-	-
	<u>-</u>	<u>495,600</u>	<u>(495,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
KCL PSP-TIP						
29.4.2016	-	1,276,163	(1,276,163)	-	-	-
28.4.2017	-	635,222	(635,222)	-	-	-
28.2.2020	-	433,350	(433,350)	-	-	-
	<u>-</u>	<u>2,344,735</u>	<u>(2,344,735)</u>	<u>-</u>	<u>-</u>	<u>-</u>
KCL RSP-Deferred shares						
17.2.2020	1,576,649	-	(1,566,518)	(10,131)	-	-
	<u>1,576,649</u>	<u>-</u>	<u>(1,566,518)</u>	<u>(10,131)</u>	<u>-</u>	<u>-</u>
KCL RSP 2020-Deferred Shares						
15.2.2021	3,231,494	-	(1,639,149)	(150,166)	-	1,442,179
15.2.2022	-	6,309,031	(2,163,408)	(333,454)	-	3,812,169
	<u>3,231,494</u>	<u>6,309,031</u>	<u>(3,802,557)</u>	<u>(483,620)</u>	<u>-</u>	<u>5,254,348</u>

Directors' Statement

5. Share plans of the Company (continued)

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	400,000	765,000	-	-	765,000
KCL PSP 2020-TIP					
Executive Director					
Loh Chin Hua	-	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	396,975	657,845	-	(657,845)	-

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	657,845	(306,237)	351,608
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, 2 March 2023

Independent Auditor's Report

to the Members of Keppel Corporation Limited
For the financial year ended 31 December 2022

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 of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and 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 2022, 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 2022;
- the consolidated profit or 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 the 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 judgements; 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 judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. Assessment of carrying amount of disposal group held for sale</p> <p>a. Contracts with Sete Brasil (“Sete”) <i>(Refer to Note 2.28 (b)(i)(a)(i) to the financial statements)</i></p> <p>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. Sete is to procure the release of the mortgage on the two uncompleted rigs placed with the ship registry.</p> <p>Management performed an assessment of the estimated recovery of the two rigs which Magni had bidded to purchase from Sete. Contract asset balances relating to these uncompleted rigs (net of loss provision recognised in prior years) as at 31 December 2022 amounted to \$158 million.</p> <p>As at 31 December 2022, management estimated the net present value of the cash flows relating to the construction contract for these two rigs with Magni or another investor to replace Magni at similar terms. In addition, management performed an assessment to estimate the cost of discontinuance of related agreements with Sete, as well as the possible option of repossession of the rigs, complete the construction and charter out to extract value from the uncompleted rigs. Arising from the assessment, management concluded that loss provisions made in prior years were adequate.</p> <p>The assessment is made with the following key assumptions, taking into consideration the likelihood and expected financial impact of the various possible outcomes:</p> <ul style="list-style-type: none"> • 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; • If Magni or another investor is unable to purchase the rigs from Sete, KOM would regain possession of the rigs, complete the construction and charter them out. The recoverable amounts under this scenario are based on the Value-in-use (“VIU”) of the rigs determined by management with the assistance of independent professional firms; and • The future cost of construction of the rigs are not materially different from management’s current estimation. <p>In addition to the independent professional firm responsible for estimating the VIU based on the DCF model, management 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 included dayrates, cost assumptions, utilisation rates, discount rates and estimated commencement of deployment of the assets.</p> <p>Management had considered that a combination of reasonable change in the assumptions above could eliminate the headroom in the recoverable amount over the carrying amount and hence did not reverse previously recognised expected credit loss as at 31 December 2022.</p> <p>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.</p>	<p>We reviewed management’s assessment of the recoverable amount and the consideration of the likelihood and expected financial impact of the various possible outcomes.</p> <p>In the assessment of expected financial impact, we reviewed the term sheet with Magni and correspondences with Sete and its authorised representatives to validate the assumptions applied by management. We also reviewed the expected recoverable amount under the scenario that KOM would regain possession of the rigs, complete the construction and charter them out. In addition, we 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.</p> <p>Based on our procedures, we found management’s basis of assessment of the carrying amount of the assets relating to the Sete contracts to be reasonable, on the basis of the key assumptions made by management.</p> <p>In respect of the independent professional firm and the industry expert, we found that they possessed the requisite competency and experience to assist management in the assessment of the valuations.</p> <p>We noted management’s judgement that a combination of reasonable change in the assumptions could eliminate the headroom in the recoverable amount over the carrying amount.</p> <p>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.</p>

Independent Auditor's Report

to the Members of Keppel Corporation Limited

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. Assessment of carrying amount of disposal group held for sale (continued)</p> <p>b. Other contract assets and receivables, stocks and fixed assets (uncompleted and completed rigs) <i>(Refer to Note 2.28(b)(i)(a)(ii), 2.28(b)(i)(b) and 2.28(b)(i)(c) to the financial statements)</i></p> <p>As at 31 December 2022, the Group has:</p> <ul style="list-style-type: none"> (i) 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 \$572 million; (ii) Trade receivables amounting to \$378 million where the rigs had been delivered but the receipt of construction revenue deferred under certain financing arrangements; (iii) Stocks under work-in-progress ("WIP") amounting to \$1,549 million; and (iv) Fixed assets relating to rigs under bareboat charter contracts of \$1,458 million (after the reversal of previously recognised impairment loss amounting to \$293 million due to significant improvement in the demand for these rigs at higher day rates and that they are already on charter and in operation). <p>We focused on this area because significant judgment and assumptions are required in:</p> <ul style="list-style-type: none"> (i) Estimating the expected credit loss of the contract assets and trade receivables balance; (ii) Estimating the NRV of the WIP balance; and (iii) Estimating the recoverable amount of the fixed assets. <p>For the above contract assets and trade receivables, in the event that the customers are unable to fulfil their contractual obligations, management had 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. On this basis, the value of the rigs delivered or under construction, the NRV of the WIP balance and the recoverable amount of the fixed assets is their value-in-use ("VIU") estimated using the Discounted Cash Flow ("DCF") model.</p> <p>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.</p>	<p>We reviewed management's estimation of the expected credit loss on contract assets on deferred delivery and trade receivables under certain financing arrangements, estimation of NRV of the WIP and estimation of the recoverable amount of the fixed assets relating to rigs under bareboat charter contracts.</p> <p>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 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.</p> <p>On the reversal of impairment on the fixed assets of \$293 million, we reviewed management's basis and corroborated to internal and external information, including those provided by the industry expert engaged by management.</p> <p>Based on our procedures, we found management's key judgements and basis of estimation over the recovery of contract assets on deferred delivery and trade receivables under certain financing arrangements, NRV of the WIP and recoverable amount of the fixed assets to be appropriate.</p> <p>In respect of the independent professional firm and the industry expert, we found that they possessed the requisite competency and experience to assist management in the assessment of the valuations.</p> <p>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.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>2. Revenue recognition based on measurement of progress towards performance obligation (Refer to Notes 2.28(b)(iii), 22 and 25 to the financial statements)</p> <p>During the financial year, the Group recognised \$410 million of revenue from continuing operations and \$2,648 million of revenue from discontinued operations 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.</p> <p>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.</p> <p>When it is probable that the costs of a contract will exceed the contract revenue, the expected loss is recognised as an expense immediately. As at 31 December 2022, management assessed that for some projects, total contract costs of each project would exceed the total contract sum. Costs yet to be incurred for these projects as at 31 December 2022 had been included in provision for onerous contracts amounting to \$54 million as presented in Note 22 and \$92 million relating to discontinued operation presented within liabilities associated with disposal group held for sale.</p> <p>We focused on this area because of the significant management judgment required in:</p> <ul style="list-style-type: none"> 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. 	<p>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.</p> <p>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.</p> <p>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.</p> <p>In relation to total contracts costs, we:</p> <ul style="list-style-type: none"> validated costs incurred by tracing to supplier invoices or sub-contractor progress billings; reviewed management’s estimates of cost-to-complete for projects that were in-progress at the year end, 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, including the consideration for the expectation of potential delays and cost escalations; and reviewed claims from suppliers and subcontractors and traced to the recording of the costs. <p>We assessed the need for provision for liquidated damages via discussions with management and project managers and examination of project documentation.</p> <p>We also considered the adequacy of the Group’s disclosures in respect of this matter.</p> <p>Based on our procedures, we found assumptions made in the measurement of the progress of construction contracts and the estimation of total contract costs to be reasonable. We also found the disclosures in the financial statements to be adequate.</p>

Independent Auditor's Report

to the Members of Keppel Corporation Limited

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>3. Valuation of properties held for sale <i>(Refer to Notes 2.28(b)(viii) and 15 to the financial statements)</i></p> <p>As at 31 December 2022, the Group has residential properties held for sale of \$2,235 million mainly in China, Singapore, Indonesia and Vietnam.</p> <p>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.</p> <p>For certain development projects, fair values based on independent valuation reports are used to determine the net realisable value of these properties.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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 valuers 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>4. Valuation of investment properties <i>(Refer to Notes 2.28(b)(vii), 8 and 35 to the financial statements)</i></p> <p>As at 31 December 2022, the Group owns a portfolio of investment properties of \$4,283 million comprising mainly office buildings, hotels, retail malls and mixed-use development projects, located primarily in China, Singapore, Indonesia and Vietnam.</p> <p>Investment properties are stated at their fair values determined by independent professional property valuers.</p> <p>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.</p> <p>Furthermore, independent professional property valuers for certain investment properties had highlighted in their reports, 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.</p>	<p>We evaluated the qualifications and competence of the independent professional property valuers. We found that the valuers engaged by management are members of recognised professional bodies for professional property valuers and they possessed the requisite competency and experience to assist management in the assessment of the valuations.</p> <p>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 were considered by the valuers in determining the valuation of investment properties. We also considered other alternative valuation methods. 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.</p> <p>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.</p> <p>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. We found the disclosures in the financial statements to be adequate.</p>
<p>5. Impairment assessment of goodwill arising from acquisition of subsidiary – M1 Limited (“M1”) <i>(Refer to Notes 2.28(b)(ii) and 14 to the financial statements)</i></p> <p>In February 2019, the Group obtained controlling interest in M1 and recognised a goodwill of \$988 million upon the acquisition.</p> <p>An annual impairment assessment has been performed on the goodwill 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.</p> <p>The recoverable value of the M1 CGU as at 31 December 2022 was determined on a VIU basis using a DCF model.</p> <p>The assessment of the VIU of M1 CGU as at 31 December 2022 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 estimated to be higher than the carrying value (including goodwill) of the M1 CGU.</p>	<p>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. We checked whether the cash flow projections were based on the approved business plan. We involved our valuation expert in evaluating the valuation methodology, the long term growth rate and the discount rate applied by management.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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 the other sections of the Keppel Corporation Limited Annual Report 2022 ("the 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 judgement and maintain professional scepticism 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 consolidated 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

Public Accountants and Chartered Accountants

Singapore, 2 March 2023

Balance Sheets

As at 31 December 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Share capital	3	1,305,668	1,305,668	1,305,668	1,305,668
Treasury shares	3	(456,015)	(4,624)	(456,015)	(4,624)
Reserves	4	10,328,606	10,354,096	9,578,146	8,495,816
Share capital & reserves		11,178,259	11,655,140	10,427,799	9,796,860
Perpetual securities	6	401,521	401,521	401,521	401,521
Non-controlling interests	5	333,560	384,700	-	-
Total equity		11,913,340	12,441,361	10,829,320	10,198,381
Represented by:					
Fixed assets	7	976,797	2,044,374	5,641	8,462
Investment properties	8	4,283,093	4,256,428	-	-
Right-of-use assets	9	241,052	529,216	11,659	15,231
Subsidiaries	10	-	-	7,188,393	7,993,786
Associated companies and joint ventures	11	6,791,862	6,050,258	-	-
Investments	12	1,482,719	1,447,664	19,430	24,100
Deferred tax assets	24	87,624	212,679	8,853	9,313
Derivative assets		203,200	46,263	163,978	28,346
Contract assets	16	86,411	99,109	-	-
Long term assets	13	498,536	1,201,982	70,252	94,161
Intangibles	14	1,564,714	1,589,272	-	-
		16,216,008	17,477,245	7,468,206	8,173,399
Current assets					
Stocks	15	2,300,950	4,603,985	-	-
Contract assets	16	255,900	3,169,694	-	-
Amounts due from:					
- subsidiaries	17	-	-	7,546,620	9,852,909
- associated companies and joint ventures	17	262,068	569,666	202	32
Debtors	18	1,239,298	2,190,690	58,911	32,049
Derivative assets		69,851	140,031	9,664	39,153
Short term investments	19	48,782	27,103	-	-
Bank balances, deposits & cash	20	1,142,344	3,616,633	1,232	810
		5,319,193	14,317,802	7,616,629	9,924,953
Disposal group and assets classified as held for sale	37	9,529,776	527,880	3,166,596	-
		14,848,969	14,845,682	10,783,225	9,924,953
Current liabilities					
Creditors	21	2,768,820	4,937,786	89,085	92,523
Derivative liabilities		156,355	249,690	49,048	31,284
Contract liabilities	16	209,770	1,002,024	-	-
Provisions	22	58,445	66,763	-	-
Amounts due to:					
- subsidiaries	17	-	-	273,063	175,802
- associated companies and joint ventures	17	69,863	286,085	900	882
Term loans	23	3,577,658	4,659,308	2,789,301	3,326,730
Lease liabilities	9	36,426	89,677	4,216	4,175
Taxation	29	258,990	505,479	43,513	39,651
		7,136,327	11,796,812	3,249,126	3,671,047
Liabilities directly associated with disposal group and assets classified as held for sale	37	4,224,003	38,330	-	-
		11,360,330	11,835,142	3,249,126	3,671,047
Net current assets		3,488,639	3,010,540	7,534,099	6,253,906
Non-current liabilities					
Term loans	23	6,603,186	6,795,912	4,043,984	4,113,695
Lease liabilities	9	162,703	472,042	8,467	12,265
Deferred tax liabilities	24	368,031	426,891	-	-
Derivative liabilities		99,849	98,422	91,306	70,777
Other non-current liabilities	21	557,538	253,157	29,228	32,187
		7,791,307	8,046,424	4,172,985	4,228,924
Net assets		11,913,340	12,441,361	10,829,320	10,198,381

The accompanying notes form an integral part of these financial statements.

Consolidated Profit or Loss Account

For the financial year ended 31 December 2022

	Note	2022 \$'000	2021 [#] \$'000
Continuing operations			
Revenue	25	6,619,718	6,611,336
Materials, subcontract and other costs		(5,174,408)	(5,082,017)
Staff costs	26	(667,878)	(665,169)
Depreciation and amortisation		(206,558)	(290,823)
Expected credit loss on financial assets, contract assets and financial guarantee	27	(34,010)	(299,480)
Other operating income - net		28,343	855,476
Operating profit	27	565,207	1,129,323
Investment income	28	48,541	104,861
Interest income	28	91,348	88,306
Interest expenses	28	(146,187)	(170,102)
Share of results of associated companies and joint ventures	11	535,979	458,765
Profit before tax		1,094,888	1,611,153
Taxation	29	(245,149)	(375,189)
Profit from continuing operations for the year		849,739	1,235,964
Discontinued operations	37	83,066	(225,952)
Profit/(loss) from discontinued operations, net of tax			
Profit for the year		932,805	1,010,012
Attributable to:			
Shareholders of the Company:			
- from continuing operations		838,959	1,247,468
- from discontinued operations		87,658	(224,817)
		926,617	1,022,651
Perpetual securities holders		11,600	3,401
Non-controlling interests	5	(5,412)	(16,040)
		932,805	1,010,012
Earnings per ordinary share			
- basic	30	52.1 cts	56.2 cts
- diluted		51.6 cts	55.9 cts
Earnings per ordinary share - Continuing operations:			
- basic	30	47.2 cts	68.5 cts
- diluted		46.7 cts	68.1 cts

[#] Comparative information has been re-presented due to a discontinued operation (Note 37).

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2022

	2022 \$'000	2021 [#] \$'000
Profit for the year	932,805	1,010,012
<u>Items that may be reclassified subsequently to profit or loss account:</u>		
Cash flow hedges		
- Fair value changes arising during the year, net of tax	155,771	(70,678)
- Realised and transferred to profit or loss account	195,578	74,573
Foreign exchange translation		
- Exchange differences arising during the year	(410,257)	187,852
- Realised and transferred to profit or loss account	(15,954)	17,595
Share of other comprehensive income of associated companies and joint ventures		
- Cash flow hedges	68,506	34,251
- Foreign exchange translation	(280,320)	96,000
	(286,676)	339,593
<u>Items that will not be reclassified subsequently to profit or loss account:</u>		
Financial assets, at FVOCI		
- Fair value changes arising during the year	(9,121)	(96,015)
Foreign exchange translation		
- Exchange differences arising during the year	(17,080)	4,217
Share of other comprehensive income of associated companies and joint ventures		
- Financial assets, at FVOCI	(662)	194
	(26,863)	(91,604)
Other comprehensive income for the year, net of tax	(313,539)	247,989
Total comprehensive income for the year	619,266	1,258,001
Attributable to:		
Shareholders of the Company		
- from continuing operations	523,603	1,497,622
- from discontinued operations	107,852	(233,944)
	631,455	1,263,678
Perpetual securities holders	11,600	3,401
Non-controlling interests	(23,789)	(9,078)
	619,266	1,258,001

Comparative information has been re-presented due to a discontinued operation (Note 37).

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2022

	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									
2022									
As at 1 January 2022	1,305,668	(4,624)	129,619	10,365,733	(141,256)	11,655,140	401,521	384,700	12,441,361
Total comprehensive income for the year									
Profit for the year	-	-	-	926,617	-	926,617	11,600	(5,412)	932,805
Other comprehensive income*	-	-	411,369	-	(706,531)	(295,162)	-	(18,377)	(313,539)
Total comprehensive income for the year	-	-	411,369	926,617	(706,531)	631,455	11,600	(23,789)	619,266
Transactions with owners, recognised directly in equity									
<u>Contributions by and distributions to owners</u>									
Dividends paid (Note 31)	-	-	-	(643,233)	-	(643,233)	-	-	(643,233)
Share-based payment	-	-	45,096	-	-	45,096	-	-	45,096
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(33,033)	(33,033)
Purchase of treasury shares	-	(499,993)	-	-	-	(499,993)	-	-	(499,993)
Treasury shares reissued pursuant to share plans	-	48,602	(48,602)	-	-	-	-	-	-
Transfer of statutory, capital and other reserves from revenue reserves	-	-	17,659	(16,283)	(1,376)	-	-	-	-
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	2,916	2,916
Distribution paid to perpetual securities holders	-	-	-	-	-	-	(11,600)	-	(11,600)
Contributions to defined benefits plans	-	-	1,234	-	-	1,234	-	22	1,256
Total contributions by and distributions to owners	-	(451,391)	15,387	(659,516)	(1,376)	(1,096,896)	(11,600)	(30,095)	(1,138,591)
<u>Changes in ownership interests in subsidiaries</u>									
Acquisition of additional interest in subsidiaries	-	-	(11,466)	-	-	(11,466)	-	(13,138)	(24,604)
Disposal of interest in subsidiaries	-	-	-	26	-	26	-	(4,071)	(4,045)
Acquisition of a subsidiary	-	-	-	-	-	-	-	19,953	19,953
Total change in ownership interests in subsidiaries	-	-	(11,466)	26	-	(11,440)	-	2,744	(8,696)
Total transactions with owners	-	(451,391)	3,921	(659,490)	(1,376)	(1,108,336)	(11,600)	(27,351)	(1,147,287)
As at 31 December 2022	1,305,668	(456,015)	544,909	10,632,860	(849,163)	11,178,259	401,521	333,560	11,913,340

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

Financial Report

Consolidated Statement of Changes in Equity

Group	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
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									
<u>Contributions by and distributions to owners</u>									
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
<u>Changes in ownership interests in subsidiaries</u>									
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.

	Attributable to owners of the Company						Total Equity \$'000
	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Share Capital & Reserves \$'000	Perpetual Securities \$'000	
Company							
2022							
As at 1 January 2022	1,305,668	(4,624)	224,759	8,271,057	9,796,860	401,521	10,198,381
Total comprehensive income for the year							
Profit for the year	-	-	-	1,733,286	1,733,286	11,600	1,744,886
Other comprehensive income	-	-	(4,218)	-	(4,218)	-	(4,218)
Total comprehensive income for the year	-	-	(4,218)	1,733,286	1,729,068	11,600	1,740,668
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	(643,233)	(643,233)	-	(643,233)
Share-based payment	-	-	45,097	-	45,097	-	45,097
Purchase of treasury shares	-	(499,993)	-	-	(499,993)	-	(499,993)
Treasury shares reissued pursuant to share plans	-	48,602	(48,602)	-	-	-	-
Distribution paid to perpetual securities holders	-	-	-	-	-	(11,600)	(11,600)
Total transactions with owners	-	(451,391)	(3,505)	(643,233)	(1,098,129)	(11,600)	(1,109,729)
As at 31 December 2022	1,305,668	(456,015)	217,036	9,361,110	10,427,799	401,521	10,829,320
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

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000 (Reclassified)*
Operating activities			
Operating profit		726,891	897,791
Adjustments:			
Depreciation and amortisation		241,957	406,402
Share-based payment expenses		43,403	37,369
Gain on sale of fixed assets		(6,980)	(9,550)
Gain on disposal of subsidiaries		(22,498)	(241,054)
Gain on disposal of associated companies and joint ventures		(74,860)	(208,635)
Loss from sale of interests in associated companies		40,168	-
(Write-back)/provision of impairment		(291,867)	53,550
Impairment of associated companies		1,000	35,082
Fair value gain on investment properties		(131,711)	(238,458)
Gain from change in interest in associated companies		(10,933)	(8,516)
Fair value gain on investments and associated companies		(85,844)	(315,540)
Fair value gain on remeasurement of remaining interest in a joint venture		-	(69,469)
Gain on acquisition of subsidiaries		(6,795)	-
Unrealised foreign exchange differences		(100,380)	(10,841)
Operational cash flow before changes in working capital		321,551	328,131
Working capital changes:			
Stocks		708,305	58,278
Contract assets		(620,466)	(520,205)
Debtors		38,717	412,841
Creditors		274,318	876,307
Contract liabilities		3,297	(1,072,727)
Trade amount due to/from associated companies and joint ventures		99,741	(17,217)
		825,463	65,408
Interest received		107,306	93,950
Interest paid		(285,609)	(251,077)
Net income taxes paid		(387,573)	(259,964)
Net cash from/(used in) operating activities		259,587	(351,683)
Investing activities			
Acquisition of subsidiaries	A	(34,328)	-
Acquisition and further investment in associated companies and joint ventures		(885,728)	(156,783)
Acquisition of fixed assets, investment properties, intangible assets and investments		(696,211)	(614,872)
Disposal of subsidiaries	B	403,194	1,146,299
Proceeds from disposal of fixed assets, investment properties, and investments		83,413	751,944
Proceeds from disposal of associated companies and joint ventures and return of capital		341,797	668,040
(Advances to)/repayment from associated companies, joint ventures and joint venture partner		(210,364)	2,208
Dividends received from investments, associated companies and joint ventures		330,942	311,177
Net cash (used in)/from investing activities		(667,285)	2,108,013
Financing activities			
Acquisition of additional interest in subsidiaries		(28,600)	(28,385)
Proceeds from non-controlling shareholders of subsidiaries		2,916	-
Proceeds from term loans		2,933,615	1,709,321
Repayment of term loans		(3,270,039)	(2,308,566)
Principal element of lease payments		(82,641)	(68,573)
Proceeds from issuance of perpetual securities, net of transaction cost		-	398,120
Purchase of treasury shares		(499,993)	(13,048)
Dividend paid to shareholders of the Company		(643,233)	(345,752)
Dividend paid to non-controlling shareholders of subsidiaries		(33,033)	(11,251)
Net advances from/(repayment to) non-controlling shareholders of certain subsidiaries		111,023	(6,428)
Distribution to perpetual securities holders		(11,600)	-
Net cash used in financing activities		(1,521,585)	(674,562)
Net (decrease)/increase in cash and cash equivalents		(1,929,283)	1,081,768
Cash and cash equivalents as at beginning of year		3,543,642	2,408,473
Effects of exchange rate changes on the balance of cash held in foreign currencies		(169,586)	53,401
Cash and cash equivalents as at end of year	C	1,444,773	3,543,642

* For the financial year ended 31 December 2022, the Group reclassified certain comparatives in the consolidated statement of cash flows for financial year ended 31 December 2021 to align to the current consolidated statement of cash flows presentation.

The accompanying notes form an integral part of these financial statements.

Reconciliation of liabilities arising from financing activities

2022

	1 January 2022 \$'000	Net proceeds/ (payment) of principal \$'000	Non-cash changes				Foreign exchange movement \$'000	Others \$'000	Presented as liabilities directly associated with assets classified as held for sale (Note 37) \$'000	31 December 2022 \$'000
			Addition during the year \$'000	Remeasurement of lease liabilities \$'000	Disposal of subsidiaries \$'000	Acquisition of subsidiaries \$'000				
Term loans	11,455,220	(336,424)	-	-	(55,286)	43,909	(168,864)	-	(757,711)	10,180,844
Lease liabilities	561,719	(82,641)	43,084	20,864	(30,814)	-	1,631	-	(314,714)	199,129
Advances from non-controlling shareholders	163,815	111,023	-	-	-	-	(1,970)	842	-	273,710

2021

	1 January 2021 \$'000	Net payment of principal \$'000	Non-cash changes					31 December 2021 \$'000
			Addition during the year \$'000	Remeasurement of lease liabilities \$'000	Disposal of subsidiaries \$'000	Foreign exchange movement \$'000	Others \$'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
Advances from non-controlling shareholders	168,030	(6,428)	-	-	-	1,365	848	163,815

Notes to Consolidated Statement of Cash Flows

A. Acquisition of subsidiaries

During the financial year, net assets of subsidiaries acquired at their fair values were as follows:

	2022 \$'000
Fixed assets and investment properties	3,829
Right-of-use assets	226
Intangible assets	10,799
Stocks	9,174
Debtors and other assets	109,918
Bank balances and cash	21,056
Creditors and other liabilities	(19,578)
Borrowings and lease liabilities	(43,909)
Current and deferred taxation	(8,820)
Total identifiable net assets at fair value	82,695
Non-controlling interests measured at fair value	(20,694)
Amount previously accounted for as an associated company	178
Gain on acquisition of subsidiaries	(6,795)
Total purchase consideration	55,384
Less: Bank balances and cash acquired	(21,056)
Cash outflow on acquisition	34,328

Acquisitions during 2022 relate to acquisition of 51% of equity interest in Glocomp Systems (M) Sdn Bhd over two tranches and acquisition of 100% equity interest in Juventas DC Pte. Ltd.. Fair value of the net identifiable assets is determined on a provisional basis.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

B. Disposal of Subsidiaries

During the financial year, the book values of net assets of subsidiaries disposed were as follows:

	2022 \$'000	2021 \$'000
Fixed assets and investment properties	(98,621)	(22)
Right-of-use assets	(33,480)	-
Intangible assets	(1,275)	-
Stocks	(233,405)	(311,921)
Debtors and other assets	(59,263)	(10,741)
Associated companies and joint ventures	(127,215)	(1,208)
Bank balances and cash	(15,769)	(3,145)
Assets classified as held for sale*	-	(875,971)
Amount due from associated companies and joint ventures	-	(4,731)
Creditors and other liabilities	35,301	110,586
Borrowings and lease liabilities	86,100	-
Liabilities directly associated with assets classified as held for sale*	-	156,412
Current and deferred taxation	33,911	6,201
Non-controlling interests deconsolidated	4,009	2,228
Net assets disposed of	(409,707)	(932,312)
Net gain on disposal	(22,498)	(241,054)
Amount accounted for as associated company	-	18,980
Realisation of foreign currency translation reserve	8,520	1,395
Sale proceeds	(423,685)	(1,152,991)
Less: Bank balances and cash disposed	15,769	6,692
Less: Proceeds receivable	4,722	-
Cash inflow on disposal	(403,194)	(1,146,299)

* Breakdown of assets classified as held for sale and liabilities directly associated with assets classified as held for sale disposed during the year:

	2022 \$'000	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, disposal of subsidiaries relates to Shanghai Fengwo Apartment Management Co Ltd, Shanghai Jinju Real Estate Development Co Ltd, Keppel Logistics Pte. Ltd. and Indo-Trans Keppel Logistics Vietnam Co Ltd.

In the prior 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.

C. 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:

	2022 \$'000	2021 \$'000
Bank balances, deposits and cash	1,142,344	3,616,633
Disposal group classified as held for sale - bank balances, deposits & cash (Note 37)	381,179	-
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and other liabilities	(78,750)	(72,991)
	1,444,773	3,543,642

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2022

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 2022 and the balance sheet and statement of changes in equity of the Company at 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 2 March 2023.

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.

Interest Rate Benchmark Reform – Phase 2

In the prior year, 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 were applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the prior 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 continued to apply 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 relationships.
- **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.

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.

Notes to the Financial Statements

2. Significant accounting policies (continued)

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 2022, the Group has applied the practical expedients provided under Phase 2 amendments to S\$1,965 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\$200 million of remaining variable-rate SGD borrowing and S\$28,931,000 variable-rate SGD receivables which references to SOR, with interest rate fixing date falling after 30 June 2023. The Group's communication with its debt counterparty and receivables counterparties respectively are still ongoing, as specific changes required by IBOR reform have not yet been finalised. 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\$425 million (or S\$581 million equivalent) of remaining variable-rate USD borrowings, S\$410,119,000 variable-rate USD receivables and S\$1,775,000 variable-rate USD payables which references to USD LIBOR, with interest rate fixing dates falling after 30 June 2023. The Group hedges the variability in cash flows of its borrowings using USD LIBOR-linked interest rate swaps. While most swaps have been restructured in view of IBOR reform, the Group's communication with its swap, debt, receivables and payables counterparties respectively are still ongoing, as specific changes required by IBOR reform have not yet been finalised. 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 2022 which are referenced to SOR and have not started transitioning to new benchmark rates:

	SOR			
	Group		Company	
	Carrying Amount \$'000	Of which: Not started transitioning to an alternative benchmark rate \$'000	Carrying Amount \$'000	Of which: Not started transitioning to an alternative benchmark rate \$'000
31 December 2022				
Assets				
- Amounts due from an associated company	20,000	20,000	-	-
- Loan to a joint venture	8,931	8,931	-	-
Liabilities				
- Borrowings	199,825	199,825	-	-

The following table contains details of all the affected financial instruments that the Group and Company holds at 31 December 2022 which are referenced to USD LIBOR and have not started transitioning to new benchmark rates:

	USD LIBOR			
	Group		Company	
	Carrying Amount \$'000	Of which: Not started transitioning to an alternative benchmark rate \$'000	Carrying Amount \$'000	Of which: Not started transitioning to an alternative benchmark rate \$'000
31 December 2022				
Assets				
- Derivative Financial Instruments	17,026	17,026	17,026	17,026
- Trade Receivables	410,119	410,119	-	-
Liabilities				
- Borrowings	581,230	170,950	581,230	170,950
- Creditors	1,775	1,775	-	-

The above table excludes receivables from KrisEnergy of S\$109,601,000 which are referenced to USD LIBOR as the carrying amount of these receivables are primarily measured based on the expected recoveries for the Group.

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 2022. 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) 1-16 *Property, Plant and Equipment - Proceeds before Intended Use* (effective for annual periods beginning on or after 1 January 2022)
- 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)

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.

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 or 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 or 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 or 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 or 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 or 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.

Notes to the Financial Statements

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 or 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	30 to 50 years
Buildings on leasehold land	Over period of lease (ranging from 10 to 50 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

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 or loss account. The cost of major renovations or improvements is capitalised and the carrying amounts of the replaced components are recognised in the profit or loss account.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit or 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 or 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 or 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 or 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 or 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. 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 17 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 15 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.

Notes to the Financial Statements

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 or 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 or loss account when the asset is derecognised or impaired. Interest income from these financial assets is recognised in the profit or 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 or 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 or loss account. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit or loss account. Interest income from these financial assets is recognised in the profit or 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 or 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 or 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 or loss account. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to the profit or loss account.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in the profit or 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 or 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 or loss account. Amounts taken to other comprehensive income are reclassified to the profit or loss account when the hedged transaction affects the profit or loss account.

For fair value hedges, changes in the fair value of the designated hedging instruments are recognised in the profit or 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 or loss account.

For net investment hedges, the Group designates certain foreign currency borrowings as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges.

When foreign currency borrowings are designated as net investments hedges of foreign operations, the effective portion of currency translation differences is recognised in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion of the currency translation differences is recognised immediately in profit or loss. The amount recognised in other comprehensive income is reclassified to profit or loss on disposal of the foreign operation.

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.

Notes to the Financial Statements

2. Significant accounting policies (continued)

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 or 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.

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 or 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 or 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.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at their fair values plus transaction costs in the balance sheet. Financial guarantees are subsequently amortised to the profit or loss account over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss account.

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 onerous contracts is recognised when a contract is onerous. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision for onerous contract represents the present value of the management's best estimate of the future outflow of economic benefits that the Group is presently obliged to make under its obligations.

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 it 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.

When a Group company is the lessor

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.

Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in debtors and long-term receivables. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

Notes to the Financial Statements

2. Significant accounting policies (continued)

2.19 Assets (or disposal groups) classified as Held for Sale and discontinued operations

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. The assets are not depreciated or amortised while they are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset (or disposal groups) 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 (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

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.

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 or 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 or 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 or 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 or 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.

Notes to the Financial Statements

2. Significant accounting policies (continued)

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 or 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.

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, or 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, namely Energy & Environment, 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% (2021: approximately 47%) gross ownership interest of units in Keppel REIT as at 31 December 2022. 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) Assessment of carrying amount of disposal group held for sale

As disclosed in Note 37, the assets and liabilities related to Keppel O&M for the Proposed Combination, excluding the out-of-scope assets, had been presented in the balance sheet as "Disposal group classified as held for sale" following the definitive agreements for the proposed combination of Keppel O&M and Sembcorp Marine and for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity.

Specifically, the rigs under deferred delivery and secured trade receivables that are subject to the construction contracts, stocks under work-in-progress and fixed assets will be sold to the new and separate entity at its carrying value at the earlier of 30 June 2023 and date of completion of the proposed combination of Keppel O&M and Sembcorp Marine.

Whilst the assessment of the carrying amount of these assets is subjected to significant estimation uncertainty (as discussed below), the global economic environment has gradually recovered from COVID-19 and the oil and gas industry, in particular, has seen improvements in oil price recovery and increasing activities with more tenders awarded with higher dayrates contracted. The Group have been closely monitoring the market and industry developments relating to utilisation rates, dayrates, oil price outlook and other relevant information.

For rigs under construction with deferred delivery (contract assets and secured 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. The assessment of the carrying value of stocks under work-in-progress and certain fixed assets were assessed in conjunction with the recoverability of these contract assets and secured receivables.

Notes to the Financial Statements

2. Significant accounting policies (continued)

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 2022. 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 rigs. 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 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.

a) Contract Assets and Receivablesi. *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 and the Group had obtained full title to the remaining 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. Carrying amount of the equipment that the Group had salvaged from these four uncompleted rigs was approximately \$109,974,000 as at 31 December 2022 (2021: \$145,598,000). During the financial year, the Group had also successfully completed settlements with all vendors for related contract costs for the four uncompleted rigs with a total savings of \$65,763,000. This amount has been written back in the profit or loss during the financial year and the remaining provision for settlement as at 31 December 2022 is \$36,063,000.

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 a possible payout from the Plan of approximately US\$8,900,000.

Management performed an assessment of the estimated recovery of the two rigs which Magni had bidded to purchase from Sete. Carrying amount of these two rigs was approximately \$157,574,000 (net of cumulative losses) as at 31 December 2022 (2021: \$157,449,000).

Management estimated the net present value of the cashflows relating to the construction contract with Magni or another investor to replace Magni at similar terms. In addition, management performed an assessment to estimate the cost of discontinuance of related agreements of the EPC contracts with Sete, as well as the possible option of repossessing the rigs, complete the construction and charter out to extract value from the uncompleted rigs.

In estimating the charter rates, management have considered the assumptions provided by independent professional firms.

Arising from the above assessment, the loss allowance for trade debtors of \$183,000,000 and the provision for related contract costs of \$245,000,000 made in prior years remain adequate to the exposure relating to the EPC contracts with Sete. Total cumulative loss recognised in relation to these rig contracts amounted to \$410,237,000 after the write-back of the provision as at 31 December 2022 (2021: \$476,000,000).

The above assessment had been made with the following key assumptions, taking into consideration the likelihood and expected financial impact of the various possible outcomes:

- (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;
- (iii) If Magni or another investor is unable to purchase the rigs from Sete, KOM would regain possession of the rigs, complete the construction and charter them out. The recoverable amounts under this scenario are based on the VIU of the rigs determined by management with the assistance of the independent professional firms as detailed above; and
- (iv) The future cost of construction of the rigs are not materially different from management's current estimation.

The Group has considered that a combination of reasonable change in the assumptions above could eliminate the headroom in the recoverable amount over the carrying amounts and hence has not reversed any of the previously recognised expected credit loss as at 31 December 2022.

ii. Other contracts

During the financial year, the Group formally terminated several construction contracts of rigs, of which some of these rigs have entered into bareboat charter contracts. As a result, these rigs were reclassified to stocks or fixed assets. Please see the following sections on the significant estimations on these stocks and fixed assets.

As at 31 December 2022, 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 \$572,179,000 (31 December 2021: \$1,707,190,000).

The Group had also delivered rigs to customers where receipt of the construction revenue has been deferred under certain financing arrangements, amounting to \$377,964,000 as at 31 December 2022 (2021: \$791,952,000). These receivables are secured on the delivered rigs.

Management has 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 as at 31 December 2022.

Based on the results of the assessments, the Group did not recognise any expected credit loss on contract assets and receivables during the financial year ended 31 December 2022 (2021: expected credit loss allowance of \$75,952,000 on receivables).

The valuations of the rigs based on estimated VIU were most sensitive to discount rates and dayrates.

- A discount rate of 9.0% has been used in the valuation as at 31 December 2022 (2021: 7.6%). An increase of 1% of the discount rate would not result in additional expected credit loss (2021: \$7,000,000).
- A decrease in dayrates of US\$5,000 per day across the entire asset useful life of 25 years would not result in additional expected credit loss (2021: \$nil).

The Group has considered that a combination of reasonable change in the assumptions above could eliminate the headroom in the recoverable amount over the carrying amounts and hence have not reversed any of the previously recognised expected credit loss as at 31 December 2022.

b) Stocks at net realisable value

The net realisable value of stocks represents the estimated selling price for these stocks less all estimated cost of completion and costs necessary to make the sale.

As at 31 December 2022, the carrying value of stocks under work-in-progress amounted to \$1,548,872,000. This balance includes the stocks that were transferred from contracts assets and receivables following the termination of the construction contracts in Note 2.28(b)(i)(a)(ii) above of \$374,694,000 during 2022.

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 2022 (2021: \$nil).

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.

- A discount rate of 9.0% has been used in the valuation as at 31 December 2022 (2021: 7.6%). An increase of 1% of the discount rate would not result in an impairment (2021: \$46,500,000).
- A decrease in dayrates of US\$5,000 per day across the entire asset life of 25 years would not result in an impairment (2021: \$nil).
- A delay in charter start date of 12 months would not result in an impairment (2021: \$24,200,000).

The Group has considered that a combination of reasonable change in the assumptions above could eliminate the headroom in the recoverable amount over the carrying amounts and hence have not reversed any of the previously recognised impairment as at 31 December 2022.

Notes to the Financial Statements

2. Significant accounting policies (continued)c) Impairment of fixed assets

As noted in Note 2.28(b)(i)(a)(ii) above, the Group formally terminated several construction contracts, of which some of these rigs have entered into bareboat charter contracts. These rigs were reclassified to fixed assets and amounted to \$1,164,887,000 (before the reversal of any impairment loss) during 2022.

Based on the results of the VIU assessment, the Group made a reversal of impairment previously recognised on these fixed assets due to significant improvements in the demand for these rigs and that they are already on charter and in operation. The reversal represented the excess of the recoverable amount as at 31 December 2022 over previously impaired carrying amount, and did not exceed the recoverable amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the rigs in prior years. The recoverable amount as at 31 December 2022 was determined based on VIU calculations. A higher pre-tax discount rate of 9.0% and higher forecasted dayrates provided by independent professional firms were used as compared to when the impairment was originally made in prior years. A reversal of impairment of \$292,838,000 has been recognised in the profit or loss.

The valuations of these fixed assets based on estimated VIU were most sensitive to discount rates and dayrates.

- A discount rate of 9.0% has been used in the valuation as at 31 December 2022 (2021: 7.6%). An increase of 1% of the discount rate would reduce the impairment reversed by approximately \$143,598,000.
- A decrease in dayrates of US\$5,000 per day across the entire asset useful life of 25 years would reduce the impairment reversed by approximately \$78,774,000.

(ii) 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 2022.

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.

(iii) 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, the work of engineers as well as quotations and references from other projects. These estimations are also made with due consideration of the circumstances and relevant events that were known to management at the date of these financial statements.

The above assessment had been made with the following key assumptions:

- (i) estimation of the expected completion dates of each project, including expectations of any potential delays;
- (ii) additional costs that will be required to complete the projects; and
- (iii) impact of potential cost escalations.

As at 31 December 2022, management has assessed that for some projects, total contract costs for each project would exceed the total contract sum, resulting in the recognition of the expected loss as an expense immediately. Costs yet to be incurred for these projects as at 31 December 2022 have been included in provision for onerous contracts as detailed in Note 22 and \$91,548,000 (2021: \$18,831,000) relating to discontinued operations presented within liabilities directly associated with disposal group held for sale.

Revenue from construction contracts is disclosed in Note 25 and revenue from construction contracts in relation to the offshore & marine business amounting to \$2,647,964,000 is disclosed within discontinued operations in Note 37.

(iv) 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.

(v) 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. See Note 33 for further disclosures relating to the Group's claims and litigations.

(vi) 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.

(vii) Revaluation of investment properties

The Group carries its investment properties at fair value with changes in fair value being recognised in the profit or 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 2022, valuations were obtained from the valuers for the Group's investment properties, and the resultant fair value changes were recognised in the profit or 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.

(viii) 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.

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.

Notes to the Financial Statements

2. Significant accounting policies (continued)

(ix) 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; and
- (ii) Valuation techniques 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	
	2022	2021	2022	2021
Balance at 1 January	1,820,557,767	1,820,557,767	(943,259)	(3,051,474)
Treasury shares transferred pursuant to share plans	-	-	8,209,410	4,668,215
Treasury shares purchased	-	-	(75,864,000)	(2,560,000)
Balance at 31 December	1,820,557,767	1,820,557,767	(68,597,849)	(943,259)

	Amount (\$'000)			
	Issued Share Capital		Treasury Shares	
	2022	2021	2022	2021
Balance at 1 January	1,305,668	1,305,668	(4,624)	(13,690)
Treasury shares transferred pursuant to share plans	-	-	48,602	22,114
Treasury shares purchased	-	-	(499,993)	(13,048)
Balance at 31 December	1,305,668	1,305,668	(456,015)	(4,624)

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 8,209,410 (2021: 4,668,215) treasury shares to employees under vesting of Shares released under the KCL Share Plans. The Company also purchased 75,864,000 (2021: 2,560,000) treasury shares in the Company in the open market during the financial year. The total amount paid was \$499,993,000 (2021: \$13,048,000). 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
 Penny Goh (appointed on 1 June 2022)

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.

During the financial year, 1,566,518 (2021: 2,955,417) Shares under the KCL Restricted Share Plan – Deferred Shares (“KCL RSP-Deferred Shares”), 3,802,557 (2021: 1,712,798) Shares under the KCL Restricted Share Plan 2020 – Deferred Shares (“KCL RSP 2020-Deferred Shares”), 495,600 (2021: nil) Shares under the KCL Performance Share Plan (“KCL PSP”) and 2,344,735 (2021: nil) Shares under the KCL PSP – Transformation Incentive Plan (“KCL PSP-TIP”) were vested.

Details of the KCL RSP-Deferred Shares, KCL RSP 2020-Deferred Shares, KCL PSP, KCL PSP 2020, 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-Deferred Shares & KCL RSP 2020-Deferred Shares	KCL PSP & KCL PSP 2020	KCL PSP-TIP
Plan Description	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	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a six-year performance period
Performance Conditions	-	<p>PSP awards from Year 2019 to 2021</p> <p>(a) Absolute Total Shareholder’s Return (b) Return on Capital Employed (c) Net Profit</p> <p>PSP awards from Year 2022 onwards</p> <p>(a) Reduction in Carbon Emission (b) Net Profit (c) Return on Equity (d) Absolute Total Shareholder’s Return</p>	<p>(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</p>
Final Award	100% of the awards granted	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	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	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
		KCL PSP-M1 TIP	KCL PSP 2020-TIP
Plan Description		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		<p>(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</p>	<p>(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</p>
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
Vesting Condition and Schedule		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

Notes to the Financial Statements

3. Share capital (continued)

Movements in the number 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 as follows:

	2022					
	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 2020-Deferred Shares)						
Balance at 1 January	-	4,171,880	6,166,706	423,500	1,490,000	11,140,000
Granted	6,317,893	-	-	-	1,775,000	840,000
Adjustments upon released	(8,862)	(684,400)	(3,796,628)	-	-	-
Released	(6,309,031)	(495,600)	(2,344,735)	-	-	-
Cancelled	-	(150,000)	(25,343)	(43,600)	(150,000)	(760,000)
Balance at 31 December	-	2,841,880	-	379,900	3,115,000	11,220,000

	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

At the end of the financial year, the number of contingent award of Shares granted but not released was:

- 2,841,880 (2021: 4,171,880) under the KCL PSP;
- nil (2021: 6,166,706) under the KCL PSP-TIP;
- 379,900 (2021: 423,500) under the KCL PSP-M1 TIP, out of which 115,100 (2021: 127,900) is to be vested in three years and 264,800 (2021: 295,600) is to be vested in six years;
- 3,115,000 (2021: 1,490,000) under the KCL PSP 2020; and
- 11,220,000 (2021: 11,140,000) 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 4,262,820 under the KCL PSP, zero to a maximum of 569,850 under the KCL PSP-M1 TIP, zero to a maximum of 4,672,500 under the KCL PSP 2020, and zero to a maximum of 16,830,000 under the KCL PSP 2020-TIP.

	2022		2021	
	KCL RSP-Deferred Shares	KCL RSP-2020-Deferred Shares	KCL RSP-Deferred Shares	KCL RSP-2020-Deferred Shares
Awards released but not vested:				
Balance at 1 January	1,576,649	3,231,494	4,669,070	-
Released	-	6,309,031	-	5,089,075
Vested	(1,566,518)	(3,802,557)	(2,955,417)	(1,712,798)
Cancelled	(10,131)	(483,620)	(133,989)	(144,783)
Other adjustments	-	-	(3,015)	-
Balance at 31 December	-	5,254,348	1,576,649	3,231,494

As at 31 December 2022, there were no awards released but not vested (2021: 1,576,649) under the KCL RSP-Deferred Shares and 5,254,348 (2021: 3,231,494) under the KCL RSP 2020-Deferred Shares.

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.

On 15 February 2022, the Company granted awards of 6,317,893 Shares under the KCL RSP 2020-Deferred Shares and the estimated fair value of the Shares granted were \$5.84. On 29 April 2022, the Company granted contingent awards of 1,775,000 Shares under the KCL PSP 2020 and the estimated fair value of the Shares granted was \$6.07. On 29 April 2022, the Company granted contingent awards of 840,000 Shares under the KCL PSP 2020-TIP and the estimated fair value of the Shares granted was \$3.53.

In the prior year, 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.

The significant inputs into the model are as follows:

	2022		
	KCL RSP 2020-Deferred Shares	KCL PSP 2020	KCL PSP 2020-TIP
Date of grant	15.02.2022	29.04.2022	29.04.2022
Prevailing share price at date of grant	\$6.05	\$6.87	\$6.87
Expected volatility of the Company	26.92%	26.05%	26.05%
Expected term	0.00 - 2.00 years	2.83 years	3.83 years
Risk free rate	0.90% - 1.26 %	2.17%	2.27%
Expected dividend yield	*	*	*

	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	*	*	*

* 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Capital reserves				
Share option and share plans reserve	205,342	198,151	205,342	198,151
Fair value reserve	(60,911)	(49,653)	19,430	24,100
Hedging reserve	239,457	(180,398)	-	(452)
Bonus issue by subsidiaries	40,000	40,000	-	-
Others	121,021	121,519	(7,736)	2,960
	544,909	129,619	217,036	224,759
Revenue reserves	10,632,860	10,365,733	9,361,110	8,271,057
Foreign exchange translation account	(849,163)	(141,256)	-	-
	10,328,606	10,354,096	9,578,146	8,495,816

Exchange differences arises from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as from the translation of foreign currency loans that form part of the Group's net investment in foreign operations. The translation losses for 2022 arose largely from weakening of Renminbi against Singapore Dollar (2021: translation gains arose largely from strengthening of Renminbi against Singapore Dollar).

Notes to the Financial Statements

4. Reserves (continued)

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:

Group	Foreign exchange risk \$'000	Interest rate risk \$'000	Price risk \$'000	Total \$'000
2022				
As at 1 January	2,396	(33,943)	(148,851)	(180,398)
Fair value changes arising during the year, net of tax	(16,329)	224,247	(52,147)	155,771
Realised and transferred to profit or loss account				
- Materials, subcontract and other costs	(1,895)	-	117,432	115,537
- Other operating income – net	80,464	-	-	80,464
- Interest expenses	-	(3,253)	-	(3,253)
- Other gains and losses	-	2,830	-	2,830
Share of associated companies and joint ventures' fair value changes	1,882	66,624	-	68,506
As at 31 December	66,518	256,505	(83,566)	239,457
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 or loss account				
- Materials, subcontract and other 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)

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	
	2022	2021	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
	Kconnectivity Pte. Ltd.	20%	20%	280,725	304,313	10,041
Other subsidiaries with immaterial NCI			52,835	80,387	(15,453)	(23,039)
Total			333,560	384,700	(5,412)	(16,040)

Summarised financial information before inter-group elimination

	Kconnectivity Pte. Ltd.	
	2022 \$'000	2021 \$'000
Non-current assets	1,935,283	1,865,149
Current assets	459,086	641,450
Non-current liabilities	143,409	135,917
Current liabilities	489,427	485,153
Net assets	1,761,533	1,885,529
Less: NCI	(357,907)	(363,965)
	1,403,626	1,521,564
Revenue	1,182,413	1,096,177
Profit for the year	65,313	40,979
Total comprehensive income	56,091	45,841
Net cash generated from operations	155,663	273,921
Net cash (used in)/generated from investing activities	(148,946)	360,092
Net cash used in financing activities	(178,765)	(423,465)
Total comprehensive income allocated to NCI	12,629	7,396
Dividends paid to NCI	38,640	9,980

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:

	2022 \$'000	2021 \$'000
Amounts paid on changes in ownership interest in subsidiaries	(28,600)	(31,307)
Amounts paid on acquisition of additional interest made in prior year	3,996	-
Non-controlling interest acquired	13,138	19,385
Total amount recognised in equity reserves	(11,466)	(11,922)

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.

As at 31 December 2022, the perpetual securities of \$401,521,000 (2021: \$401,521,000) recognised within equity represent the \$398,120,000 (2021: \$398,120,000) perpetual securities issued net of transaction costs, and include the accrued distributions for the perpetual securities.

Notes to the Financial Statements

7. Fixed assets

Group	Freehold Land & Buildings \$'000	Buildings on Leasehold Land \$'000	Vessels & Floating Docks \$'000	Networks & Related Application Systems \$'000	Plant, Machinery, Equipment & Others ⁽¹⁾ \$'000	Capital Work-in-Progress \$'000	Total \$'000
2022							
Cost							
At 1 January	83,916	1,883,539	455,186	80,825	2,231,360	160,344	4,895,170
Additions	321	1,237	6	73,200	104,601	100,048	279,413
Disposals	(267)	(159)	(13)	-	(43,443)	(5,396)	(49,278)
Write-off	-	-	-	-	(890)	(52)	(942)
Subsidiaries acquired	3,409	-	-	-	420	-	3,829
Subsidiaries disposed	-	(249,852)	-	-	(43,053)	(791)	(293,696)
Reclassification							
- ROU asset	-	(303)	-	-	-	-	(303)
- Contract assets	-	-	-	-	-	753,612	753,612
- Other fixed assets categories	38	5,450	(877)	-	24,184	(28,795)	-
- Disposal group and assets classified as held for sale (Note 37)	(40,124)	(1,078,608)	(448,773)	-	(1,232,094)	(810,811)	(3,610,410)
Exchange differences	(2,057)	(21,832)	(5,529)	-	(9,391)	1,585	(37,224)
At 31 December	45,236	539,472	-	154,025	1,031,694	169,744	1,940,171
Accumulated depreciation and impairment losses							
At 1 January	57,039	956,228	171,115	37,083	1,586,668	42,663	2,850,796
Depreciation charge							
- from continuing operations	919	17,516	-	13,208	84,560	-	116,203
- from discontinued operations	446	7,496	4,992	-	12,560	-	25,494
Disposals	(256)	(155)	(13)	-	(39,884)	-	(40,308)
Subsidiaries disposed	-	(157,231)	-	-	(37,844)	-	(195,075)
Reclassification							
- ROU asset	-	(155)	-	-	-	-	(155)
- Other fixed assets categories	-	(96)	-	-	96	-	-
- Disposal group and assets classified as held for sale (Note 37)	(24,308)	(568,868)	(172,040)	-	(985,456)	(19,555)	(1,770,227)
Exchange differences	(1,657)	(7,951)	(4,054)	-	(7,463)	(2,229)	(23,354)
At 31 December	32,183	246,784	-	50,291	613,237	20,879	963,374
Net Book Value	13,053	292,688	-	103,734	418,457	148,865	976,797

Included in freehold land & buildings are freehold land amounting to \$2,655,000 (2021: \$6,264,000). Certain fixed assets with carrying amount of \$88,000 (2021: \$116,755,000) are mortgaged to banks for loan facilities (Note 23).

Interest capitalised during the financial year amounted to \$nil (2021: \$nil).

Group	Freehold Land & Buildings \$'000	Buildings on Leasehold Land \$'000	Vessels & Floating Docks \$'000	Networks & Related Application Systems \$'000	Plant, Machinery, Equipment & Others ⁽¹⁾ \$'000	Capital Work-in-Progress \$'000	Total \$'000
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							
- from continuing operations	884	32,247	-	82,447	83,250	-	198,828
- from discontinued operations	1,496	17,651	22,201	-	43,163	-	84,511
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

⁽¹⁾ Others comprise furniture, fittings and office equipment and cranes.

In 2021, the Group recognised an impairment loss of \$35,969,000 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 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% per annum.

In 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 does not contain a lease in accordance with SFRS(I) 16 *Leases*. Accordingly, the NSA has been accounted for as a service contract.

Notes to the Financial Statements

7. Fixed assets (continued)

	Freehold Land & Buildings \$'000	Plant, Machinery, Equipment & Others ⁽²⁾ \$'000	Total \$'000
Company			
2022			
Cost			
At 1 January	1,233	23,661	24,894
Additions	-	146	146
Disposals	-	(663)	(663)
At 31 December	<u>1,233</u>	<u>23,144</u>	<u>24,377</u>
Accumulated depreciation and impairment losses			
At 1 January	1,233	15,199	16,432
Depreciation charge	-	2,582	2,582
Disposals	-	(278)	(278)
At 31 December	<u>1,233</u>	<u>17,503</u>	<u>18,736</u>
Net Book Value	<u>-</u>	<u>5,641</u>	<u>5,641</u>
2021			
Cost			
At 1 January	1,233	18,039	19,272
Additions	-	6,520	6,520
Disposals	-	(898)	(898)
At 31 December	<u>1,233</u>	<u>23,661</u>	<u>24,894</u>
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	<u>1,233</u>	<u>15,199</u>	<u>16,432</u>
Net Book Value	<u>-</u>	<u>8,462</u>	<u>8,462</u>

⁽²⁾ Others comprise furniture, fittings and office equipment.

8. Investment properties

	Group	
	2022 \$'000	2021 \$'000
At 1 January	4,256,428	3,674,075
Development expenditure	216,799	229,581
Fair value gain (Note 27)	131,711	238,458
Disposal	(41,204)	-
Reclassification		
- Stocks (Note 15)	-	3,544
Exchange differences	(280,641)	110,770
At 31 December	<u>4,283,093</u>	<u>4,256,428</u>

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.

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 professional valuers as at 31 December 2022:

- Cushman & Wakefield VHS Pte Ltd and Knight Frank Pte Ltd for properties in Singapore;
- Cushman & Wakefield Shenzhen Valuation Company Limited and Colliers Appraisal & Advisory Services 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) and VAS Valuation Co., Ltd (in association with CBRE (Vietnam) Co., Ltd) 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 professional valuers, management has analysed the appropriateness of the fair value changes.

Interest capitalised within development expenditure during the financial year amounted to \$41,249,000 (2021: \$42,027,000).

The Group has mortgaged certain investment properties of carrying value amounting to \$1,913,364,000 as at 31 December 2022 (2021: \$1,875,368,000) to banks for loan facilities (Note 23).

During the year, the Group reclassified \$nil (2021: \$3,544,000) 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				
2022				
Net Book Value				
At 1 January	501,956	5,230	22,030	529,216
Additions	24,045	952	6,885	31,882
Subsidiaries acquired	226	-	-	226
Depreciation				
- from continuing operations	(35,806)	(2,057)	(4,234)	(42,097)
- from discontinued operations	(9,594)	(95)	-	(9,689)
Subsidiaries disposed	(32,753)	(727)	-	(33,480)
Write-off	(524)	-	-	(524)
Remeasurement	17,375	-	-	17,375
Reclassification				
- Fixed assets (Note 7)	148	-	-	148
- Disposal group and assets classified as held for sale (Note 37)	(253,063)	(57)	-	(253,120)
- Other right-of-use assets categories	408	6	(414)	-
Exchange differences	1,210	(95)	-	1,115
At 31 December	213,628	3,157	24,267	241,052

Notes to the Financial Statements

9. Right-of-use assets (leases) (continued)

Group	Leasehold Land & Buildings \$'000	Plant, Machinery, Equipment & Others ⁽¹⁾ \$'000	Base Station Sites \$'000	Total \$'000
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				
- from continuing operations	(33,880)	(2,291)	(3,584)	(39,755)
- from discontinued operations	(30,048)	(375)	-	(30,423)
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

⁽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 \$58,000 (2021: \$4,742,000).

Total cash outflow for all the leases was \$106,546,000 (2021: \$99,894,000), comprising repayment of principal of \$82,641,000 (2021: \$68,573,000) and interest payment of \$23,905,000 (2021: \$31,321,000).

Certain right-of-use assets with carrying amount of \$nil (2021: \$10,520,000) are mortgaged to banks for loan facilities (Note 23).

Company	Leasehold Land & Buildings \$'000	Plant, Machinery, Equipment & Others ⁽²⁾ \$'000	Total \$'000
2022			
Net Book Value			
At 1 January	15,102	129	15,231
Depreciation	(3,669)	(72)	(3,741)
Additions	147	22	169
At 31 December	11,580	79	11,659
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

⁽²⁾ Others comprise office equipment.

Total cash outflow for all the leases was \$4,225,000 (2021: \$4,211,000), comprising repayment of principal of \$3,875,000 (2021: \$3,885,000) and \$350,000 interest payment (2021: \$326,000).

	Group	
	2022 \$'000	2021 \$'000
<u>Lease expense not capitalised in lease liabilities</u>		
Short-term leases	3,315	10,247
Low-value leases	212	588
Variable lease payments which do not depend on an index or rate	404	666

As at 31 December 2022, future cash outflows to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities include variable lease payments, \$24,890,000 (2021: \$609,797,000) for extension options and \$55,243,000 (2021: \$57,086,000) for committed leases which have yet to commence.

The following table details the liquidity analysis for lease liabilities of the Group and the Company based on contractual undiscounted cash flows.

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Within one year	38,111	99,392	4,205	4,181
Within one to two years	33,085	89,607	4,031	4,137
Within two to five years	55,781	205,571	4,945	8,941
After five years	154,365	366,435	-	-
Total	281,342	761,005	13,181	17,259

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	
	2022 \$'000	2021 \$'000
Within one year	70,734	75,685
In the second year	62,569	68,125
In the third year	42,880	54,012
In the fourth year	24,002	30,662
In the fifth year	15,852	20,885
After the fifth year	47,388	62,347
Total	263,425	311,716

The Group entered into leasing arrangement with customers for certain equipment as a manufacturer lessor and built-to-suit data centre for a customer. The lease is classified as finance lease as the customers have an option to purchase the underlying asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised.

The asset relating to the finance lease is derecognised and the net investment in the lease is recognised under lease receivables (Note 13).

The Group has 6 jack-up oil rigs within the disposal group held for sale which has entered into bareboat charter contracts for a period of three to five years with total undiscounted lease receivable of \$268,460,000 (Note 37).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2022 \$'000	2021 \$'000
Within one year	11,418	375
In the second year	11,602	375
In the third year	11,697	375
In the fourth year	76,797	374
In the fifth year	1,937	374
After the fifth year	15,106	3,352
Total	128,557	5,225

Notes to the Financial Statements

10. Subsidiaries

	Company	
	2022 \$'000	2021 \$'000
Quoted shares, at cost		
Market value: \$6,111,000 (2021: \$5,750,000)	493	493
Unquoted shares, at cost	7,633,512	8,442,349
	7,634,005	8,442,842
Provision for impairment	(445,612)	(449,056)
	7,188,393	7,993,786

Movements in the provision for impairment of subsidiaries are as follows:

	Company	
	2022 \$'000	2021 \$'000
At 1 January	449,056	480,569
Charge to profit or loss	-	18,487
Disposal	(3,000)	-
Write-back	(444)	(50,000)
At 31 December	445,612	449,056

In 2018, Keppel FELS Limited and Keppel Shipyard Limited, both indirect wholly owned subsidiaries of the Company, issued fixed rate senior perpetual securities (the "perpetual securities") with an aggregate principal amount of \$2,000,000,000 to Kepinvest Holdings Pte Ltd, a direct wholly owned subsidiary of the Company.

During the financial year ended 31 December 2022,

- (a) the perpetual securities amounting to \$2,364,876,000 have been novated from Kepinvest Holdings Pte Ltd to the Company and were classified as an investment in subsidiaries by the Company; and
- (b) unquoted shares in Keppel Offshore & Marine Ltd ("KOM") amounting to \$801,720,000 and perpetual securities relating to the KOM group as described above, amounting to a total of \$3,166,596,000, have been reclassified to "Disposal group and assets classified as held for sale" on the balance sheet of the Company.

The above transactions were for the purposes of undertaking an internal restructuring of KOM (the "KOM Pre-Combination Restructuring") to effect the Proposed Combination as mentioned in Note 37.

Impairment of \$18,487,000 made for the financial year ended 31 December 2021 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 13, 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.

For the financial year ended 31 December 2021, provision of impairment amounting to \$50,000,000 was written-back as a result of increase in the estimated recoverable amount of subsidiaries mainly attributable to fair value gains from investments held by subsidiaries. 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, which approximates fair value. 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	
	2022 \$'000	2021 \$'000
Quoted shares, at cost		
Market value: \$2,302,422,000 (2021: \$2,981,536,000)	2,304,848	2,277,137
Unquoted shares, at cost	3,454,664	3,006,644
	5,759,512	5,283,781
Provision for impairment	(112,004)	(144,005)
	5,647,508	5,139,776
Share of reserves post acquisition	476,094	393,681
Carrying amount	6,123,602	5,533,457
Unquoted shares, at fair value through profit or loss	246,677	142,238
Notes issued by an associated company	245,000	245,000
Advances to associated companies and joint ventures	176,583	129,563
	6,791,862	6,050,258

Notes issued by an associated company of \$245,000,000 are unsecured and will mature in 2040. Interest is charged at 17.5% (2021: 17.5%) per annum.

Advances to associated companies and joint ventures are unsecured and are not repayable within the next 12 months. Interest is charged at 3.0% to 11.0% (2021: 3.0%) per annum on interest-bearing advances.

Movements in the provision for impairment of associated companies and joint ventures are as follows:

	Group	
	2022 \$'000	2021 \$'000
At 1 January	144,005	152,509
Impairment loss	1,000	-
Disposal and liquidation	(26,900)	(674)
Reclassification to		
- Investments	-	(7,830)
- Disposal group and assets classified as held for sale	(6,101)	-
At 31 December	112,004	144,005

Impairment loss made during the current year mainly relates to the shortfall between the carrying amount of the costs of investment and the recoverable amount of an associated company.

The carrying amount of the Group's material associated companies and joint ventures, all of which are equity accounted for, are as follows:

		2022 \$'000	2021 \$'000
Keppel REIT	(a)	2,085,919	1,953,614
Keppel DC REIT	(b)	496,454	470,649
Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited	(c)	618,968	673,007
Floatel International Limited	(d)	254,503	262,146
Other associated companies and joint ventures		3,336,018	2,690,842
		6,791,862	6,050,258

Notes to the Financial Statements

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

	2022 \$'000	2021 \$'000
Current assets	795,861	225,934
Non-current assets	8,085,514	8,261,750
Total assets	8,881,375	8,487,684
Current liabilities	714,266	273,276
Non-current liabilities	2,301,805	2,624,424
Total liabilities	3,016,071	2,897,700
Net assets	5,865,304	5,589,984
Less: Non-controlling interests	(746,388)	(723,796)
	5,118,916	4,866,188
Proportion of the Group's ownership	47%	47%
Group's share of net assets	2,390,022	2,264,724
Other adjustments	(304,103)	(311,110)
Carrying amount of equity interest	2,085,919	1,953,614
Revenue	219,286	216,606
Profit after tax	448,403	255,856
Other comprehensive income	18,690	23,459
Total comprehensive income	467,093	279,315
Fair value of ownership interest (if listed)**	1,590,158	1,943,429
Dividends received	101,123	98,865

** Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy).

As at 31 December 2022 and 31 December 2021, the fair value of Keppel REIT was below the carrying amount of the Group's effective ownership interest. Management is of the view that no impairment is required as it is held for long term and its recoverable amount approximates the carrying amount.

(b) Keppel DC REIT

	2022 \$'000	2021 \$'000
Current assets	262,606	262,188
Non-current assets	3,845,057	3,517,962
Total assets	4,107,663	3,780,150
Current liabilities	244,640	220,609
Non-current liabilities	1,406,105	1,223,865
Total liabilities	1,650,745	1,444,474
Net assets	2,456,918	2,335,676
Less: Non-controlling interests	(42,800)	(42,429)
	2,414,118	2,293,247
Proportion of the Group's ownership	20%	20%
Group's share of net assets	485,721	458,649
Other adjustments	10,733	12,000
Carrying amount of equity interest	496,454	470,649
Revenue	277,322	271,065
Profit after tax	234,174	321,573
Other comprehensive income	29,804	11,251
Total comprehensive income	263,978	332,824
Fair value of ownership interest (if listed)**	612,172	847,490
Dividends received	22,380	35,928

** Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy).

(c) **Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited**

	2022 \$'000	2021 \$'000
Current assets	1,243,193	1,317,280
Non-current assets	503,634	539,024
Total assets	1,746,827	1,856,304
Current liabilities	460,153	384,913
Non-current liabilities	17,747	67,848
Total liabilities	477,900	452,761
Net assets	1,268,927	1,403,543
Proportion of the Group's ownership	50%	50%
Group's share of net assets	634,464	701,772
Other adjustments	(15,496)	(28,765)
Carrying amount of equity interest	618,968	673,007
Revenue	32,077	369,357
Profit after tax	6,482	43,447
Other comprehensive income	-	-
Total comprehensive income	6,482	43,447
Dividends received	-	21,162

(d) **Floatel International Limited**

	2022 \$'000	2021 \$'000
Current assets	108,842	88,287
Non-current assets	828,485	878,785
Total assets	937,327	967,072
Current liabilities	54,965	52,381
Non-current liabilities	372,540	389,559
Total liabilities	427,505	441,940
Net assets	509,822	525,132
Proportion of the Group's ownership	50%	50%
Group's share of net assets	254,503	262,146
Carrying amount of equity interest	254,503	262,146
Revenue	230,772	127,016
Profit/(Loss) after tax	(15,122)	322,163
Other comprehensive loss	-	(3)
Total comprehensive income/(loss)	(15,122)	322,160
Dividends received	-	-

Apart from the equity interest in Floatel, the Group has exposure for a guarantee in relation to a bilateral agreement between the Group and financial institutions, on a revolving credit facility granted to Floatel, as disclosed in Note 33.

(e) **Other associated companies and joint ventures**

Aggregate information about the Group's investments in other associated companies and joint ventures are as follows:

	2022 \$'000	2021 \$'000
Share of results – continuing operations	290,426	106,139
Share of results – discontinued operations	4,420	8,135
Share of other comprehensive income/(loss)	(150,486)	72,324
Share of total comprehensive income	144,360	186,598

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.

Notes to the Financial Statements

12. Investments

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Investments at fair value through other comprehensive income ("OCI"):				
- Quoted equity units in a public infrastructure trust managed by a related company	490,886	495,432	-	-
- Quoted equity shares in other industries	3,820	6,878	-	-
- Unquoted equity shares in real estate industry	78,561	70,871	19,430	24,100
- Unquoted equity shares and funds in oil and gas industry	-	28,120	-	-
- Unquoted equity shares and funds in other industries	109,381	27,032	-	-
- Unquoted property funds managed by a related company	90,746	100,029	-	-
Total investments at fair value through OCI	773,394	728,362	19,430	24,100
Investments at fair value through profit or loss:				
- Quoted equity shares	34,618	71,314	-	-
- Unquoted equity shares and funds	622,449	547,849	-	-
- Unquoted bonds and debentures	52,258	100,139	-	-
Total investments at fair value through profit or loss	709,325	719,302	-	-
Total investments	1,482,719	1,447,664	19,430	24,100

In prior year, unquoted investments at fair value through profit or loss included a bond amounting to \$20,791,000 bearing interest at 4% per annum which is maturing in 2027. For the financial year ended 31 December 2022, the balance has been reclassified to disposal group and assets classified as held for sale (Note 37).

Unquoted investments at fair value through profit or loss included compulsorily convertible debentures amounting to \$46,821,000 (2021: \$74,034,000). During the year, the Group has converted 5,035,464 of the compulsorily convertible debentures held into equity shares at a conversion rate of 1:1 amounting to INR 1,280 million (approximately \$22.7 million). The remaining compulsorily convertible debentures bear interest at 10.0% per annum which is maturing in 2040.

13. Long term assets

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Call option	192,522	171,520	-	-
Finance lease receivables	93,339	3,473	-	-
Trade receivables	-	791,952	-	-
Other receivables	212,675	235,037	70,252	94,161
	498,536	1,201,982	70,252	94,161

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 2022, 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 839-year leasehold and 88-year leasehold (2021: based on the remaining 840-year leasehold and 89-year leasehold). The details of the valuation techniques and inputs used for the call option are disclosed in Note 35.

Trade receivables are related to financing arrangements for delivered rigs where the Group has retained title. As noted in Note 2.28(b)(i), the trade receivables have been presented in the balance sheet as "Disposal group classified as held for sale" following the definitive agreements for the proposed combination of Keppel O&M and Sembcorp Marine and for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity. In 2021, \$377,660,000 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. In the prior year, the Group recognised an expected credit loss allowance of \$75,952,000 on the trade receivables as detailed in Note 2.28(b)(i)(a)(ii). As at 1 January 2021, the Group's long term trade receivables amounted to \$875,810,000.

Included in other receivables is a secured loan receivable due from KrisEnergy Asia Limited ("KAL"), a company under receivership. The Company had provided a guarantee, which was in relation to a bilateral agreement between the Company and a bank, on a revolving credit facility (RCF) granted to KAL. KAL defaulted on the repayment of the RCF on 30 June 2021, on which the Company had made payment to the bank and recorded a loan receivable (net of impairment provision) from KAL. As at 31 December 2022, the loan receivable under the RCF amounted to \$109,601,000 (31 December 2021: \$109,513,000). In addition, the Company had extended a short term interest free bridging facility to KAL (in receivership) for the purpose of its cash flow requirements and receivership expenses which amounted to \$5,197,000 as at 31 December 2022 (31 December 2021: \$5,876,000). The non-current portion of the loan receivable and advances amounted to \$69,657,000 (31 December 2021: \$93,311,000) while the current portion amounted to \$45,141,000 (31 December 2021: \$22,078,000) which is included under Debtors (Note 18).

The Group had a comprehensive first ranking security package over the assets of the KrisEnergy Limited group ("KrisEnergy") through the RCF. With KrisEnergy Limited in liquidation, the Group has implemented detailed recovery plans which were developed in consultation with its financial advisor, Borrelli Walsh (now "Kroll"), and legal advisor to preserve KrisEnergy's assets and to maximise recoveries for the Group. The Group had appointed Kroll in 2021 as receiver over the assets of a number of members of the KrisEnergy group under the security package.

In assessing expected credit loss, management had reviewed the cash flow projections prepared by Kroll, based on the estimated amount of cash available from producing assets to be held over the remaining lives of the concession period of 7.5 to 11 years (2021: 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\$80 to US\$97 per barrel for 2023 to 2032 (December 2021: US\$67 to US\$73 from 2022 to 2033). 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, oil prices and discount rates used in assessing recoverable amounts are subject to risk and uncertainty.

Based on the assessment, no additional expected credit loss provision was required for the year ended 31 December 2022. The assessment took into account the rights to the cash flows from the secured assets on a receivership basis.

In the financial year ended 31 December 2021, management had performed an assessment on the Group's exposure to KrisEnergy and an impairment provision of \$317,999,000 was recognised. 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 (previously presented as part of investment in associated companies) of \$35,084,000.

Management had reviewed the cash flow projections prepared by Kroll and determined that the cash flow projections are most sensitive to oil prices for the financial year ended 31 December 2022. The headroom in the recoverable amount over the carrying amount would be eliminated if oil prices were to decrease by 9.1% across the forecasted period of 2023 to 2032, and any further decline in oil prices would result in an additional expected credit loss provision for the financial year ended 31 December 2022.

For the financial year ended 31 December 2021, the cash flow projections were most sensitive to the timing of trapped cash. The existing cash from one of the producing assets under the security package have been withheld as the operator of this asset is seeking clarity from the regulator on the estimated decommissioning security required to cover the decommissioning costs for the asset at the end of field life in 2031. A study on the estimated decommissioning costs had been completed and submitted to the regulator in 2022. 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 expected credit loss provision for the financial year ended 31 December 2021.

Included in other receivables is an unsecured, interest-free advance to an investee amounted to \$19,804,000 (2021: \$19,788,000), which matures on 31 December 2024.

Included in other receivables is claims receivable which represents claims from customer for long term contracts. During the year, the Group recognised \$9,089,000 (2021: \$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.

The carrying amount of the long term assets approximates their fair value.

Notes to the Financial Statements

14. Intangibles

Group	Goodwill \$'000	Development Expenditure \$'000	Brand \$'000	Spectrum Rights \$'000	Customer Contracts and Relationships \$'000	Others \$'000	Total \$'000
2022							
At 1 January	1,047,558	13,685	251,349	132,176	122,253	22,251	1,589,272
Additions	-	424	-	26,252	-	-	26,676
Acquisition of subsidiaries	-	-	-	-	10,767	32	10,799
Disposal of a subsidiary	-	(1,275)	-	-	-	-	(1,275)
Disposals	-	(52)	-	-	-	-	(52)
Amortisation							
- from continuing operations	-	(777)	(9,252)	(15,686)	(22,143)	(400)	(48,258)
- from discontinued operations	-	(216)	-	-	-	-	(216)
Reclassification							
- Disposal group and assets classified as held for sale	(5,070)	(6,685)	-	-	-	-	(11,755)
Exchange differences	-	(96)	-	-	(380)	(1)	(477)
At 31 December	1,042,488	5,008	242,097	142,742	110,497	21,882	1,564,714
Cost	1,042,488	12,723	277,563	183,787	210,517	22,577	1,749,655
Accumulated amortisation	-	(7,715)	(35,466)	(41,045)	(100,020)	(695)	(184,941)
	1,042,488	5,008	242,097	142,742	110,497	21,882	1,564,714
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							
- from continuing operations	-	(1,017)	(9,252)	(19,881)	(21,957)	(133)	(52,240)
- from discontinued operations	-	(645)	-	-	-	-	(645)
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

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 \$1,042,488,000, 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% (2021: 1.48%), premised on the estimated long term growth rate for the country where the CGU operates. Cash flows were discounted using a discount rate of 7.9% (2021: 7%) per annum.

The recoverable amount was estimated to be higher than the carrying value of the M1 Limited CGU. Accordingly, no impairment of goodwill was recognised in 2022 and 2021. The calculation of value-in-use for the CGU is sensitive to the terminal growth rate and the discount rate applied. If the discount rate were to increase by 1.1%, the recoverable amount would decrease and equate the carrying amount, and any further increase in discount rate would result in impairment for the financial year ended 31 December 2022.

15. Stocks

	Group	
	2022 \$'000	2021 \$'000
Consumable materials and supplies (net of provision)	24,521	227,224
Finished products for sale (net of provision)	40,954	82,651
Work-in-progress (net of provision)	-	1,289,838
Properties held for sale	(a) 2,235,475	3,004,272
	2,300,950	4,603,985

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. For the financial year ended 31 December 2022, the work-in-progress balance has been reclassified to disposal group and assets classified as held for sale (Note 37). The provision for stocks to write down its carrying value to its net realisable value at the end of the financial year was \$12,080,000 (2021: \$177,220,000).

(a) Properties held for sale

	Group	
	2022 \$'000	2021 \$'000
Properties under development		
Land cost	1,035,952	1,688,380
Development cost incurred to date	370,187	526,584
Related overhead expenditure	201,881	210,084
	1,608,020	2,425,048
Completed properties held for sale	646,795	600,140
	2,254,815	3,025,188
Provision for properties held for sale	(19,340)	(20,916)
	2,235,475	3,004,272

Movements in the provision for properties held for sale are as follows:

	Group	
	2022 \$'000	2021 \$'000
At 1 January	20,916	19,987
Charge to profit or loss account	76	583
Exchange differences	(1,823)	452
Amount written off	171	(106)
At 31 December	19,340	20,916

See Note 2.28(b)(viii) for further disclosures on estimating NRV of the Group's properties held for sale.

As at 31 December 2022, properties amounting to \$248,990,000 (2021: \$220,556,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings as referred to in Note 23.

Interest capitalised during the financial year amounted to \$10,646,000 (2021: \$17,499,000) at rates of 0.95% to 4.71% (2021: 0.79% to 0.95%) per annum for Singapore properties and 2.00% to 7.00% (2021: 1.50% to 7.00%) per annum for overseas properties.

In 2021, the Group reclassified \$3,544,000 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 from fixed asset to properties held for sale due to change of use of the assets.

Notes to the Financial Statements

16. Contract assets/liabilities

	Group		
	31 December		1 January
	2022 \$'000	2021 \$'000	2021 \$'000
Non-current	86,411	99,109	73,458
Current	255,900	3,169,694	2,657,231
Contract assets	342,311	3,268,803	2,730,689
Contract liabilities	209,770	1,002,024	2,072,303

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 \$572,179,000 (2021: \$1,707,190,000) has been reclassified to disposal group and assets classified as held for sale.

Contract liabilities included proceeds received from sale of properties of \$153,487,000 (2021: \$535,334,000). Remaining contract liabilities of \$56,283,000 (2021: \$466,690,000) 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 2022 in relation to contract liability balance at 1 January 2022 was \$882,597,000 (2021: \$1,358,302,000).

The aggregate amount of the transaction price allocated to the remaining performance obligations is \$1,001,841,000 (2021: \$6,047,351,000) and the Group expects to recognise this revenue over the next 1 to 3 years (2021: 1 to 4 years).

Movements in the allowance for expected credit loss for contract assets are as follows:

	Group		
	31 December		1 January
	2022 \$'000	2021 \$'000	2021 \$'000
At 1 January	432,541	432,541	21,000
Charge to profit or loss account (Note 27)			
- from continuing operations	-	23,225	-
- from discontinued operations	-	-	430,842
Amount utilised	-	(23,225)	-
Reclassification			
- Stocks - work-in-progress (Note 15)	-	-	(19,301)
- Disposal group and assets classified as held for sale	(432,541)	-	-
At 31 December	-	432,541	432,541

17. Amounts due from/to

	Company	
	2022 \$'000	2021 \$'000
	Subsidiaries	
Amounts due from		
- trade	143,837	104,390
- advances	7,543,926	9,893,770
	7,687,763	9,998,160
Allowance for expected credit loss	(141,143)	(145,251)
	7,546,620	9,852,909
Amounts due to		
- trade	3,555	9,820
- advances	269,508	165,982
	273,063	175,802
Movements in the allowance for expected credit loss are as follows:		
At 1 January	145,251	6,600
Charge to profit or loss account	279	138,651
Write-off	(4,387)	-
At 31 December	141,143	145,251

Advances to and from subsidiaries are unsecured and are repayable on demand. Interest is charged at rates up to 5.84% (2021: up to 4.00%) per annum on interest-bearing advances.

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Associated Companies and Joint Ventures				
Amounts due from				
- trade	39,037	169,612	202	32
- advances	239,254	431,854	-	-
	278,291	601,466	202	32
Allowance for expected credit loss	(16,223)	(31,800)	-	-
	262,068	569,666	202	32
Amounts due to				
- trade	33,692	44,017	900	882
- advances	36,171	242,068	-	-
	69,863	286,085	900	882
Movements in the allowance for expected credit loss are as follows:				
At 1 January	31,800	16,888	-	-
Charge to profit or loss account	1,506	14,912	-	-
Reclassified to disposal group and assets classified as held for sale	(17,083)	-	-	-
At 31 December	16,223	31,800	-	-

Advances to and from associated companies and joint ventures are unsecured and are repayable on demand. Interest is charged at rates ranging from 3.00% to 8.00% (2021: 0.05% to 13.00%) per annum on interest-bearing advances.

As at 1 January 2021, the Group's amount due from associated companies and joint ventures relating to trade amounted to \$160,987,000.

18. Debtors

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade debtors	661,671	1,218,664	20	26
Allowance for expected credit loss	(29,163)	(233,267)	-	-
	632,508	985,397	20	26
Sundry debtors	119,694	370,305	45,795	22,804
Prepayments	78,428	129,802	12	87
Tax recoverable	1,237	7,755	-	-
Value Added Tax receivable	75,519	103,382	179	32
Interest receivable	1,712	25,973	-	-
Deposits paid	44,559	251,307	385	382
Recoverable accounts	36,542	62,337	4,849	5,637
Accrued receivables	357,787	361,846	7,671	3,073
Advances to subcontractors	604	19,340	-	8
Advances to non-controlling shareholders of subsidiaries	6,583	4,375	-	-
	722,665	1,336,422	58,891	32,023
Allowance for expected credit loss	(115,875)	(131,129)	-	-
	606,790	1,205,293	58,891	32,023
Total	1,239,298	2,190,690	58,911	32,049
Movements in the allowance for expected credit loss are as follows:				
At 1 January	364,396	259,345	-	-
Charge to profit or loss account	26,986	113,379	-	-
Amount written off	(10,998)	(15,966)	-	-
Subsidiaries acquired	1,265	-	-	-
Subsidiaries disposed	(1,801)	-	-	-
Exchange differences	810	7,638	-	-
Reclassified to disposal group and assets classified as held for sale	(235,620)	-	-	-
Total	145,038	364,396	-	-

As at 1 January 2021, the Group's net trade debtors amounted to \$1,564,398,000.

Notes to the Financial Statements

19. Short term investments

	Group	
	2022 \$'000	2021 \$'000
Investments at fair value through other comprehensive income:		
Quoted equity shares	48,097	26,834
Investments at fair value through profit or loss:		
Quoted equity shares	685	269
Total short term investments	48,782	27,103

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Bank balances and cash	657,790	1,976,981	1,232	810
Fixed deposits with banks	369,653	1,348,400	-	-
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and other liabilities	6,290	72,991	-	-
Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	108,611	218,261	-	-
	1,142,344	3,616,633	1,232	810

Fixed deposits with banks of the Group mature on varying periods, substantially between 1 day to 6 months (2021: 3 days to 6 months). This comprises Singapore Dollars fixed deposits of \$81,303,000 (2021: \$268,451,000) at interest rates substantially ranging from 2.61% to 3.93% (2021: 0.05% to 0.25%) per annum, and foreign currency fixed deposits of \$288,350,000 (2021: \$1,079,949,000) at interest rates substantially ranging from 0.32% to 9.2% (2021: 0.10% to 5.40%) per annum.

Cash and cash equivalents of \$328,052,000 (2021: \$1,013,296,000) 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade creditors	372,380	763,233	1,005	1,643
Customers' advances and deposits	104,535	85,277	-	-
Sundry creditors	322,887	905,520	4,273	5,186
Accrued expenses	1,787,731	2,928,665	60,654	57,514
Advances from non-controlling shareholders	17,735	21,800	-	-
Retention monies	122,092	187,078	-	-
Interest payables	41,460	46,213	23,153	28,180
	2,768,820	4,937,786	89,085	92,523
Other non-current liabilities:				
Accrued expenses	301,563	111,142	29,228	32,187
Advances from non-controlling shareholders	255,975	142,015	-	-
	557,538	253,157	29,228	32,187

Advances from non-controlling shareholders of certain subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 1.65% to 5.24% (2021: 0.50% to 3.62%) per annum on interest-bearing advances.

The carrying amount of the non-current liabilities approximates their fair value.

22. Provisions

	Group					
	2022			2021		
	Warranties \$'000	Onerous Contract \$'000	Total \$'000	Warranties \$'000	Onerous Contract \$'000	Total \$'000
At 1 January	28,932	37,831	66,763	39,449	27,290	66,739
(Write-back)/Charge to profit or loss account	(5,986)	63,457	57,471	(9,866)	186,859	176,993
Amount utilised	(6,871)	(27,887)	(34,758)	(252)	(176,318)	(176,570)
Exchange differences	(931)	(303)	(1,234)	(399)	-	(399)
Reclassified to disposal group and liabilities classified as held for sale	(10,966)	(18,831)	(29,797)	-	-	-
At 31 December	4,178	54,267	58,445	28,932	37,831	66,763

23. Term loans

		2022		2021	
		Due within one year \$'000	Due after one year \$'000	Due within one year \$'000	Due after one year \$'000
Group					
Keppel Corporation Medium Term Notes	(a)	200,000	1,817,864	700,000	2,053,710
Keppel Land Medium Term Notes	(b)	299,979	409,619	199,978	709,403
Keppel Telecommunications & Transportation Medium Term Notes	(c)	-	-	-	100,000
Keppel Corporation Commercial Papers	(d)	35,996	-	128,000	-
Bank loans					
- secured	(e)	127,393	554,291	8,852	717,559
- unsecured	(f)	2,914,290	3,821,412	3,622,478	3,215,240
		3,577,658	6,603,186	4,659,308	6,795,912
Company					
Keppel Corporation Medium Term Notes	(a)	200,000	1,817,864	700,000	2,053,710
Keppel Corporation Commercial Papers	(d)	35,996	-	128,000	-
Unsecured bank loans	(f)	2,553,305	2,226,120	2,498,730	2,059,985
		2,789,301	4,043,984	3,326,730	4,113,695

- (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 \$2,017,864,000 (2021: \$2,753,710,000). The notes denominated in Singapore Dollars, US Dollars and Japanese Yen, are unsecured and comprised fixed rate notes due from 2023 to 2042 (2021: from 2022 to 2042) with interest rates ranging from 0.88% to 4.00% (2021: 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 \$579,672,000 (2021: \$579,518,000). The notes denominated in Singapore Dollars, are unsecured and comprised fixed rate notes due from 2023 to 2026 (2021: 2023 to 2026), with interest rates ranging from 2.00% to 2.84% (2021: 2.00% 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 \$129,926,000 (2021: \$329,863,000). The notes denominated in Singapore Dollars, are unsecured and comprised fixed rate notes due in 2024 (2021: 2022 to 2024) with interest rates of 3.90% (2021: 3.80% to 3.90%) per annum.
- (c) At the end of 2021 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. 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. The MTN has since been fully redeemed and cancelled on 5 September 2022.
- (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 \$35,996,000 (2021: \$128,000,000). The commercial papers, which are denominated in Singapore Dollars, are unsecured and comprised fixed rate commercial papers due in 2023 (2021: 2022) with interest rate of 0.90% (2021: 0.58% to 0.64%) per annum.

Notes to the Financial Statements

23. Term loans (continued)

- (e) The secured bank loans consist of:
- A term loan of \$39,615,000 drawn down by a subsidiary. The term loan is repayable in 2027 and is secured on certain assets of the subsidiary and bear interest at rate of 18.25% per annum.
 - A term loan of \$71,428,000 drawn down by a subsidiary. The term loan is repayable in 2023 and is secured on certain assets of the subsidiary and bear interest at rates of 0.95% to 4.71% per annum.
 - A term loan of \$76,561,000 drawn down by a subsidiary. The term loan is repayable in 2024 and is secured on certain assets of the subsidiary and bear interest at rate of 4.68% per annum.
 - A term loan of \$433,849,000 drawn down by a subsidiary. The term loan is repayable in 2034 and is secured on certain assets of the subsidiary and bear interest at rates of 3.96% to 4.31% per annum.
 - Other secured bank loans totaling \$60,231,000 (2021: \$222,695,000) comprised \$38,572,000 (2021: \$92,264,000) of loans denominated in Singapore Dollars and \$21,659,000 (2021: \$130,431,000) of foreign currency loans. They are repayable within one to six (2021: one to six) years and are secured on investment properties and certain fixed and other assets of the subsidiaries. Interest on foreign currency loans ranges from 3.80% to 16.00% (2021: 3.90% to 13.25%) per annum.
- (f) The unsecured bank loans of the Group totaling \$6,735,702,000 (2021: \$6,837,718,000) comprised \$2,973,178,000 (2021: \$2,768,820,000) of loans denominated in Singapore Dollars and \$3,762,524,000 (2021: \$4,068,898,000) of foreign currency loans. They are repayable within one to six (2021: one to ten) years. Interest on loans denominated in Singapore Dollars ranges from 0.71% to 5.05% (2021: 0.67% to 3.05%) per annum. Interest on foreign currency loans ranges from 0.50% to 7.85% (2021: 0.06% to 10.95%) per annum.

The unsecured bank loans of the Company totaling \$4,779,425,000 (2021: \$4,558,715,000) comprised \$1,360,000,000 (2021: \$1,280,000,000) of loans denominated in Singapore Dollars and \$3,419,425,000 (2021: \$3,278,715,000) of foreign currency loans. They are repayable within one to five years (2021: one to four years). Interest on loans denominated in Singapore Dollars ranges from 0.71% to 5.03% (2021: 0.71% to 1.28%) per annum. Interest on foreign currency loans ranges from 0.50% to 5.84% (2021: 0.06% to 1.46%) per annum.

The Group has mortgaged certain properties and assets of up to an aggregate amount of \$2,165,124,000 (2021: \$2,223,200,000) to banks for loan facilities.

The fair values of term loans for the Group and Company are \$9,805,129,000 (2021: \$11,304,660,000) and \$6,498,043,000 (2021: \$7,312,908,000) 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Years after year-end:				
After one but within two years	1,859,527	1,652,688	842,710	889,922
After two but within five years	3,671,418	3,929,770	2,551,274	2,476,893
After five years	1,072,241	1,213,454	650,000	746,880
	6,603,186	6,795,912	4,043,984	4,113,695

24. Deferred taxation

	Group	
	2022 \$'000	2021 \$'000
Deferred tax liabilities	368,031	426,891
Deferred tax assets	(87,624)	(212,679)
Net deferred tax liabilities	280,407	214,212

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 \$13,434,000 (2021: \$41,815,000) for taxes that would be payable on the undistributed earnings of certain subsidiaries 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 unrecognised deferred tax liabilities of \$10,970,000 (2021: \$14,632,000) for taxes that would be payable on the undistributed earnings of certain associated companies as these earnings would not be distributed in the foreseeable future.

The Group has unutilised tax losses and capital allowances of \$681,521,000 (2021: \$1,035,843,000) 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 \$337,067,000 (2021: \$276,311,000) can be carried forward for a period of one to nine 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 comprehen- sive income \$'000	Net subsidiaries acquired/ disposed \$'000	Reclassifi- cation to liabilities directly associated with assets classified as held for sale \$'000	Exchange differences \$'000	At 31 December \$'000
Group							
2022							
Deferred Tax Liabilities							
Accelerated tax depreciation	202,506	(1,065)	-	803	(56,962)	(1,099)	144,183
Investment properties valuation	170,157	32,162	-	-	-	(18,342)	183,977
Offshore income & others	87,242	(6,782)	-	(32,801)	(6,156)	(3,031)	38,472
Total	459,905	24,315	-	(31,998)	(63,118)	(22,472)	366,632
Deferred Tax Assets							
Other provisions	(117,525)	(9,462)	-	546	100,412	450	(25,579)
Unutilised tax benefits	(110,590)	10,314	-	-	32,941	4,609	(62,726)
Lease liabilities	(17,578)	765	-	3,557	16,574	(1,238)	2,080
Total	(245,693)	1,617	-	4,103	149,927	3,821	(86,225)
Net Deferred Tax Liabilities	214,212	25,932	-	(27,895)	86,809	(18,651)	280,407
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

Notes to the Financial Statements

25. Revenue

	Group	
	2022 \$'000	2021# \$'000
Revenue from contracts with customers		
Revenue from construction contracts	410,181	350,734
Sale of property	809,744	1,538,477
Sale of goods	456,207	391,112
Sale of electricity, utilities and gases	3,637,267	3,050,539
Revenue from telecommunication services	738,233	702,263
Revenue from other services rendered	494,579	503,295
	6,546,211	6,536,420
Other sources of revenue		
Rental income from investment properties	73,507	74,916
	6,619,718	6,611,336

26. Staff costs

	Group	
	2022 \$'000	2021# \$'000
Wages and salaries	515,838	517,636
Employer's contribution to Central Provident Fund	57,892	54,792
Share plans granted to Director and employees	43,403	37,369
Other staff benefits	50,745	55,372
	667,878	665,169

27. Operating profit

Operating profit from continuing operations is arrived at after charging/(crediting) the following:

	Group	
	2022 \$'000	2021# \$'000
Included in materials and subcontract costs:		
Cost of stocks & contract assets	948,116	1,380,717
Direct operating expenses		
- investment properties that generated rental income	32,669	32,507
Included in staff costs:		
Key management's emoluments (including executive directors' remuneration)		
- short-term employee benefits	15,182	10,875
- post-employment benefits	89	93
- share plans granted	11,826	9,810
Included in expected credit loss on debtors & receivables, contract assets and financial guarantee:		
Expected credit loss on debtors and receivables (Note 13 & 18)	32,999	129,396
Bad debts written-off	1,011	835
Expected credit loss on contract assets (Note 16)	-	23,225
Expected credit loss on financial guarantee (Note 13)	-	146,024

Comparative information has been re-presented due to a discontinued operation (Note 37).

	Group	
	2022 \$'000	2021 [#] \$'000
Included in other operating income - net:		
Government grant income	(11,452)	(20,545)
Impairment of associated companies (Note 11 & 13)	1,000	35,082
Impairment/write-off of fixed and intangible assets	1,171	53,345
Provision for stocks	6,939	1,279
Fair value gain on investment properties (Note 8)	(131,711)	(238,458)
Fair value gain on		
- investments and associated companies	(57,801)	(315,540)
- forward foreign exchange contracts	-	(1,614)
Gain on differences in foreign exchange	(704)	(15,818)
(Gain)/Loss on sale of fixed assets	639	(1,473)
Gain on sale of investments	(16)	(9,833)
Gain on disposal of subsidiaries	(22,498)	(241,054)
Gain on disposal of associated companies and joint ventures	(358)	(208,655)
Loss from sale of interests in associated companies	40,168	-
Gain from change in interest in associated companies	(10,933)	(8,516)
Gain on acquisition of subsidiaries	(6,795)	-
Fair value gain on remeasurement of remaining interest in a joint venture	-	(69,469)
Fees and other remuneration to Directors of the Company	2,487	2,282
Auditors' remuneration [^]		
- auditors of the Company	3,037	2,257
- other auditors of subsidiaries	2,105	1,719
Non-audit fees paid to [^]		
- auditors of the Company	603	1,881
- other auditors of subsidiaries	193	209

[^] Including the discontinued operations, the Group's total auditors' remuneration and non-audit fees paid amounts to \$6,412,000 (2021: \$5,502,000) and \$803,000 (2021: \$2,141,000) respectively.

Government grant income of \$277,000 (2021: \$8,047,000) 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.

In the prior year, 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, 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.

Loss from sale of interests in associated companies in the current year was mainly attributable to the loss on partial disposal of interest in MET Holding AG.

[#] Comparative information has been re-presented due to a discontinued operation (Note 37).

Notes to the Financial Statements

28. Investment income, interest income and interest expenses

	Group	
	2022 \$'000	2021# \$'000
Investment income from:		
Shares - quoted	38,320	37,672
Shares/funds - unquoted	10,221	67,189
	48,541	104,861
Interest income from:		
Bonds, debentures, deposits and others	22,221	22,043
Associated companies and joint ventures	54,646	51,881
Service concession arrangement	14,481	14,382
	91,348	88,306
Interest expenses on notes, loans and overdrafts	(137,098)	(161,590)
Interest expenses on lease liabilities	(10,262)	(10,082)
Fair value gain on interest rate caps and swaps	1,173	1,570
	(146,187)	(170,102)

29. Taxation

(a) Income tax expense

	Group	
	2022 \$'000	2021# \$'000
Tax expense comprised:		
Current tax – continuing operations	156,382	340,311
Adjustment for prior year's tax	(13,105)	(33,162)
Others	19,988	16,349
	163,265	323,498
Deferred tax (Note 24):		
Current deferred tax – continuing operations	21,040	(56,592)
Adjustment for prior year's tax	-	1,829
	21,040	(54,763)
Land appreciation tax:		
Current year	60,844	106,454
Taxation – continuing operations	245,149	375,189
Taxation – discontinued operations	33,212	(50,205)
	278,361	324,984

Comparative information has been re-presented due to a discontinued operation (Note 37).

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	
	2022 \$'000	2021# \$'000
Profit before tax – continuing operations	1,094,888	1,611,153
Profit/(loss) before tax – discontinued operations	116,278	(276,157)
Share of profit of associated companies and joint ventures, net of tax – continuing operations	(535,979)	(458,765)
Share of profit of associated companies and joint ventures, net of tax – discontinued operations	(4,420)	(8,135)
Profit before tax and share of profit of associated companies and joint ventures	670,767	868,096
Tax calculated at tax rate of 17% (2021: 17%)	114,030	147,576
Income not subject to tax	(105,735)	(155,990)
Expenses not deductible for tax purposes	180,037	217,497
Unrecognised tax benefits	82,901	26,387
Effect of different tax rates in other countries	(1,817)	45,128
Adjustment for prior year's tax	(36,687)	(35,449)
Land appreciation tax	60,844	106,454
Effect of tax deduction on land appreciation tax	(15,212)	(26,619)
	278,361	324,984
Income tax expense – continuing operations	245,149	375,189
Income tax expense – discontinued operations	33,212	(50,205)
	278,361	324,984

(b) Movement in current income tax liabilities

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 January	505,479	358,802	39,651	29,155
Exchange differences	(28,708)	14,632	-	-
Tax expense	171,589	307,720	7,356	8,474
Adjustment for prior year's tax	(15,412)	(34,238)	(6,512)	(5,300)
Land appreciation tax	60,844	106,454	-	-
Net income taxes paid	(444,462)	(259,964)	2,974	7,290
Subsidiaries acquired	2,204	-	-	-
Subsidiaries disposed	600	(2,182)	-	-
Reclassification				
- tax recoverable and others	19,020	14,328	44	32
- liabilities directly associated with assets classified as held for sale	(12,164)	(73)	-	-
At 31 December	258,990	505,479	43,513	39,651

Comparative information has been re-presented due to a discontinued operation (Note 37).

Notes to the Financial Statements

30. Earnings per ordinary share

	Group			
	2022 \$'000		2021# \$'000	
	Basic	Diluted	Basic	Diluted
Profit for the year from continuing operations	838,959	838,959	1,247,468	1,247,468
Profit/(loss) for the year from discontinued operations	87,658	87,658	(224,817)	(224,817)
Net profit attributable to shareholders of the company	926,617	926,617	1,022,651	1,022,651
	Number of Shares '000		Number of Shares '000	
Weighted average number of ordinary shares (excluding treasury shares)	1,777,509	1,777,509	1,820,424	1,820,424
Adjustment for dilutive potential ordinary shares	-	17,785	-	10,447
Weighted average number of ordinary shares used to compute earnings per share (excluding treasury shares)	1,777,509	1,795,294	1,820,424	1,830,871
Earnings per ordinary share - continuing operations	47.2 cts	46.7 cts	68.5 cts	68.1 cts
Earnings per ordinary share - discontinued operations	4.9 cts	4.9 cts	(12.3) cts	(12.2) cts
Earnings per ordinary share	52.1 cts	51.6 cts	56.2 cts	55.9 cts

31. Dividends

A final cash dividend of 18.0 cents per share tax exempt one-tier (2021: final cash dividend of 21.0 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2022 has been proposed for approval by shareholders at the next annual general meeting to be convened.

Together with the interim cash dividend of 15.0 cents per share tax exempt one-tier (2021: interim cash dividend of 12.0 cents per share tax exempt one-tier), total distributions paid and proposed in respect of the financial year ended 31 December 2022 will be 33.0 cents per share (2021: 33.0 cents per share).

During the financial year, the following distributions were made:

	\$'000
A final cash dividend of 21.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the previous financial year	378,094
An interim cash dividend of 15.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the current financial year	265,139
	643,233

In the prior year, total distributions of \$345,752,000 were made.

Comparative information has been re-presented due to a discontinued operation (Note 37).

32. Commitments

(a) Capital commitments

	Group		
	2022		2021
	Continuing Operations \$'000	Discontinued Operations \$'000	\$'000
Capital expenditure/commitments not provided for in the financial statements:			
In respect of contracts placed:			
- for purchase and construction of investment properties	379,342	-	484,512
- for purchase of fixed assets	936,048	3,197	252,960
- for purchase/subscription of shares	275,861	-	548,066
- for commitments to associated companies and joint ventures	1,055,105	-	955,074
- for commitments to private funds	65,598	2,259	60,553
Amounts approved by Directors in addition to contracts placed:			
- for purchase and construction of investment properties	674,065	-	717,065
- for purchase of fixed assets	242,905	46,181	261,849
- for purchase/subscription of shares mainly in property development companies	140,609	-	32,015
	3,769,533	51,637	3,312,094
Less: Non-controlling shareholders' share	(39,205)	-	(118,362)
	3,730,328	51,637	3,193,732

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	
	2022		2021	2022	2021
	Continuing Operations \$'000	Discontinued Operations \$'000	\$'000	\$'000	\$'000
Guarantees in respect of banks and other loans granted to subsidiaries, associated companies and joint ventures	156,787	-	233,151	462,579	655,005
Bank guarantees	382,630	61,364	626,258	-	-
Share of lease rental guarantees granted by associated companies and joint ventures	101,072	-	147,775	-	-
Performance guarantees issued for contracts awarded to customers and third parties	-	784,712	-	-	-
Performance guarantee in favour of a non-related company in respect of performance on a contract by a subsidiary, and a related guarantee in respect of bank loan granted to a non-related party	424,640	-	487,137	-	-
	1,065,129	846,076	1,494,321	462,579	655,005

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 \$82,551,000 (2021: \$119,386,000). The guarantee is secured on the assets of Floatel International Limited. See further details on the Group's equity interest in Floatel in Note 11(d).

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.

Notes to the Financial Statements

33. Contingent liabilities and guarantees (continued)**Claims and litigations relating to disposal group held for sale****Keppel Offshore & Marine's Joint Resolution with Brazilian Authorities**

On 19 December 2022, Keppel Offshore & Marine ("KOM") reached a joint resolution with the authorities in Brazil, namely Brazilian Attorney-General's Office ("AGU") and Comptroller General of the Union ("CGU"), in relation to the corrupt payments made by a former agent of KOM in Brazil, which was previously announced in December 2017. Following KOM's full cooperation with AGU's and CGU's investigations, KOM entered into a leniency agreement with the two Brazilian authorities and committed to a total payment of R\$343,571,455.25 (equivalent to approximately US\$65 million) in fines and damages. The Attorney-General's Chambers of Singapore ("AGC") and the Corrupt Practices Investigation Bureau ("CPIB") have confirmed that KOM may avail itself of the crediting of up to US\$52,777,122.50, pursuant to the terms of the CPIB Conditional Warning issued on 23 December 2017, in respect of the fines payable by KOM to the Brazilian authorities and KOM has made full payment of the fines and damages payable under the leniency agreement with the two authorities in January 2023. With the earlier leniency agreement with the MPF and this additional agreement, both of which provide for the payment of fines and damages in connection to the same matter, KOM does not expect further grounds for liability in Brazil in relation to these issues.

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 advice obtained from a legal counsel, there is a very low risk that the Court would award any damages to the Plaintiffs on summary judgment. However, as to the trial itself, because the outcome of this matter and the potential amount of any loss are uncertain and the legal counsel have not formed a conclusion that an unfavourable outcome is either probable or remote, the legal counsel expressed no opinion as to the likelihood of an unfavourable outcome or as to the potential amount of loss.

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 disputes in respect of the First Contract and the Second Contract are in the midst of separate arbitration proceedings between the parties.

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.

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, have denied the Claimant's alleged right to such price reductions and the defective equipment and have defended and challenged the Claims in the arbitration proceedings commenced by the Claimant and have sought 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 2022.

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	
	2022 \$'000	2021 \$'000
Sales of goods, services and/or fixed assets to		
- associated companies	196,399	138,885
- joint ventures	8,108	592,784
- other related parties	135,797	143,829
	340,304	875,498
Purchase of goods and/or services from		
- associated companies	255,653	266,007
- joint ventures	57,705	14,331
- other related parties	209,060	177,859
	522,418	458,197
Treasury transactions with		
- associated companies	3,207	1,401
- joint ventures	7,822	7,349
	11,029	8,750

Notes to the Financial Statements

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			Notional amount directly impacted by IBOR reform \$'000
	Contract notional amount \$'000	Fair Value		
		Asset \$'000	Liability \$'000	
2022				
Cashflow hedges				
- Forward foreign currency contracts	2,589,650	14,384	27,480	n.a.
- Cross currency swaps	1,466,863	17,300	121,836	-
- Interest rate swaps	3,378,334	186,983	-	170,950
- HSFO forward contracts	165,978	23,897	40,480	n.a.
- Dated Brent forward contracts	344,615	20,436	6,973	n.a.
- JKM forward contracts	124,232	-	55,840	n.a.
- ICE Brent Crude forward contracts	63,530	13,214	159	n.a.
- Electricity futures contracts	28,815	1,998	17,090	n.a.
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.

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 JKM forward contracts is determined using forward Japan/Korea Marker prices provided by the Group's key counterparty. The fair value of ICE Brent Crude forward contracts is determined using Intercontinental Exchange Brent Crude 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 \$1,639,730,000 (2021: \$4,956,170,000). The net negative fair value of forward foreign exchange contracts is \$8,983,000 (2021: net positive fair value of \$22,105,000) comprising assets of \$9,533,000 (2021: \$43,757,000) and liabilities of \$18,515,000 (2021: \$21,652,000). 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:

	2022				2021			
	USD \$'000	RMB \$'000	BRL \$'000	Others \$'000	USD \$'000	RMB \$'000	BRL \$'000	Others \$'000
Group								
Financial Assets								
Debtors	109,316	48,866	-	2,620	53,890	64,300	189	4,402
Investments	801,896	-	-	165,719	720,956	-	-	125,455
Bank balances, deposits & cash	614,770	100,261	37	167,223	567,102	408,536	34	210,797
	1,525,982	149,127	37	335,562	1,341,948	472,836	223	340,654
Financial Liabilities								
Creditors	189,401	107,477	1,333	8,219	111,854	603	13,903	8,189
Term loans	2,742,038	-	-	43,461	2,610,015	-	-	130,674
Lease liabilities	-	227	-	-	-	322	-	1,729
	2,931,439	107,704	1,333	51,680	2,721,869	925	13,903	140,592

	2022			2021		
	USD \$'000	RMB \$'000	Others \$'000	USD \$'000	RMB \$'000	Others \$'000
Company						
Financial Assets						
Debtors	-	15	-	1,071	58	-
Bank balances, deposits & cash	420,402	-	157,584	411,516	-	193,760
	420,402	15	157,584	412,587	58	193,760
Financial Liabilities						
Creditors	14,752	114	-	6,053	122	107
Term loans	2,742,038	-	43,461	2,610,015	-	130,674
Lease liabilities	-	227	-	-	322	-
	2,756,790	341	43,461	2,616,068	444	130,781

Sensitivity analysis for currency risk

If the relevant foreign currency change against SGD by 5% (2021: 5%) with all other variables held constant, the effects will be as follows:

	Profit before tax		Equity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Group				
USD against SGD				
- Strengthened	(77,713)	(77,487)	7,419	8,315
- Weakened	77,713	77,487	(7,419)	(8,315)
RMB against SGD				
- Strengthened	2,071	23,596	-	-
- Weakened	(2,071)	(23,596)	-	-
BRL against SGD				
- Strengthened	(54)	(568)	-	-
- Weakened	54	568	-	-
Company				
USD against SGD				
- Strengthened	(116,853)	(89,827)	-	-
- Weakened	116,853	89,827	-	-
RMB against SGD				
- Strengthened	(8)	(19)	-	-
- Weakened	8	19	-	-

Notes to the Financial Statements

35. Financial risk management (continued)**(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"), United States Dollar Secured Overnight Financing Rate ("USD SOFR") and the United States Dollar London Inter-bank Offer Rate ("USD LIBOR") (2021: SOR, SORA and USD LIBOR) and pays fixed rates of between 0.06% and 3.62% (2021: 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, USD SOFR and USD LIBOR. This amounts to 32% (2021: 30%) of the Group's total amount of borrowings excluding notional amounts of \$nil (2021: \$470,419,000) relating to highly probable future borrowings.

In 2021, there was a loss of \$23,065,000 on hedge ineffectiveness in the Energy & Environment segment.

Sensitivity analysis for interest rate risk

If interest rates increase/decrease by 0.5% (2021: 0.5%) with all other variables held constant, the Group's profit before tax would have been lower/higher by \$19,548,000 (2021: \$17,560,000) 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, Dated Brent, JKM and ICE Brent Crude. As at the end of the financial year, the Group has outstanding HSFO, Dated Brent, JKM and ICE Brent Crude forward contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the HSFO, Dated Brent, JKM and ICE Brent Crude 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, Dated Brent, JKM and ICE Brent Crude increase/decrease by 5% (2021: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been higher/lower by \$7,324,000 (2021: \$25,601,000), \$17,934,000 (2021: \$338,000), \$3,420,000 (2021: nil) and \$3,829,000 (2021: nil) respectively as a result of fair value changes on cash flow hedges.

If prices for electricity futures contracts increase/decrease by 5% (2021: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been lower/higher by \$2,164,000 (2021: \$16,623,000) as a result of fair value changes on cash flow hedges.

If prices for quoted investments increase/decrease by 5% (2021: 5%) with all other variables held constant, the Group's profit before tax would have been higher/lower by \$1,765,000 (2021: \$3,579,000) 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 \$27,296,000 (2021: \$26,458,000) 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 SOR and the 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 S\$171 million borrowing linked to USD LIBOR, because the hedging instrument and the hedged item have not yet started transitioning to SOFR. Discussions are still ongoing.

The following Phase 1 reliefs are applied to the cash flow hedges linked USD LIBOR:

- When considering the 'highly probable' requirement, the Group has assumed that the 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 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\$1,965 million borrowings linked to SOR and USD LIBOR (including borrowings that had transitioned to alternative benchmark rates during the year), as both the hedging instrument and the hedged item have been amended or are pending amendments to the alternative benchmark rates with agreed 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 and SOFR as a hedged risk;
 - the contractual benchmark rate of the hedged borrowings has been amended from SOR and USD LIBOR to SORA and SOFR respectively, plus an adjustment spread; and
 - the variable rate of the hedging interest rate swap has been amended from SOR and USD LIBOR to SORA and SOFR respectively, 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 and USD LIBOR borrowings that is required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve was deemed to be based on SORA and SOFR. The amount is reclassified to profit or loss in the same periods during which the hedged SORA and SOFR cash flows affect profit or loss.

(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 expected credit losses ("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.

Notes to the Financial Statements

35. Financial risk management (continued)

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 2022 and 2021 that have not been assessed on a contract-by-contract basis are set out in the provision matrix as follows:

	Contract assets \$'000	Trade receivables				Total \$'000
		Current \$'000	1 to 3 months \$'000	3 to 6 months \$'000	> 6 months \$'000	
2022						
Energy & Environment						
Expected loss rate	-	0.5%	6.3%	17.9%	13.5%	
Gross carrying amount	-	347,020	33,957	2,617	12,470	396,064
Loss allowance	-	1,883	2,154	469	1,687	6,193
Connectivity						
Expected loss rate	2.2%	0.5%	2.4%	9.1%	19.9%	
Gross carrying amount	109,055	173,869	52,192	20,019	56,742	411,877
Loss allowance	2,402	834	1,239	1,815	11,294	17,584
2021						
Energy & Environment						
Expected loss rate	-	0.5%	16.0%	8.7%	17.7%	
Gross carrying amount	-	371,999	10,442	2,862	13,669	398,972
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

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 2022 and 31 December 2021, 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 2022 and 2021, there are no significant financial assets that are past due and/or impaired.

(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. As part of its liquidity management, the Group has built up adequate cash reserves and sufficient undrawn credit facilities to cover any short-term liquidity requirements so as to support its current operations including investing activities.

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				
2022				
Gross-settled forward foreign exchange contracts				
- Receipts	2,239,200	340,320	1,989	-
- Payments	(2,245,274)	(348,948)	(1,979)	-
Gross-settled cross currency swaps				
- Receipts	40,823	42,137	54,162	1,511
- Payments	(34,464)	(31,116)	(44,748)	(1,260)
Net-settled interest rate swaps				
- Receipts	96,204	65,152	55,964	-
- Payments	(1,808)	(1,879)	(4,493)	(3,208)
Net-settled HSFO forward contracts				
- Receipts	23,578	319	-	-
- Payments	(40,480)	-	-	-
Net-settled Dated Brent forward contracts				
- Receipts	19,414	1,022	-	-
- Payments	(3,196)	(3,573)	(204)	-
Net-settled JKM forward contracts				
- Receipts	-	-	-	-
- Payments	(51,074)	(4,766)	-	-
Net-settled ICE Brent Crude forward				
- Receipts	10,707	2,507	-	-
- Payments	(159)	-	-	-
Net-settled electricity futures contracts				
- Receipts	1,855	143	-	-
- Payments	(17,090)	-	-	-
Borrowings	(4,227,532)	(2,084,210)	(4,014,400)	(1,496,071)
Financial guarantees	(747,134)	-	-	-

Notes to the Financial Statements

35. Financial risk management (continued)

	Within one year \$'000	Within one to two years \$'000	Within two to five years \$'000	After five years \$'000
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)
Financial guarantees	(958,085)	-	-	-
Company				
2022				
Gross-settled forward foreign exchange contracts				
- Receipts	1,284,472	340,320	1,989	-
- Payments	(1,291,652)	(348,948)	(1,979)	-
Gross-settled cross currency swaps				
- Receipts	40,823	42,137	54,162	1,511
- Payments	(34,464)	(31,116)	(44,748)	(1,260)
Net-settled interest rate swaps				
- Receipts	75,884	52,798	43,665	-
- Payments	(1,344)	(1,728)	(2,962)	-
Borrowings	(2,973,264)	(987,162)	(2,778,095)	(843,721)
Financial guarantees	(462,579)	-	-	-
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)
Financial guarantees	(655,005)	-	-	-

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 2022. 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	
	2022 \$'000	2021 \$'000
Net debt	9,237,629	8,400,306
Total equity	11,913,340	12,441,361
Net gearing ratio	0.78x	0.68x

(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				
2022				
Financial assets				
Derivative financial instruments				
- from continuing operations	-	273,051	-	273,051
- from discontinued operations	-	5,143	-	5,143
Call option	-	-	192,522	192,522
Investments				
- Investments at fair value through other comprehensive income				
- from continuing operations	494,706	1,409	277,279	773,394
- from discontinued operations	-	-	26,603	26,603
- Investments at fair value through profit or loss				
- from continuing operations	34,618	-	674,707	709,325
- from discontinued operations	-	16,745	55,350	72,095
Short term investments				
- Investments at fair value through other comprehensive income				
- from continuing operations	48,097	-	-	48,097
- from discontinued operations	3,118	-	-	3,118
- Investments at fair value through profit or loss	685	-	-	685
	581,224	296,348	1,226,461	2,104,033
Financial liabilities				
Derivative financial instruments				
- from continuing operations	-	256,204	-	256,204
- from discontinued operations	-	13,639	-	13,639
	-	269,843	-	269,843
Non-financial assets				
Investment Properties				
- Commercial and hospitality, completed	-	-	1,349,265	1,349,265
- Commercial, under construction	-	-	2,933,828	2,933,828
- Associates at fair value through profit or loss	-	-	246,677	246,677
	-	-	4,529,770	4,529,770

Notes to the Financial Statements

35. Financial risk management (continued)

	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
	<u>600,727</u>	<u>207,085</u>	<u>1,024,769</u>	<u>1,832,581</u>
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
	<u>-</u>	<u>-</u>	<u>4,398,666</u>	<u>4,398,666</u>
Company				
2022				
Financial assets				
Derivative financial instruments	-	173,642	-	173,642
Investments				
- Investments at fair value through other comprehensive income	-	-	19,430	19,430
	<u>-</u>	<u>173,642</u>	<u>19,430</u>	<u>193,072</u>
Financial liabilities				
Derivative financial instruments	-	-	140,354	140,354
2021				
Financial assets				
Derivative financial instruments	-	67,499	-	67,499
Investments				
- Investments at fair value through other comprehensive income	-	-	24,100	24,100
	<u>-</u>	<u>67,499</u>	<u>24,100</u>	<u>91,599</u>
Financial liabilities				
Derivative financial instruments	-	-	102,061	102,061

In 2021, 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.

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 January	1,024,769	712,761	24,100	22,196
Purchases	131,668	41,002	-	-
Sales	(11,374)	(47,625)	-	-
Fair value (loss)/gain recognised in other comprehensive income				
- from continuing operations	(29,785)	(100,790)	(4,670)	1,904
- from discontinued operations	(488)	3,571	-	-
Fair value gain recognised in profit or loss				
- from continuing operations	113,379	316,867	-	-
- from discontinued operations	28,043	-	-	-
Reclassification				
- Disposal group and assets classified as held for sale	(82,649)	-	-	-
- Associates/Joint Ventures	(22,671)	14,139	-	-
- Transfer to Level 3	-	82,443	-	-
- Others	-	235	-	-
Exchange differences	(4,975)	2,399	-	-
Distribution	-	(193)	-	-
Return on capital	-	(40)	-	-
At 31 December	1,145,917	1,024,769	19,430	24,100

The following table presents the reconciliation of investment properties measured at fair value based on significant unobservable inputs (Level 3).

	Group	
	2022 \$'000	2021 \$'000
At 1 January	4,256,428	3,674,075
Development expenditure	216,799	229,581
Fair value gain	131,711	238,458
Disposal	(41,204)	-
Reclassification		
- Stocks (Note 15)	-	3,544
Exchange differences	(280,641)	110,770
At 31 December	4,283,093	4,256,428

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.

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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 2022 \$'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments				
- from continuing operations	953,395	Net asset value, discounted cash flow and binomial option pricing	Net asset value* Discount rate Growth rate Discount for lack of control	Not applicable 15.71% to 20.00% 1.10% to 4.32% 15.00% - 23.30%
- from discontinued operations	81,953	Net asset value and discounted cash flow	Net asset value* Discount rate	Not applicable 9.00% - 19.00%
Call option	192,522	Discounted cash flow method and investment method	Transacted price of comparable properties (psf) Capitalisation rate	\$1,586 - \$3,617 3.40%
Associates at fair value through profit or loss	246,677	Net asset value	Net asset value	Not applicable
Investment properties				
- Commercial, completed	1,349,265	Investment method, discounted cash flow method and/or direct comparison method; Income capitalisation method	Discount rate Capitalisation rate Net initial yield Transacted price of comparable land plots (psm) Transacted price of comparable properties (psf)	7.25% to 14.50% 4.25% to 10.00% 5.70% \$3,974 to \$5,610 \$239 to \$1,304
- Commercial, under construction	2,933,828	Direct comparison method, discounted cash flow method, and/or residual value method	Discount rate Capitalisation rate Transacted price of comparable land plots (psm) Transacted price of comparable properties (psf) Gross development value (\$'million)	13.00% to 17.00% 4.00% to 10.00% \$6,569 to \$9,163 \$2,376 to \$3,617 \$216 to \$1,949

* 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)(ix)).

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	Discounted cash flow method and investment method	Transacted price of comparable properties (psf)	\$1,586 - \$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 residential, completed	1,495,780	Investment method, discounted cash flow method and/or direct comparison method;	Discount rate	9.50% to 14.50%
		Income capitalisation method	Capitalisation rate	4.25% to 10.50%
			Net initial yield	6.45%
			Transacted price of comparable land plots (psm)	\$4,690 to \$7,504
			Transacted price of comparable properties (psf)	\$266 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	Discount rate	12.50% to 17.00%
			Capitalisation rate	4.00% to 10.00%
			Transacted price of comparable land plots (psm)	\$7,129 to \$9,192
			Transacted price of comparable properties (psf)	\$2,468 to \$3,171
			Gross development value (\$'million)	\$239 to \$2,099

* 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)(ix)).

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 \$1,035,348,000 as at 31 December 2022 comprises \$753,350,000 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 \$37,668,000 increase/decrease in fair valuation.

Valuation process of investment properties is described in Note 8.

Notes to the Financial Statements

36. Segment analysis

The Group is organised into business units based on their products and services, and has five main 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 27 April 2022, Keppel Corporation Limited ("the Company") and Sembcorp Marine Ltd ("Sembcorp Marine") entered into definitive agreements for the proposed combination of Keppel Offshore & Marine Ltd ("Keppel O&M") and Sembcorp Marine. Concurrent with the proposed combination, the Company has entered into a definitive agreement with Baluran Limited and Kyanite Investment Holdings Pte Ltd, for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity ("Asset Co Transfer").

On 27 October 2022, the structure and terms of the proposed combination have been amended such that, 1) the merger of Keppel O&M and Sembcorp Marine will be effected by way of the acquisition by Sembcorp Marine of all the Keppel O&M Shares held by the Company (the "KOM Share Transfer") and 2) the completion of the Asset Co Transfer will proceed regardless of whether the KOM Share Transfer takes place.

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the performance of Keppel O&M, as a separate reportable operating segment, excluding certain out-of-scope assets, are presented as discontinued operations for the period, with comparative information re-presented accordingly. Refer to Note 37 for further details.

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.

(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 \$'000	Urban Development \$'000	Connectivity \$'000	Asset Management \$'000	Corporate & Others \$'000	Elimination \$'000	Total \$'000
2022							
Revenue							
External sales	4,229,331	903,544	1,291,273	195,092	478	-	6,619,718
Inter-segment sales	34,841	526	13,135	13,639	87,918	(150,059)	-
Total	4,264,172	904,070	1,304,408	208,731	88,396	(150,059)	6,619,718
Segment Results							
Operating profit	86,044	288,166	62,057	91,014	27,196	10,730	565,207
Investment income	-	1,536	273	43,218	3,514	-	48,541
Interest income	65,705	36,215	6,592	760	423,959	(441,883)	91,348
Interest expenses	(56,547)	(66,563)	(14,709)	(36,802)	(402,719)	431,153	(146,187)
Share of results of associated companies and joint ventures	119,257	158,809	15,794	242,119	-	-	535,979
Profit before tax	214,459	418,163	70,007	340,309	51,950	-	1,094,888
Taxation	(44,306)	(146,447)	(23,134)	(27,211)	(4,051)	-	(245,149)
Profit from continuing operations for year	170,153	271,716	46,873	313,098	47,899	-	849,739
Attributable to:							
Shareholders of Company	172,549	281,762	37,236	310,922	36,490	-	838,959
Perpetual securities holders	-	-	-	-	11,600	-	11,600
Non-controlling interests	(2,396)	(10,046)	9,637	2,176	(191)	-	(820)
	170,153	271,716	46,873	313,098	47,899	-	849,739
Profit from discontinued operations, net of tax and NCI							87,658
Profit for the year attributable to shareholders of the Company							926,617
External revenue from contracts with customers							
- At a point in time	21,197	680,261	393,207	43,805	-	-	1,138,470
- Over time	4,208,134	153,245	894,600	151,287	475	-	5,407,741
	4,229,331	833,506	1,287,807	195,092	475	-	6,546,211
Other sources of revenue	-	70,038	3,466	-	3	-	73,507
Total	4,229,331	903,544	1,291,273	195,092	478	-	6,619,718
Other Information							
Segment assets*	11,161,774	11,978,928	3,431,961	4,291,601	13,044,000	(12,843,287)	31,064,977
Segment liabilities*	11,350,215	6,392,475	2,738,442	1,797,304	9,716,488	(12,843,287)	19,151,637
Net assets*	(188,441)	5,586,453	693,519	2,494,297	3,327,512	-	11,913,340

* inclusive of disposal group classified as held for sale

Investment in associated companies and joint ventures	1,119,697	2,250,570	100,684	3,320,911	-	-	6,791,862
Additions to non-current assets	639,425	344,047	236,983	236,830	1,117	-	1,458,402
Depreciation and amortisation	32,982	31,080	124,760	2,718	15,018	-	206,558
Impairment loss on non-financial assets	7,052	107	1,953	-	-	-	9,112
Allowance/(write-back) for expected credit loss and bad debt written-off	23,683	(776)	10,917	-	186	-	34,010

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	5,465,913	916,228	-	172,458	65,119	-	6,619,718
Non-current assets	8,192,941	3,503,743	-	1,695,069	465,765	-	13,857,518

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the year ended 31 December 2022.

Information about a major customer

Revenue of \$2,045,861,000 is derived from a single external customer and is attributable to the Energy & Environment segment for the year ended 31 December 2022.

Note: Pricing of inter-segment goods and services is at fair market value.

Notes to the Financial Statements

36. Segment analysis (continued)

	Energy & Environment \$'000	Urban Development \$'000	Connectivity \$'000	Asset Management \$'000	Corporate & Others \$'000	Elimination \$'000	Total \$'000
2021#							
Revenue							
External sales	3,560,370	1,628,768	1,260,152	162,046	-	-	6,611,336
Inter-segment sales	28,127	3,789	6,046	9,868	74,072	(121,902)	-
Total	<u>3,588,497</u>	<u>1,632,557</u>	<u>1,266,198</u>	<u>171,914</u>	<u>74,072</u>	<u>(121,902)</u>	<u>6,611,336</u>
Segment Results							
Operating profit/(loss)	(290,695)	992,963	86,488	112,880	222,950	4,737	1,129,323
Investment income	-	1,512	270	41,632	61,447	-	104,861
Interest income	60,391	36,797	304	147	366,147	(375,480)	88,306
Interest expenses	(106,732)	(52,342)	(19,094)	(30,752)	(331,925)	370,743	(170,102)
Share of results of associated companies and joint ventures	144,450	93,170	18,528	202,617	-	-	458,765
Profit/(loss) before tax	(192,586)	1,072,100	86,496	326,524	318,619	-	1,611,153
Taxation	3,767	(331,263)	(18,567)	(26,188)	(2,938)	-	(375,189)
Profit/(loss) from continuing operations for year	<u>(188,819)</u>	<u>740,837</u>	<u>67,929</u>	<u>300,336</u>	<u>315,681</u>	<u>-</u>	<u>1,235,964</u>
Attributable to:							
Shareholders of Company	(189,028)	762,915	63,953	301,296	308,332	-	1,247,468
Perpetual securities holders	-	-	-	-	3,401	-	3,401
Non-controlling interests	209	(22,078)	3,976	(960)	3,948	-	(14,905)
	<u>(188,819)</u>	<u>740,837</u>	<u>67,929</u>	<u>300,336</u>	<u>315,681</u>	<u>-</u>	<u>1,235,964</u>
Loss from discontinued operations, net of tax and NCI							(224,817)
Profit for the year attributable to shareholders of the Company							<u>1,022,651</u>
External revenue from contracts with customers							
- At a point in time	12,324	1,376,396	423,065	23,936	-	-	1,835,721
- Over time	3,548,046	181,183	833,360	138,110	-	-	4,700,699
	<u>3,560,370</u>	<u>1,557,579</u>	<u>1,256,425</u>	<u>162,046</u>	<u>-</u>	<u>-</u>	<u>6,536,420</u>
Other sources of revenue	-	71,189	3,727	-	-	-	74,916
Total	<u>3,560,370</u>	<u>1,628,768</u>	<u>1,260,152</u>	<u>162,046</u>	<u>-</u>	<u>-</u>	<u>6,611,336</u>
Other Information							
Segment assets*	11,481,452	13,954,820	3,606,910	3,989,870	12,205,731	(12,915,856)	32,322,927
Segment liabilities*	11,929,685	6,955,468	2,525,065	1,708,088	9,679,116	(12,915,856)	19,881,566
Net assets*	<u>(448,233)</u>	<u>6,999,352</u>	<u>1,081,845</u>	<u>2,281,782</u>	<u>2,526,615</u>	<u>-</u>	<u>12,441,361</u>

* inclusive of disposal group classified as held for sale

Investment in associated companies and joint ventures	626,848	2,281,122	151,162	2,991,126	-	-	6,050,258
Additions to non-current assets	62,998	274,447	349,995	34,098	6,698	-	728,236
Depreciation and amortisation	30,406	42,564	201,430	2,796	13,627	-	290,823
Impairment loss on non-financial assets	58,294	53,051	1,586	-	-	-	112,931
Allowance for expected credit loss and bad debt written-off	117,236	1,346	11,781	-	(132)	-	130,231
Loss on a financial guarantee on a loan granted to an associated company	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#	4,856,690	1,526,698	-	159,197	68,751	-	6,611,336
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 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.

Comparative information has been re-presented due to a discontinued operation (Note 37).

37. Discontinued operations and disposal group and assets classified as held for sale and liabilities directly associated with disposal group and assets classified as held for sale

(i) Discontinued operations and disposal group held for sale and liabilities directly associated with disposal group classified as held for sale

Keppel Offshore & Marine Ltd ("Keppel O&M")

On 27 April 2022, the Company and Sembcorp Marine Ltd ("Sembcorp Marine") entered into definitive agreements for the proposed combination of Keppel Offshore & Marine Ltd ("Keppel O&M") and Sembcorp Marine (the "Proposed Combination"). The Proposed Combination involves the establishment of a new holding company (the "Combined Entity") which will combine the businesses of Keppel O&M and Sembcorp Marine via separate schemes of arrangement.

Concurrent with the Proposed Combination, the Company has entered into a definitive agreement with Baluran Limited ("Baluran") and Kyanite Investment Holdings Pte Ltd ("Kyanite"), for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity, Rigco Holding Pte Ltd (the "Asset Co Transaction").

On 27 October 2022, the structure and terms of the Proposed Combination have been amended such that, 1) the merger of Keppel O&M and Sembcorp Marine will be effected by way of the acquisition by Sembcorp Marine (and not the Combined Entity) of all the Keppel O&M Shares held by the Company (the "KOM Share Transfer") in consideration for the issuance by Sembcorp Marine of such number of new ordinary shares in the capital of Sembcorp Marine ("SCM Shares") representing 54% of the total number of SCM Shares ("Consideration Shares") and 2) the completion of the Asset Co Transfer will proceed regardless of whether the Keppel O&M Share Transfer takes place. Of which, the Company will distribute 49% of the total number of SCM Shares to its shareholders and remaining 5% of SCM shares (the "Retained Consideration Shares") transfer to a segregated account ("Proposed Distribution"). Post acquisition, Sembcorp Marine will be the "Combined Entity" owning a combination of its current business and KOM.

Accordingly, the assets and liabilities related to Keppel O&M for the Proposed Combination, excluding certain out-of-scope assets, had been presented in the balance sheet as "Disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results were presented separately on the consolidated statement of comprehensive income as "Discontinued operations" for the financial year ended 31 December 2022, with comparative information re-presented accordingly. The Group has also ceased the depreciation of \$71,185,000 for the relevant assets classified under disposal group held for sale for the period since 27 April 2022. The disposal group was previously presented under the "Energy & Environment" reportable segment of the Group (Note 36).

On 8 December 2022, the resolutions relating to 1) the Proposed Transaction involving the Asset Co Transaction and the Proposed Combination of Keppel O&M and Sembcorp Marine which constitutes a major transaction and an interested person transaction, and 2) the Proposed Distribution, were duly passed at the extraordinary general meeting of the Company.

(a) The results of the discontinued operations are as follows:

	2022 \$'000	2021 \$'000
Revenue	2,799,418	2,013,377
Expenses*	(2,683,140)	(2,289,534)
Profit/(Loss) before tax from discontinued operations	116,278	(276,157)
Taxation	(33,212)	50,205
Non-controlling interests	4,592	1,135
Profit/(Loss) from discontinued operations, net of tax and non-controlling interests	87,658	(224,817)

* In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, following the classification as disposal group classified as held for sale, the Group has ceased depreciation of \$71,185,000 for the relevant assets classified under disposal group held for sale for the period since 27 April 2022. The 2022 results also include a partial writeback of \$292,838,000 (before reversal of deferred tax credit of \$38,919,000 recognised in taxation) impairment made in 2020 for certain legacy rig assets (Note 2.28(b)(i)(c)) and a gain from divestment of Keppel Smit Towage Pte Limited and Maju Maritime Pte Ltd of \$74,495,000.

(b) The cash flows attributable to the discontinued operations are as follows:

	2022 \$'000	2021 \$'000
Operating cash flow	115,472	(522,898)
Investing cash flow	92,204	3,070
Financing cash flow	260,362	419,417
Net cash inflows / (outflows)	468,038	(100,411)

Notes to the Financial Statements

37. Discontinued operations and disposal group and assets classified as held for sale and liabilities directly associated with disposal group and assets classified as held for sale (continued)**(ii) Assets classified as held for sale and liabilities directly associated with assets classified as held for sale****(a) Marina East Water Pte. Ltd. ("MEW")**

On 30 June 2022, Keppel Infrastructure Holdings Limited ("Keppel Infrastructure"), a wholly-owned subsidiary of the Company, and Keppel Infrastructure Fund Management Pte Ltd ("KIFM"), as Trustee-Manager of Keppel Infrastructure Trust ("KIT"), have signed a non-binding term sheet with the intention to enter into definitive agreements with respect to the sale and purchase of the Group's interest in MEW ("Proposed Transaction"). The Proposed Transaction is subject to customary closing conditions including approvals by shareholders and PUB, as well as the receipt of applicable regulatory approvals. Post the proposed transaction, MEW will be jointly-controlled by Keppel Infrastructure and KIT, with KIT receiving 100% of the economic interest.

In accordance to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities of MEW have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale" in the condensed consolidated balance sheet as at 31 December 2022.

	Group 31.12.2022		
	Disposal group \$'000	Assets classified as held for sale \$'000	Total \$'000
Disposal group and assets classified as held for sale			
Fixed assets	2,629,084	-	2,629,084
Intangibles	11,739	-	11,739
Right-of-use assets	288,940	-	288,940
Associated companies and joint ventures	204,041	-	204,041
Deferred tax assets	68,989	-	68,989
Other non-current assets	395,020	334,545	729,565
Investments	101,816	-	101,816
Contract assets	2,435,618	-	2,435,618
Stocks	1,823,190	-	1,823,190
Debtors and other assets	822,058	8,232	830,290
Bank balances, deposits & cash	381,179	25,325	406,504
	9,161,674	368,102	9,529,776
Liabilities directly associated with disposal group and assets classified as held for sale			
Creditors and other liabilities	2,178,848	5,349	2,184,197
Provisions	112,559	-	112,559
Contract liabilities	774,157	-	774,157
Term loans	455,864	301,847	757,711
Lease liabilities	314,711	-	314,711
Taxation	25,137	1,106	26,243
Deferred tax liabilities	36,021	-	36,021
Other non-current liabilities	18,404	-	18,404
	3,915,701	308,302	4,224,003

38. New accounting standards

At the date of authorisation of these financial statements, the following new SFRS(I) and amendments to SFRS(I)s that are relevant to the Group and the Company were issued but not effective:

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current* (effective for annual periods beginning on or after 1 January 2024)

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.

- Amendments to SFRS(I) 1-12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

SFRS(I) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

- SFRS(I) 17 *Insurance Contracts* (effective for annual periods beginning on or after 1 January 2023)

SFRS(I) 17, covering recognition and measurement, presentation and disclosure, will replace SFRS(I) 4 *Insurance Contracts* and apply to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SFRS(I) 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SFRS(I) 4, which are largely based on grandfathering previous local accounting policies. The core of SFRS(I) 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and a simplified approach (the premium allocation approach) mainly for short-duration contracts.

The management anticipates that the adoption of the above SFRS(I) 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

- (i) Subsequent to 31 December 2022, the Group divested its shipyard at 55 Gul Road, Singapore, including fixed infrastructure and equipment thereon through Keppel FELS Limited, wholly owned subsidiary of the Company, for a cash consideration of \$95 million. The book value and net tangible value of the yard as at 31 December 2022 was \$57 million. The financial effect of this disposal has been recognised within the discontinued operations in January 2023.
- (ii) The Proposed Combination, as set out in Note 37(i), was approved on 16 February 2023 by the shareholders of Sembcorp Marine.

Based on the carrying values of Keppel O&M's legacy rigs and associated receivables, as described in Note 37(i), the Asset Co Transaction was completed on 27 February 2023 for a consideration of approximately \$4,372 million satisfied in the following manner:

- (a) issuance of 499,000 new ordinary shares in the capital of Rigco Holding Pte Ltd at the issue price of \$1.00 per share;
- (b) issuance of \$120 million 10.0% perpetual securities by Rigco Holding Pte Ltd; and
- (c) issuance of vendor notes of 4% per annum for a maximum tenure of 12 years in the same aggregate principal amount by Rigco Holding Pte Ltd of approximately \$4,251 million.

No gain or loss was recognised in the profit or loss on the date of completion from the Asset Co Transaction.

The Proposed Combination was completed on 28 February 2023 and the Company has received:

- I. 36,848,072,918 Consideration Shares amounting to approximately \$4,237 million. Of which, 33,436,214,314 Consideration Shares (representing 49% of the enlarged capital of Sembcorp Marine) amounting to approximately \$3,845 million has been distributed as dividend-in-specie to the Company's shareholders and the remaining 3,411,858,604 Consideration Shares (representing 5% of the enlarged capital of Sembcorp Marine) amounting to approximately \$392 million, as Retained Consideration Shares placed into a segregated account; and
- II. a Cash Component of \$500,000,000 from Keppel O&M in settlement of interests and redemption amount for a partial redemption of intercompany perpetual securities.

Arising from the Proposed Combination, based on the value of assets and liabilities of Keppel O&M (as Disposal Group) for the Proposed Combination as of 28 February 2023, the gain on disposal recognised in the profit or loss on the date of completion is approximately \$3,300 million. The gain on disposal is subject to adjustment for any reimbursement by the Company to Keppel O&M for certain expenditures incurred by Keppel O&M before the completion of the combination, relating to assets sold by Keppel O&M to Rigco Holding Pte Ltd to the extent that such expenditures are in excess of an agreed sum.

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
	2022 %	31 December 2022 %	2021 %	31 December			
				2022 \$'000	2021 \$'000		
ENERGY & ENVIRONMENT							
Offshore & Marine							
<i>(all entities within Offshore & Marine are part of the disposal group held for sale, other than Floatel International Ltd.)</i>							
Subsidiaries							
Keppel Offshore and Marine Ltd	100	100	100	801,720	801,720	Singapore	Investment holding
Keppel FELS Ltd	100	100	100	1,891,900	#	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 Administradora 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 Pte Ltd	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
Offshore Partners 2 Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
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

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December 2022	2021	31 December 2022	2021		
		%	%	\$'000	\$'000		
FELS Asset Co 3 Pte Ltd ⁽ⁿ⁾	100	100	-	#	-	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 4 Pte Ltd ⁽ⁿ⁾	100	100	-	#	-	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 5 Pte Ltd ⁽ⁿ⁾	100	100	-	#	-	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 6 Pte Ltd ⁽ⁿ⁾	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
Keppel Shipyard Ltd	100	100	100	472,976	#	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
Offshore Technology Development Pte Ltd	100	100	100	#	#	Singapore	Production of jacking systems
Keppel Letourneau Middle East FZE	100	100	100	#	#	UAE	Oilfield equipment trading, service and repair
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	-	#	Singapore	Provision of towage services
Maju Maritime Pte Ltd	-	-	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

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Significant Subsidiaries, Associated Companies and Joint Ventures

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2022 %	31 December 2022 %	2021 %	31 December 2022 \$'000	2021 \$'000		
	Keppel DHCS Pte Ltd	100	100	100	#		
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
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
Keppel EnServices Investment Pte. Ltd. ⁽ⁿ⁾	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
Cloud Alpha Pte Ltd	60	60	60	#	#	Singapore	Investment holding
Keppel Renewable Investments Pte Ltd	100	100	100	*	*	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⁾	10	10	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
Harmony Holdco Pte Ltd ⁽²⁾⁽ⁿ⁾	32	32	-	#	-	Singapore	Integrated environmental solutions provider
Cleantech Solar Asia Pte Ltd ⁽²⁾⁽ⁿ⁾	50	45	-	#	-	Singapore	Procurement, installation, operating and maintenance of solar generation facilities
Cleantech Renewable Assets Pte Ltd ⁽²⁾⁽ⁿ⁾	51	31	-	#	-	Singapore	Procurement, installation, operating and maintenance of solar generation facilities
Keppel MET Renewables AG ⁽¹⁾⁽ⁿ⁾	50	50	-	#	-	Switzerland	Renewable energy generation
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

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December 2022	2021	31 December 2022	2021		
		%	%	\$'000	\$'000		
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
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
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
Harvestland Development Pte Ltd	100	100	100	#	#	Singapore	Property development
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
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

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**Significant Subsidiaries, Associated Companies
and Joint Ventures**

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2022 %	31 December 2022 %	2021 %	31 December 2022 \$'000	2021 \$'000		
Keppel Seasons Residences Property Development (Wuxi) Co., Ltd ⁽¹⁾	100	100	100	#	#	China	Property development
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
OIL (Asia) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Oscario Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Parkville 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
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 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	-	#	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⁾	-	-	99	-	#	China	Property development
Shanghai Maowei Investment Consulting Co Ltd ⁽¹⁾	100	99	99	#	#	China	Investment holding

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December 2022	2021	31 December 2022	2021		
		%	%	\$'000	\$'000		
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	72	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
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
Shanghai Mingbu Industrial Co Ltd ⁽¹⁾	100	100	100	#	#	China	Investment holding
Bangalore Tower Pvt Ltd ⁽²⁾	100	100	51	#	#	India	Property investment
PT Straits-CM Village ⁽¹⁾	39	39	39	#	#	Indonesia	Hotel ownership and operations
PT Ria Bintan ⁽¹⁾	46	46	46	#	#	Indonesia	Golf course ownership and operations
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
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	8	#	#	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

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Significant Subsidiaries, Associated Companies and Joint Ventures

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December 2022	2021	31 December 2022	2021		
		%	%	\$'000	\$'000		
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
Tianjin Fushi Property Development Co Ltd ⁽¹⁾	49	49	49	#	#	China	Property development

CONNECTIVITY

Subsidiaries

Keppel Telecommunications & Transportation Ltd	100	100	100	621,299	621,299	Singapore	Investment, management and holding company
Keppel Logistics Pte Ltd	-	-	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 Midgard Holdings Pte Ltd ⁽³⁾	100	100	100	#	#	Singapore	Telecommunications network operation
Adfact 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	-	#	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	50 ⁺	42 ⁺	42 ⁺	#	#	Singapore	Telecommunications services
SVOA Public Company Ltd ⁽²⁾	32	32	32	#	#	Thailand	Distribution of IT products and telecommunications services

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
		2022 %	2022 %	2021 %	2022 \$'000		
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
Keppel Infrastructure Fund Management Pte Ltd	100	100	100	#	#	Singapore	Trust Management
Keppel Capital Alternative Asset Pte. Ltd.	100	100	100	#	#	Singapore	Fund Management
Associated Companies and Joint Ventures							
Keppel DC REIT	20	20	21	#	#	Singapore	Real estate investment trust-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
Keppel Pacific Oak US REIT Management Pte. Ltd. ⁽²⁾	50	50	50	#	#	Singapore	Property management
KBS US Prime Property Management Pte. Ltd. ⁽²⁾	30	30	30	#	#	Singapore	Property management
Keppel-Pierfront Private Credit Fund LP ⁽²⁾	26	26	26	#	#	Singapore	Investment holding
Keppel Asia Infrastructure Fund LP ⁽²⁾	19	19	19	#	#	Singapore	Investment holding
Watermark Retirement Communities, LLC ⁽²⁾	50	50	50	#	#	USA	Management company
WRC KSL Senior Holdings, LLC ⁽²⁾	50	50	50	#	#	USA	Investment holding
Alpha DC Fund Private Limited ⁽²⁾	65	65	65	#	#	Singapore	Investment holding and fund management
Keppel Data Centre Fund II LP ⁽²⁾	41	41	41	#	#	Singapore	Investment holding and fund management

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Significant Subsidiaries, Associated Companies and Joint Ventures

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December 2022	2021	31 December 2022	2021		
		%	%	\$'000	\$'000		
CORPORATE & OTHERS							
Subsidiaries							
Keppinance Investment Pte Ltd	100	100	100	90,000	90,000	Singapore	Investment holding and central finance administrator
Keppel Capital One Pte Ltd	100	100	100	#	#	Singapore	To arrange, syndicate and/or provide financing to customers of Keppel Group
Keppel Ventures (Property) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Oil & Gas Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppventure Pte Ltd	100	100	100	594,922	594,922	Singapore	Investment holding
Total Significant Subsidiaries[^]				10,766,554	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 or 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) * The cost of investment of the subsidiary is less than \$1,000.

(v) (n) These companies were incorporated/acquired during the financial year.

(vi) 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 236 significant subsidiaries, associated companies and joint ventures as at 31 December 2022. 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.

[^] Inclusive of subsidiaries within discontinued operations

Other Information

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 22 April 2022. 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)
		2022 \$'000	2022 \$'000
Transaction for the Sale of Goods and Services			
Temasek Holdings Group (other than the below)	Temasek Holdings	399	1,769
CapitaLand Group	(Private) Limited	–	1,391
Clifford Capital Group	is a controlling	1,530	137
Keppel Infrastructure Trust Group	shareholder of the	20,860	175,453
Lan Ting Holdings Group	Company.	–	21,970
PSA International Group	The other named	11	6,057
SembCorp Marine Group	interested persons	4	2,907
Singapore Power Group	are its associates.	15	1,714
Singapore Technologies Engineering Group		95,116	2,610
Singapore Telecommunications Group		164	7,019
StarHub Group		346	68,912
Transaction for the Purchase of Goods and Services			
Temasek Holdings Group (other than the below)	Temasek Holdings	1,616	2,357
Clifford Capital Group	(Private) Limited	–	1,211
Lan Ting Holdings Group	is a controlling	–	652,000
SembCorp Industries Group	shareholder of the	–	127,062
SembCorp Marine Group	Company.	–	2,064
Singapore Technologies Engineering Group	The other named	71	7,868
Singapore Technologies Telemedia Group	interested persons	4	1,720
Singapore Telecommunications Group	are its associates.	71	32,873
StarHub Group		–	60,041
Surbana Jurong Group		–	1,615
Treasury Transactions			
Temasek Holdings Group (other than the below)	Temasek Holdings	20,394	–
Keppel Infrastructure Trust Group	(Private) Limited	4,201	–
Clifford Capital Group	is a controlling	143,783	–
SembCorp Marine Group	shareholder of the	159	–
	Company.		
	The other named		
	interested persons are		
	its associates.		
Joint Venture			
Temasek Holdings Group (other than the below)	Temasek Holdings	35,800	–
Keppel Infrastructure Trust Group	(Private) Limited	278,591	–
Singapore Technologies Engineering Group	is a controlling	1,198	–
	shareholder of the		
	Company.		
	The other named		
	interested persons are		
	its associates.		
Total Interested Person Transactions		604,333	1,178,750

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.

Other Information

Key Executives

Chan Hon Chew, 57

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 has been 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 (appointment till 28 February 2023), 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, 57

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. 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), Keppel Telecommunications & Transportation Ltd, Keppel Land Limited 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

Louis Lim, 50

Master and Bachelor of Economics (Sigma Xi), Massachusetts Institute of Technology; MBA, INSEAD.

Mr Lim is the Chief Executive Officer of Keppel Land Limited, 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, Keppel Capital Holdings Pte Ltd and is also a director of various subsidiaries of Keppel Corporation Limited and Keppel Land Limited. Mr Lim is currently a member of the INSEAD Facilities Committee and he also sits on the board of Glyph Community Limited.

Past principal directorships in the last five years

Nil

Cindy Lim, 45

Bachelor of Engineering (Mechanical & Production) (Second Upper Honours), 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 over 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 master developer of integrated smart and sustainable precincts and townships in the Asia-Pacific region. As the Director of GCD, she focused on identifying and extracting synergies across the operating business units within the Keppel Group, as well as harnessing both internal and external collaboration. As the founding Managing Director of KUS, she set up and led the unit to pursue and capture business opportunities arising from rapid urbanisation and the increasing global focus on liveability and sustainability.

Prior to these, Ms Lim was the Executive Director of Infrastructure Services in Keppel Infrastructure, where she was responsible for the operations and maintenance business of energy and environmental infrastructure including combined cycle gas turbine power plants, waste-to-energy plants, water facilities, and district cooling systems. She has diverse experience in operations and process excellence, as well as assets, people and organisation management.

Her principal directorships include Keppel Infrastructure Holdings, Keppel Capital Holdings Pte Ltd, Keppel Energy Pte Ltd, Keppel Electric Pte Ltd, Keppel Gas Pte Ltd, Keppel Eaas Pte Ltd, Keppel Seghers Pte Ltd, Keppel DHCS Pte Ltd, Keppel Energy Transition Centre Pte Ltd, Keppel Water Services Pte Ltd, MET Holding AG, Keppel Urban Solutions Pte Ltd, Cleantech Renewable Assets Pte Ltd, Keppel Renewable Energy Pte Ltd and Keppel Renewable Investments 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), Primus I Investment Holdings Pte Ltd and Primus II Investment Holdings Pte Ltd.

Thomas Pang Thieng Hwi, 58

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 has 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, 57

Master of Management Studies (Marketing and Sales Management), University of Bombay; Bachelor of Engineering (Mechanical Engineering), University of Jabalpur.

Mr Mann assumed the role of Chief Executive Officer at M1 Limited (M1) on 6 December 2018 and was appointed to the Board of M1 on 11 June 2019. Mr Mann is also the Chief Digital Officer of Keppel Corporation, 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 currently holds directorships in several subsidiaries of M1 Limited. He is also a Director of Keppel Telecommunications & Transportation Ltd, Keppel Digi Pte Ltd and Keppel Enterprise Services Pte. Ltd.

Past principal directorships in the last five years

Pareteum Asia Pte Ltd and Lebara Service Centre Limited

Other Information

Key Executives

Bridget Lee Siow Pei, 51

Master of Management, J.L. 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, 50

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 26 years of experience in investment, corporate finance and asset management, of which more than 18 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, 38

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 private equity and investment banking, with more than US\$10 billion of transaction and advisory experience in developed and emerging markets of Asia Pacific, Europe, Middle East 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 a track record of successful returns to investors.

Mr Chiang was previously the Head of Execution at Mizuho Asia Infra Capital. 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), One Eco Co., Ltd. (Chairman), Philippine Coastal Storage & Pipeline Corporation (President), Ixom Holdings Pty Ltd., Australia and Wind Fund I AS.

Past principal directorships in last five years

Nil

Anthea Lee, 49

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 25 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, 52

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

Alvin Mah, 51

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 more than 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 the last five years

Nil

Other Information

Key Executives

Sharon Tay Lin Li, 46

Master of Science (Finance & Economics) and Bachelor of Science (Economics), London School of Economics and Political Science; CFA® Charterholder.

Ms Tay is the Chief Executive Officer of Keppel Asia Infrastructure Fund, which is managed by Keppel Capital Alternative Asset Pte Ltd, a wholly-owned subsidiary of Keppel Capital Holdings Pte Ltd (Keppel Capital).

Ms Tay has more than 20 years of experience in the infrastructure, private equity, fund management and banking industries, primarily in Asia. She has extensive experience across all aspects of fund management, from capital raising and fund establishment to successful implementation of the fund strategy across investments, portfolio construction, active asset management and exits. Ms Tay joined Keppel Capital in September 2022 and is focused on building its private infrastructure funds business.

Prior to Keppel Capital, Ms Tay was the Head of Renewable Energy (Vietnam) at Sembcorp Industries, where she was responsible for driving the growth initiatives and strategic direction for Sembcorp's renewable energy business in Vietnam.

Prior to Sembcorp Industries, she held leadership roles in Asia Climate Partners, Daestrump Capital, Deutsche Asset Management, Macquarie and Citibank, where she was focused on fund management and investments.

Ms Tay is a director of Keppel Asia Infra Fund (GP) Pte. Ltd., the general partner of Keppel Asia Infrastructure Fund. She also holds directorships in several subsidiaries, associates, portfolio companies and joint venture companies of Keppel Asia Infrastructure Fund.

Past principal directorships in the last five years

Various subsidiaries and associated companies of Sembcorp Industries

Jee Kim, 50

Master of Finance and Bachelor of Science in Business Administration, Ewha Woman's University, Seoul, Korea.

Ms Kim joined Keppel Capital Alternative Asset Pte Ltd, a wholly-owned subsidiary of Keppel Capital Holdings Pte Ltd in April 2022 as Chief Executive Officer for the Core Infrastructure division. She brings with her over 24 years of experience in global infrastructure investment, other alternative investments (including real estate and private equity), and financial services.

Ms Kim was previously Global Head of Infrastructure Investment at the National Pension Service of Korea (NPS), which is the third-largest public pension fund in the world with US\$768 billion in assets under management as at December 2021. She oversaw NPS' US\$26 billion infrastructure portfolio in transport, utilities, power and energy, as well as telecommunications and digital infrastructure. Ms Kim held several senior positions at NPS, including Head of NPS Singapore, where she developed an alternatives assets portfolio in Asia Pacific including infrastructure, real estate and private equities, and built the investment team since 2015. She was also a member of the NPS Investment Committee. Prior to that, she was involved in various aspects of investment and asset management in Prudential Asset Management Co. Ltd. and Prudential Investment & Securities Co. Ltd, a wholly-owned subsidiary of Prudential Financial, Inc., an American Fortune Global 500 company.

Past principal directorships in the last five years

Nil

Carina Lim, 49

Bachelor of Science (Estate Management), Second Class Honours (Upper Division), National University of Singapore; Master of Management (Financial Management), Macquarie Graduate School of Management, Sydney.

Ms Carina Lim is the Chief Executive Officer of Keppel Education Asset Fund and Executive Director of Keppel Capital Alternative Asset Pte Ltd (KCAA). She has more than 25 years of experience in the real estate industry holding positions in investment, asset management, leasing, sales and marketing prior to joining KCAA as a director in January 2019.

Ms Lim joined Alpha Investment Partners Limited (Alpha) in 2008 as Senior Manager and later assumed the role of Head of Asset Management in 2013, where she oversaw asset management in Asia Pacific for a series of private closed-end funds across different risk spectrums (including core, core-plus and value-add) and across different asset types. In Alpha, she led the implementation of various asset strategies including asset optimisation, development, refurbishment, ESG and other value-add initiatives for the funds and was instrumental in the successful divestment of the funds' assets. To date, she has been involved in more than \$8 billion worth of transactions across key cities in Asia Pacific.

Prior to joining Alpha, she worked in the government sector as well as with large private developers in the areas of policies, leasing, marketing, investment and asset management of office, business park and industrial sectors.

Past principal directorships in the last five years

Nil

Other Information

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 81,142 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 123,048 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 buildings with rentable area of 160,170 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 123,877 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: 4,330 sqm 35-storey office tower with ancillary retail space	Freehold	Commercial office building with rentable area of 45,032 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 34,898 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		
KR Ginza II Tokyo, Japan	Land area: 805 sqm 8-storey office tower	Freehold	Commercial office building with rentable area of 3,427 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

Other Information

Major Properties

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
		Keppel DC Singapore 5 Jurong, Singapore	Land area: 7,742 sqm 5-storey data centre	Expiring 31 August 2050, including further term of 9 years	Data centre with rentable area of 8,717 sqm
		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 21,881 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 6,143 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 1 Guangdong, China	Land area: 78,021 sqm 7-storey data centre	50 years leasehold	Data centre with rentable area of 20,596 sqm
		Guangdong Data Centre 2 Guangdong, China	Land area: 78,021 sqm 7-storey data centre	50 years leasehold	Data centre with rentable area of 20,310 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

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
		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 buildings 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
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
		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 19,720 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)	72%	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: 2,041,631 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

Other Information

Major Properties

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
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 38,000 sqm retail, 34,000 sqm office and 195 units of serviced apartments
Alpha DC Fund	65%	Keppel DC Sydney 1 New South Wales, Australia	Land area: 3,840 sqm 5-storey data centre	Freehold	Data centre with rentable area of 3,975 sqm
		Huizhou Data Centre Guangdong, China	Land area: 41,487 sqm 4-storey internet data centre block	50 years leasehold	Data centre with rentable area of 12,648 sqm
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
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
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd, Keppel Hong Tai (Tianjin Eco-City) Property Development Co Ltd and 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 retail mall and an office tower
Gaenari IV Pte Ltd (owned by Keppel Sustainable Urban Renewal Pte Ltd)	39.5%	Samhwan Building Seoul, South Korea	Land area: 5,095 sqm	Freehold	A 15-storey office building with rentable area of 17,956 sqm
Properties under development					
K-Commercial Pte Ltd	100%	Keppel Towers Hoe Chiang Road, Singapore	Land area: 9,126 sqm	Freehold	Commercial office buildings *(2024)
Parkville 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
Keppel DC Fund II	41%	Greater Shanghai Data Centre, Shanghai, China	Land area: 22,226 sqm 5-storey internet data centre block	50 years leasehold	Data centre with rentable area of 29,801 sqm
		Huailai Data Centre, Hebei, China	Land area: 33,248 sqm	50 years leasehold	Data centre with rentable area of 63,305 sqm
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 *(2024)
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 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)

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
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 *(2023 Phase 5b)
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd, Keppel Hong Tai (Tianjin Eco-City) Property Development Co Ltd and 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
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 *(2024-2027)
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: 2,827,534 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 4,261 apartments, commercial complexes and public sports facilities *(2027-2031)
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 *(2025-2026)
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 6,624 residential unit integrated township development located in Thane *(2031)
Bangalore Tower Pvt Ltd	100%	KPDL Grade-A Office Tower Bangalore, India	Land area: 30,898 sqm	Freehold	A Grade A office development located in the prime commercial hub of Yeshwanthpur *(2026)
Memphis 1 Pte Ltd	60%	Keppel DC Singapore 7 Singapore	Land area: 24,892 sqm	60 years leasehold	Data centre with rentable area of 15,544 sqm

* Expected year of completion

Other Information

Group Five-Year Performance

	2018	2019	2020	2021 [#]	2022
Selected Profit or Loss Account Data					
(\$ million)					
Revenue	5,965	7,580	6,574	6,611 [^]	6,620 [^]
Operating profit	1,055	877	8	1,129 [^]	565 [^]
Profit before tax	1,245	954	(255)	1,611 [^]	1,095 [^]
Net profit from Continuing Operations	948	707	(506)	1,248	839
Net profit from Discontinued Operations	-	-	-	(225)	88
Net profit attributable to shareholders of the Company	948	707	(506)	1,023	927
Selected Balance Sheet Data					
(\$ million)					
Fixed assets, investment properties & right-of-use assets	5,224	6,684	6,972	6,830	5,501
Associated companies, joint ventures and investments	6,825	7,121	7,355	7,525	8,324
Stocks, debtors, cash, long term assets & other assets	14,410	15,834	15,161	15,851	6,146
Disposal group and assets classified as held for sale	-	-	1,009	528	9,530
Intangibles	129	1,683	1,609	1,589	1,564
Total assets	26,588	31,322	32,106	32,323	31,065
Less:					
Creditors and other current liabilities	6,912	7,325	7,470	7,049	3,522
Liabilities directly associated with disposal group and assets classified as held for sale	-	-	115	38	4,224
Borrowings & lease liabilities	7,549	11,657	12,603	12,017	10,380
Other non-current liabilities	550	694	762	778	1,026
Net assets	11,577	11,646	11,156	12,441	11,913
Share capital & reserves	11,268	11,211	10,728	11,655	11,178
Perpetual securities	-	-	-	401	401
Non-controlling interests	309	435	428	385	334
Total equity	11,577	11,646	11,156	12,441	11,913
Per Share					
Earnings (cents) (Note 1):					
Before tax	67.7	48.8	(14.3)	73.7	67.4
After tax	52.3	38.9	(27.8)	56.2	52.1
Total distribution (cents)	30.0 [*]	20.0	10.0	33.0	33.0
Net assets (\$)	6.22	6.17	5.90	6.41	6.38
Net tangible assets (\$)	6.15	5.25	5.02	5.53	5.49
Financial Ratios					
Return on shareholders' funds (%) (Note 2):					
Profit before tax	10.8	7.9	(2.4)	12.0	10.5
Net profit	8.4	6.3	(4.6)	9.1	8.1
Dividend cover (times)	1.7 [*]	1.9	(2.8)	1.7	1.6
Net gearing (times)	(0.48)	(0.85)	(0.91)	(0.68)	(0.78)
Employees					
Average headcount (number)	18,186	18,297	18,452	16,393	17,238
Wages & salaries (\$ million)	1,018	1,187	1,166	1,151	1,162

* Includes the special dividend paid of 5.0 cents per share.

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the performance of Keppel O&M, as a separate reportable operating segment, excluding certain out-of-scope assets, are presented as Discontinued Operations for the period, with comparative information for FY2021 re-presented accordingly.

[^] Numbers are for continuing operations.

Notes:

- Earnings per share are calculated based on the Group profit by reference to the weighted average number of shares in issue during the year.
- In calculating return on shareholders' funds, average shareholders' funds has been used.

2022

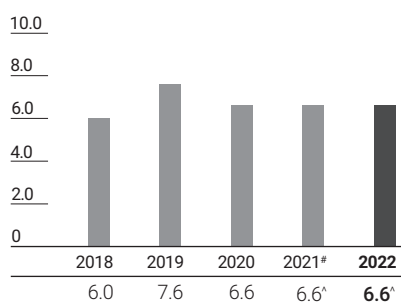
Group revenue from continuing operations of \$6,620 million was at about the same level as 2021. Revenue from Energy & Environment increased by \$670 million or 19% to \$4,230 million led by higher electricity and gas sales, and higher revenue recognition from Keppel Seghers' projects abroad. Revenue from Urban Development decreased by \$725 million to \$904 million mainly due to lower revenue from property trading projects in China as a result of fewer units completed and handed over during the year. Revenue from Connectivity increased by \$31 million to \$1,291 million mainly due to M1 reporting higher mobile and enterprise revenue, including contribution from the newly acquired Glocomp Systems (M) Sdn Bhd, partly offset by lower handset sales, and lower revenue from the logistics business following the divestment of the logistics portfolio in South-East Asia and Australia in July 2022. Revenue from Asset Management increased by \$33 million to \$195 million mainly due to higher acquisition fees and management fees resulting from increased acquisitions completed.

Group net profit from continuing operations of \$839 million was \$409 million or 33% lower than that in 2021. Energy & Environment registered a net profit of \$172 million in 2022, reversing the net loss of \$189 million in 2021, which had included an impairment of \$318 million relating to the Group's exposures to KrisEnergy, partially offset by share of Floatel's net restructuring gain of \$215 million. For the current year, the segment recorded higher electricity and gas sales and contributions from Keppel Seghers' projects abroad, higher share of results from an associated company in Europe, and lower share of losses from Floatel. These were partially offset by the provision for supply chain cost escalation in the environment business. Net profit from Urban Development decreased by \$481 million to \$282 million mainly due to lower contributions from property trading projects in China, lower fair value gains from investment properties, as well as lower gains from enbloc sales. The segment completed the disposals of Upview and Sheshan Riviera projects in Shanghai in the current year, as compared to the recognition of gains from the disposals of 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 in 2021. Connectivity's net profit of \$37 million was \$27 million lower than that in 2021. This was mainly due to the absence of gains from the divestment of interests in Keppel Logistics (Foshan) and Wuhu Sanshan Port Company Limited in 2021, and lower fair value gains on data centres, which was partly offset by higher net profit from M1. Net profit from Asset Management increased by \$10 million to \$311 million mainly due to higher fair value gains on investment properties recorded by Keppel REIT, and higher fee income arising from acquisitions completed. These were partly offset by mark-to-market losses from investments, as well as lower fair value gains on data centres recorded by Keppel DC REIT and private funds. Net profit from Corporate & Others decreased by \$272 million to \$37 million mainly due to lower fair value gains on investments and lower investment income. In the prior year, the segment recorded significant distribution income and fair value gains from its investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P..

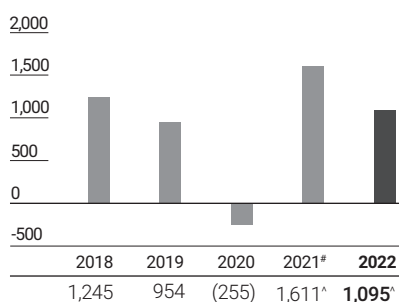
The Group's taxation decreased year-on-year mainly due to lower taxable profit from Urban Development. Taking into account income tax expenses, non-controlling interests and profit attributable to holders of perpetual securities, the Group's net profit from continuing operations attributable to shareholders for 2022 was \$839 million. All segments were profitable including Energy & Environment which had registered a loss in 2021. Including discontinued operations, the Group's net profit attributable to shareholders was \$927 million, which was \$96 million lower year-on-year.

The discontinued operations recorded a net profit of \$88 million, as compared to the net loss of \$225 million in 2021. In addition to revenue recognition from new projects and higher progressive revenue recognition on existing projects, the offshore & marine business recorded higher investment income, gains from the divestment of Keppel Smit Towage Pte Limited and Maju Maritime Pte Ltd, and partial write-back of impairments made in 2020 on certain legacy rigs. These were partly offset by the provisions made for cost overruns on certain projects in Keppel's O&M's yard in the US, mainly arising from shortage of manpower, higher-than-expected labour costs, as well as COVID-related supply chain disruptions. Apart from the yard in the US, the projects in Keppel O&M's other yards, including the FPSOs projects with Petrobras, are progressing well and are on-track and within budget. The Group has also ceased depreciation for the relevant assets classified under the disposal group held for sale. Major jobs delivered by the offshore & marine business in 2022 include a jackup, an FSRU conversion repair, an LNG containership, an LNG carrier repair, two Trailer Suction Hopper Dredgers (TSHD), jumboisation of a TSHD, two offshore substations, a wind turbine installation vessel upgrade and fabrication of leg component for an offshore wind turbine installation vessel.

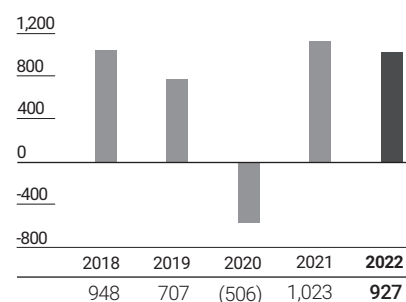
Revenue (\$ billion)



Pre-Tax Profit (\$ million)



Net Profit (\$ million)



[#] In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the performance of Keppel O&M, as a separate reportable operating segment, excluding certain out-of-scope assets, are presented as Discontinued Operations for the period, with comparative information for FY2021 re-presented accordingly. Including discontinued operations, revenue for FY2021 was \$8,625 million and pre-tax profit for FY2021 was \$1,335 million.

^{*} Numbers are for continuing operations.

Other Information

Group Five-Year Performance

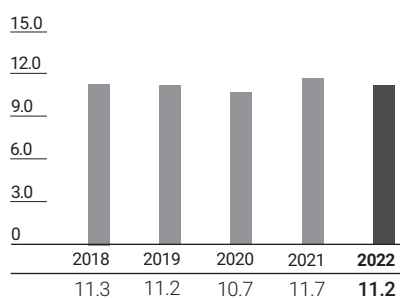
2021

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.

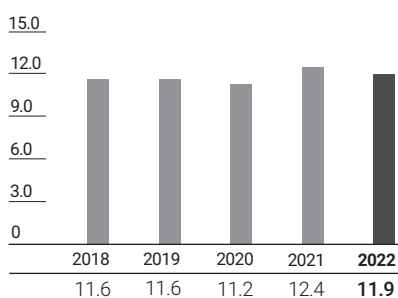
Group pre-tax profit was \$1,335 million, as compared to pre-tax loss of \$255 million in 2020. All segments recorded improved pre-tax results. The Energy & Environment's pre-tax loss was \$469 million as compared to pre-tax loss of \$1,251 million in 2020. This was largely due to lower impairments and 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.

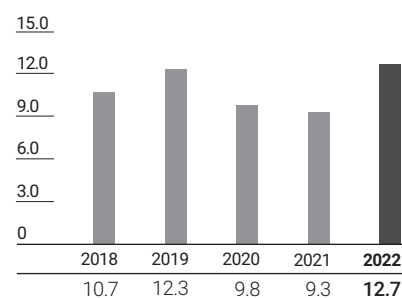
Shareholders' Fund (\$ billion)



Total Equity (\$ billion)



Market Capitalisation (\$ billion)



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.

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.

Other Information

Group Five-Year Performance

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 and 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 Liquefied 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.

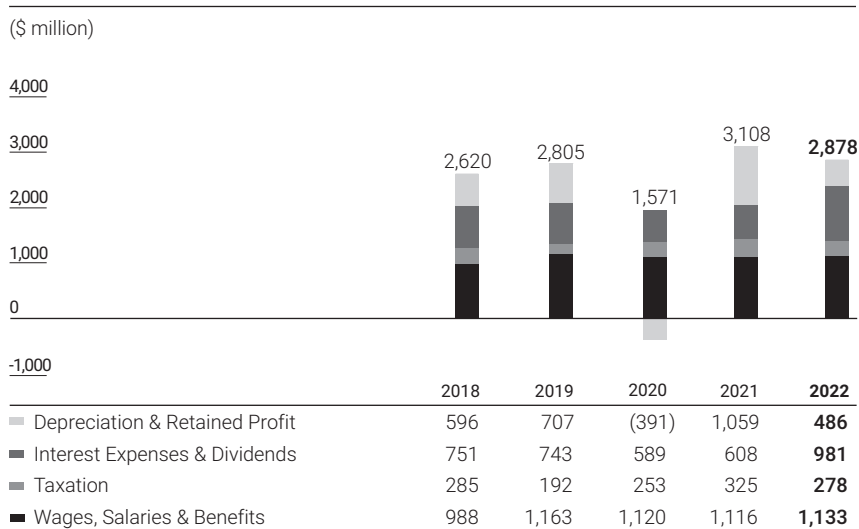
Taking into account income tax expenses and non-controlling interests, and excluding the one-off financial penalty from the global resolution and related costs of \$619 million in 2017, net profit attributable to shareholders for 2018 was \$948 million, an increase of \$133 million from \$815 million 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.

Other Information

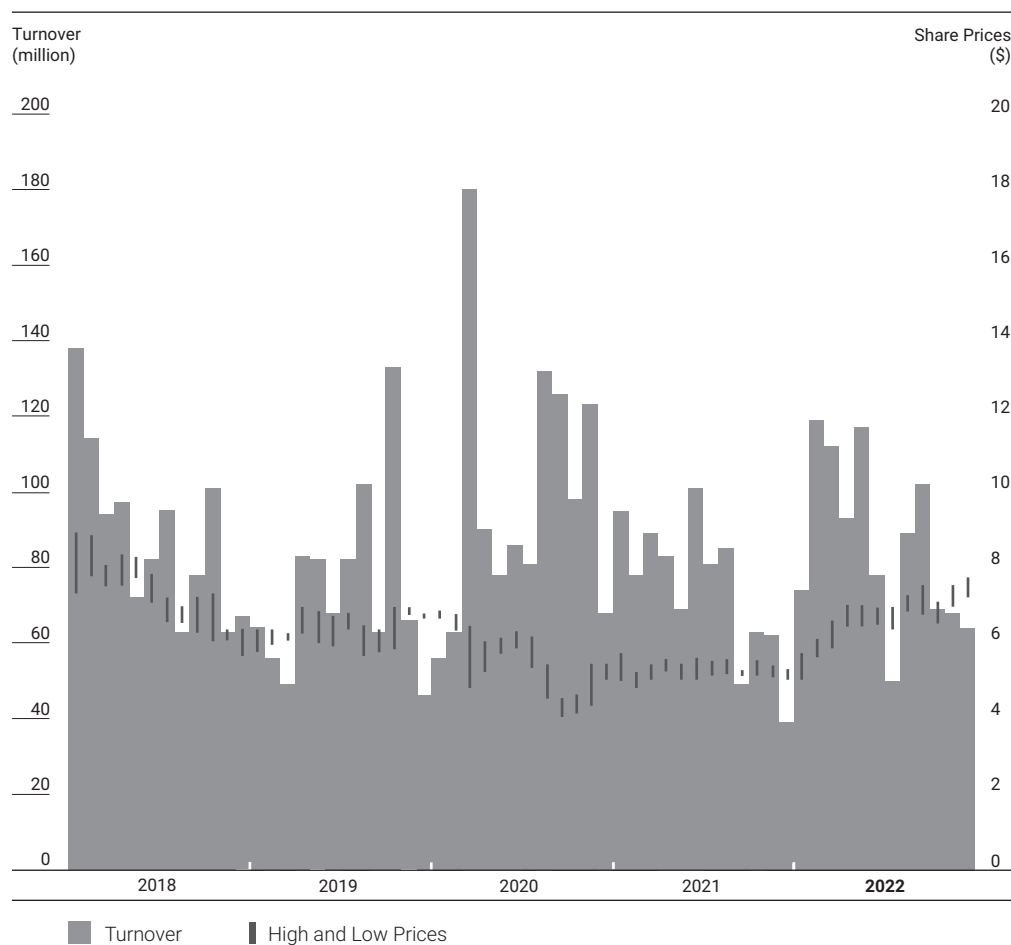
Value-Added Statements

	2018	2019	2020	2021	2022 [^]
(\$ million)					
Value added from:					
Revenue earned	5,965	7,580	6,574	8,625	9,419
Less: purchases of materials and services	(4,175)	(5,267)	(4,591)	(6,603)	(7,527)
Gross value added from operation	1,790	2,313	1,983	2,022	1,892
Interest and investment income	174	242	191	221	225
Share of results of associated companies and joint ventures	221	147	(162)	467	540
Other operating income/(expenses)	435	103	(441)	398	221
Total value added	2,620	2,805	1,571	3,108	2,878
Distribution of Group's value added:					
To employees in wages, salaries and benefits	988	1,163	1,120	1,116	1,133
To government in taxation	285	192	253	325	278
To providers of capital on:					
Interest on borrowings	205	313	292	251	293
Distributions to our Perpetual Securities holders	-	-	-	-	12
Dividends to our partners in subsidiaries	20	12	24	11	33
Dividends to our shareholders	526	418	273	346	643
	751	743	589	608	981
Total Distribution	2,024	2,098	1,962	2,049	2,392
Balance retained in the business:					
Depreciation & amortisation	182	375	414	406	242
Perpetual Securities holders	-	-	-	3	-
Non-controlling interests share of profits in subsidiaries	(8)	43	(26)	(27)	(38)
Retained profit for the year	422	289	(779)	677	282
	596	707	(391)	1,059	486
	2,620	2,805	1,571	3,108	2,878
Average headcount (number)	18,186	18,297	18,452	16,393	17,238
Productivity data:					
Value added per employee (\$'000)	144	153	85	190	167
Value added per dollar employment cost (\$)	2.65	2.41	1.40	2.78	2.54
Value added per dollar sales (\$)	0.44	0.37	0.24	0.36	0.31

[^] FY2022 value-added includes the results of the Discontinued Operations. In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the performance of Keppel O&M, as a separate reportable operating segment, excluding certain out-of-scope assets, are presented as Discontinued Operations for the period.



Share Performance



	2018	2019	2020	2021	2022
Share Price (\$)*					
Last transacted (Note 3)	5.91	6.77	5.38	5.12	7.26
High	8.92	6.97	6.87	5.76	7.72
Low	5.67	5.67	4.08	4.81	5.06
Volume weighted average (Note 2)	7.35	6.38	5.37	5.30	6.64
Per Share					
Earnings (cents) (Note 1)	52.3	38.9	(27.8)	56.2	52.1
Total distribution (cents)	30.0 [®]	20.0	10.0	33.0	33.0
Distribution yield (%) (Note 2)	4.1 [®]	3.1	1.9	6.2	5.0
Net price earnings ratio (Note 2)	14.1	16.4	(19.3)	9.4	12.7
Net assets backing (\$)	6.15	5.25	5.02	5.53	5.49
At Year End					
Share price (\$)	5.91	6.77	5.38	5.12	7.26
Distribution yield (%) (Note 3)	5.1 [®]	3.0	1.9	6.4	4.5
Net price earnings ratio (Note 3)	11.3	17.4	(19.4)	9.1	13.9
Net price to book ratio (Note 3)	1.0	1.3	1.1	0.9	1.3

Notes:

- 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.
- Volume weighted average share price is used in calculating distribution yield and net price earnings ratio.
- 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 special dividend paid of 5.0 cents per share.

Other Information

Shareholding Statistics

As at 2 March 2023

Issued and Fully paid-up capital (including Treasury Shares) :	\$1,305,667,320.62
Issued and Fully paid-up capital (excluding Treasury Shares) :	\$893,084,096.76
Number of Issued Shares (including Treasury Shares) :	1,820,557,767
Number of Issued Shares (excluding Treasury Shares) :	1,758,493,316
Number/Percentage of Treasury Shares :	62,064,451 (3.53%)
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	275	0.40	10,864	0.00
100 - 1,000	15,729	22.70	12,436,095	0.71
1,001 - 10,000	42,990	62.04	172,595,894	9.82
10,001 - 1,000,000	10,269	14.82	329,615,249	18.74
1,000,001 and Above	30	0.04	1,243,835,214	70.73
Total	69,293	100.00	1,758,493,316	100.00

Twenty Largest Shareholders	No. of Shares	%
Temasek Holdings (Private) Limited	371,408,292	21.12
Citibank Nominees Singapore Pte Ltd	302,250,360	17.19
DBS Nominees (Private) Limited	122,154,247	6.95
Raffles Nominees (Pte.) Limited	105,272,696	5.99
HSBC (Singapore) Nominees Pte Ltd	98,034,659	5.57
DBSN Services Pte. Ltd.	86,613,406	4.93
United Overseas Bank Nominees (Private) Limited	47,529,023	2.70
BPSS Nominees Singapore (Pte.) Ltd.	16,088,730	0.91
OCBC Nominees Singapore Private Limited	15,221,133	0.87
Phillip Securities Pte Ltd	12,187,735	0.69
OCBC Securities Private Limited	9,944,972	0.57
UOB Kay Hian Private Limited	7,728,492	0.44
Shanwood Development Pte Ltd	7,040,000	0.40
Maybank Securities Pte. Ltd.	6,425,953	0.37
IFAST Financial Pte. Ltd.	5,748,487	0.33
Chen Chun Nan	4,100,000	0.23
DB Nominees (Singapore) Pte Ltd	3,677,719	0.21
CGS-CIMB Securities (Singapore) Pte. Ltd.	3,552,213	0.20
Lim Chee Onn	2,579,282	0.15
DBS Vickers Securities (Singapore) Pte Ltd	2,323,700	0.13
	1,229,881,099	69.95

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	21.12	4,138,307	0.23	375,546,599	21.35
BlackRock, Inc ³	-	-	88,473,960	5.03	88,473,960	5.03

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 4,138,307 shares in which its subsidiaries and associated companies have direct or deemed interests.
- ³ BlackRock, Inc is deemed interested in 88,473,960 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 2 March 2023, approximately 73% 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

Keppel Corporation Limited

Company Registration No. 196800351N
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the 55th Annual General Meeting of the Company will be convened and held on Friday, 21st April 2023 at 3.00 p.m. (Singapore time) at Suntec Singapore Convention and Exhibition Centre, Summit 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 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 2022. **Resolution 1**
2. To declare a final tax-exempt (one-tier) dividend of 18.0 cents per share for the year ended 31 December 2022 (2021: final tax-exempt (one-tier) dividend of 21.0 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/herself for re-election pursuant to Regulation 84 of the Constitution (see Note 9):
 - (1) Danny Teoh **Resolution 3**
 - (2) Till Vestring **Resolution 4**
 - (3) Veronica Eng **Resolution 5**
4. To re-elect the following directors, who being appointed by the board of directors of the Company ("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, each offers himself for re-election (see Note 9):
 - (1) Olivier Blum **Resolution 6**
 - (2) Jimmy Ng **Resolution 7**
5. To approve the sum of up to S\$2,491,000 as directors' fees for the year ending 31 December 2023 (2022: S\$2,491,000) (see Note 10). **Resolution 8**
6. To re-appoint PricewaterhouseCoopers LLP as the auditors of the Company, and authorise the Directors to fix their remuneration. **Resolution 9**

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:
 - (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 11).

8. That:

Resolution 11

- (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;

Other Information

Notice of Annual General Meeting and Closure of Books

- (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 12).

9. That:

Resolution 12

- (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 13).

To transact such other business which can be transacted at this AGM.

NOTICE IS ALSO HEREBY GIVEN THAT the Share Transfer Books and the Register of Members of the Company will be closed on 28 April 2023 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 #14-07 Singapore 098632 up to 5.00 p.m. on 28 April 2023 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 28 April 2023 will be entitled to the proposed final dividend. The proposed final dividend if approved at this AGM will be paid on 10 May 2023.

BY ORDER OF THE BOARD



Caroline Chang/Samantha Teong
Company Secretaries

Singapore, 30 March 2023

Other Information

Notice of Annual General Meeting and Closure of Books

Notes:

1. The AGM will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Friday, 21 April 2023 at 3.00 p.m. (Singapore time), 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. **There will be no option for Shareholders to participate virtually.** Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent by post to members. These documents will also be published on the Company's website at <https://www.kepcorp.com/en/investors/aggm-egm> and the SGXNet.
2. The Company may implement such COVID-19 safe management measures (including vaccination-differentiated safe management measures) at the AGM as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of the COVID-19 situation in Singapore. Shareholders should check the Company's website at <https://www.kepcorp.com/en/investors/aggm-egm> and the SGXNet regularly for updates.
3. (a) A member 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 member 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 member 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 member. 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.
(c) "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 ("Companies Act").
4. Arrangements relating to:
 - (a) attendance at the AGM by Shareholders, including 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");
 - (b) submission of questions to the Chairman of the Meeting by Shareholders, including CPF/SRS Investors, in advance of, or at, the AGM, and addressing of substantial and relevant questions in advance of, or at, the AGM; and
 - (c) voting at the AGM by Shareholders, including CPF/SRS Investors, or (where applicable) their duly appointed proxy(ies).are set out in the accompanying announcement dated 30 March 2023. This announcement may be accessed at the Company's website at <https://www.kepcorp.com/en/investors/aggm-egm> and the SGXNet.

A member can appoint the Chairman as his/her/its proxy, but this is not mandatory.

5. **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) by post to the office of the Share Registrar at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
 - (ii) by 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 18 April 2023** (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/aggm-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.

6. **Voting by Investors (including CPF/SRS Investors):** The Proxy Form is **not** valid for use by investors holding shares of the Company through Relevant Intermediaries ("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 may appoint Chairman as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF Agent Banks or SRS Operators to specify his/her voting instructions. 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 11 April 2023.**

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.

7. **Submission of Questions:** All Shareholders (including CPF/SRS Investors) may submit questions relating to the business of the AGM in advance of or 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 11 April 2023 ("Q&A Submission Deadline") in the following manner:
 - (i) by email to investor.relations@kepcorp.com; or
 - (ii) 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).

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/aggm-egm> by 3.00 p.m. on 15 April 2023, and (ii) after the Q&A Submission Deadline or 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.

8. All documents (including the Annual Report 2022, Proxy Form, this Notice of AGM and appendices to this Notice of AGM) and 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/aggm-egm>. Members and Investors are advised to check SGXNet and/or the Company's website regularly for updates.
9. Detailed information on these directors can be found in the "Board of Directors" section of the Annual Report 2022.

Mr Danny Teoh will, upon his re-election, continue to serve as the non-executive and non-independent Chairman of the Board and as a member of the Nominating, Remuneration and Board Risk Committees. Mr Teoh spent 27 years in KPMG LLP, Singapore and over the years, held various senior positions including member of KPMG International Board and Council, Head of Audit and Risk Advisory Services and Head of Financial Services. He was the Managing Partner of KPMG LLP, Singapore from 2005 to 2010.

Mr Till Vestring will, upon his re-election, continue to serve as non-executive and lead independent Director, and as the Chairman of the Remuneration Committee and a member of the Nominating Committee. Mr Vestring serves as Advisory Partner of Bain & Company Southeast Asia. His career at Bain & Company has included postings in Munich, Sydney, Hong Kong, Tokyo and Singapore and he has served as head of Bain's Automotive & Industrial Practice in Asia, Managing Partner for Southeast Asia, as well as on Bain's global Partner Nomination & Compensation Committee. He has more than 25 years of management consulting experience in Asia, advising leading companies on portfolio strategy, growth, mergers and acquisitions, organisation and performance improvement.

Ms Veronica Eng will, upon her re-election, continue to serve as a non-executive and independent Director, and the Chairman of the Board Risk Committee and as a member of the Audit Committee. Ms Eng retired as a Founding Partner of Permira in late 2015. Over her 30-year career with Permira, Ms Eng held a number of key positions in the firm and had extensive experience in a wide range of roles in relation to its funds' investments across sectors and geographies. She served on the board of Permira and its Executive Committee, chaired the Investment Committee and was the Fund Minder to various Permira funds. In addition, she also had oversight of Permira's firm-wide risk management as well as its operations in Asia. She is also a Professor (Practice) at the National University of Singapore's Business School.

Mr Olivier Blum will, upon his re-election, continue to serve as a non-executive and independent Director, and member of the Board Sustainability and Safety Committee. Mr Blum is currently the Executive Vice-President of Schneider Electric's Energy Management Business and a member of the company's Executive Committee. Prior to this, Mr Blum was the Chief Strategy & Sustainability Officer of Schneider Electric, where he led the development of the company's strategic, sustainability and quality initiatives, while steering its merger, acquisitions, and divestment activities globally. Before this, he was on Schneider Electric's Executive Committee as the company's Chief Human Resources Officer. Currently based in Hong Kong, Mr Blum has been living and working in Asia for the last two decades, during which he has held leadership positions in China and India. Mr Blum has been a Non-Executive Director on both AVEVA Group PLC (as Remuneration Committee member) and Delta Dore Boards since 2020, and is the Chairman of Luminous Power Technologies (P) Ltd, India. Mr Blum is a graduate of the Grenoble Business School in France.

Mr Jimmy Ng will, upon his re-election, continue to serve as a non-executive and independent Director, and member of the Board Risk Committee. Mr Ng is the Group Chief Information Officer, as well as Head of Group Technology & Operations (GTO) at DBS Bank. He possesses more than 30 years of regional and global experience in both wholesale banking and consumer banking businesses with DBS Bank, RBS, ABN Amro Bank and J.P. Morgan. In his current role in DBS, Mr Ng manages more than 10,000 technology and 5,000 operations professionals across the region and is responsible for the technology transformation for DBS. Prior to his current appointment, Mr Ng was the Chief Audit Executive for Group DBS and the Head of Consumer Banking Operations, where he spearheaded the transformation of the Audit function and the Consumer Banking Operations using advanced data analytics and machine learning techniques. Mr Ng holds a Bachelor of Science degree in Information Systems from the National University of Singapore and a Masters in Business Administration (Banking & Finance) from Nanyang Technological University.

- Resolution 8 is to approve the payment of Directors' fees for the non-executive Directors of the Company during FY2023. 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 FY2023. In the event that the amount proposed is insufficient, approval will be sought at the next AGM in the financial year ending 31 December 2024 ("2024 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 2024 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 2024 AGM provided that it does not fall within any applicable restricted period of trading ("2024 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 2024 Trading Day. In the event that the first trading day after the date of the 2024 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 FY2023 (calculated on a pro-rated basis, where applicable) in cash.

Details of the Directors' remuneration for FY2022 are set out on page 96 of the Annual Report 2022. The non-executive Directors will abstain from voting, and will procure that their respective associates abstain from voting, in respect of Resolution 8.

- Resolution 10 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 10 is passed, and any subsequent bonus issue, consolidation or sub-division of Shares.
- Resolution 11 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 22 April 2022. 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.
- Resolution 12 relates to the renewal of a mandate given by Shareholders on 22 May 2003, as updated consequent to the divestment of the offshore and marine business of the group on 28 February 2023, 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.
- Any reference to a time of day is made by reference to Singapore time.

15. **Personal Data Privacy:**

By submitting an instrument appointing proxy(ies), and/or representative(s) to attend, speak and vote at the AGM and/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), 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, takeover rules, regulations and/or guidelines (collectively, the "Purposes"), (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, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

Other Information

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
Olivier Blum
Jimmy Ng

Audit Committee

Tham Sai Choy (Chairman)
Veronica Eng
Penny Goh
Shirish Apte

Remuneration Committee

Till Vestring (Chairman)
Danny Teoh
Jean-François Manzoni
Penny Goh

Nominating Committee

Jean-François Manzoni (Chairman)
Danny Teoh
Till Vestring

Board Risk Committee

Veronica Eng (Chairman)
Tham Sai Choy
Penny Goh
Shirish Apte
Jimmy Ng

Board Sustainability and Safety Committee

Teo Siong Seng (Chairman)
Danny Teoh
Loh Chin Hua
Olivier Blum

Company Secretaries

Caroline Chang
Samantha Teong

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

Other Information

Financial Calendar

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	2 February 2023
Despatch of Annual Report to Shareholders	30 March 2023
Annual General Meeting	21 April 2023
2022 Proposed final dividend	
Books closure date	5.00 p.m., 28 April 2023
Payment date	10 May 2023

FY 2023

Financial year-end	31 December 2023
Announcement of 2023 1Q Business Updates	20 April 2023
Announcement of 2023 half year results	27 July 2023
Announcement of 2023 3Q Business Updates	19 October 2023
Announcement of 2023 full year results	25 January 2024

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Proxy Form

Keppel Corporation

Keppel Corporation Limited
Company Registration No. 196800351N
(Incorporated in the Republic of Singapore)

IMPORTANT

- The AGM (as defined below) will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Friday, 21 April 2023 at 3.00 p.m. 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. **There will be no option for Shareholders to participate virtually.** Printed copies of the Notice of AGM and this Proxy Form will be sent by post to shareholders of ("Shareholders") of the Company (as defined below). These documents will also be published on the Company's website at <https://www.keppcorp.com/en/investors/aggm-egm> and the SGXNet.
- Arrangements relating to attendance at the AGM by Shareholders, including investors who hold shares of the Company ("Shares") through the Central Provident Fund ("CPF") or the Supplementary Retirement Scheme ("SRS" and such investors, "CPF/SRS Investors"), submission of questions to the Chairman of the Meeting by Shareholders, including CPF/SRS Investors, in advance of, or at, the AGM, and addressing of substantial and relevant questions in advance of, or at, the AGM, and voting at the AGM by Shareholders, including CPF/SRS Investors, or (where applicable) their duly appointed proxy(ies), are set out in the accompanying announcement dated 30 March 2023. This announcement may be accessed at the Company's website at <https://www.keppcorp.com/en/investors/aggm-egm> and the SGXNet.
- This Proxy Form is not valid for use by investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS Investor) who wishes to vote should refer to the instructions set out in the Notice of AGM and the announcement by the Company dated 30 March 2023.
- Personal Data Privacy:** By submitting this proxy form, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxies to vote on his/her/its behalf 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 55th Annual General Meeting of the Company ("AGM") to be held on **Friday, 21st April 2023 at 3.00 p.m.** at Suntec Singapore Convention and Exhibition Centre, Summit 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 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 Danny Teoh as Director			
4. Re-election of Till Vestring as Director			
5. Re-election of Veronica Eng as Director			
6. Re-election of Olivier Blum as Director			
7. Re-election of Jimmy Ng as Director			
8. Approval of fees to non-executive Directors for FY2023			
9. Re-appointment of Auditors			
Special Business			
10. Issue of additional shares and convertible instruments			
11. Renewal of Share Purchase Mandate			
12. 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 _____ 2023

Total Number of Shares held	
-----------------------------	--

Signature(s) or Common Seal of Member(s)

Important: Please read the notes overleaf before completing this Proxy Form.

Notes:

1. A member of the Company should insert the total number of Shares held in the proxy form. If a member 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 member (in both the Register of Members and the Depository Register).
2. (a) A member 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 member 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 member 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 member. 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.

(c) "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 ("Companies Act").

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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. Completion and return of the proxy form shall not preclude a member from attending and voting in person at the meeting. Any appointment of a proxy or proxies will be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the proxy form, to the meeting.
4. The proxy form must be submitted to 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 to be received no later than **3.00 p.m. on 18 April 2023**, being 72 hours before the time appointed for the holding of the 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.
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 in writing. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney or other authority 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. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.
7. 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 members whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members 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.
8. Any reference to a time of day is made by reference to Singapore time.



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

Company Registration Number: 196800351N