Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

6,700,000 European Style Cash Settled Short Certificates

relating to the ordinary shares of Keppel Corporation Limited

with a Daily Leverage of -5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S$0.60 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by SG Issuer (the "**Issuer**") unconditionally and irrevocably guaranteed by Société Générale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 18 June 2021 including such further base listing documents as may be issued from time to time (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 18 June 2021 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 26 April 2022.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

25 April 2022

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates.

Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;

(d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;

(e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

(f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 30 to 34 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;

(i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);

(l) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(n) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);

(o) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday increase in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 50 to 51 of this document for more information;

(q) In the case of extreme market conditions or where the Air Bag Mechanisms are triggered simultaneously, trading in the Certificates may be suspended for an extended period, which may be up to an additional 15 minutes, to facilitate the intra-day adjustment under the Air Bag Mechanism;

(r) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The

Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 36 to 37 of this document for more information;

(s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;

(t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(v) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

(w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

(x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

– Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and

– The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

(y) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;

(z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):

(i) investors should note that no definitive certificate will be issued in relation to the Certificates;

(ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

(iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(bb) the US Foreign Account Tax Compliance Act ("**FATCA**") withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor's broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(cc) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(dd) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the "**BRRD II**"); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the "**SRM II Regulation**" and, together with the BRRD II, the "**EU Banking Package Reforms**").

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**"), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail- in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer's business, financial conditions and results of operations.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	6,700,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Keppel Corporation Limited (the **"Underlying Stock**")
ISIN:	LU2348852430
Company:	Keppel Corporation Limited (RIC: KPLM.SI)
Underlying Price[3] and Source:	S$6.69 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.60
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	6.50%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost[6]:	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	19 April 2022
Closing Date:	25 April 2022

[3] These figures are calculated as at, and based on information available to the Issuer on or about 25 April 2022. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 25 April 2022.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	26 April 2022
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 17 April 2024
Expiry Date:	24 April 2024 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	23 April 2024 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 41 to 56 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where:

"**t**" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Exchange Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Exchange Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 41 to 56 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the "Specific Definitions relating to the Leverage Inverse Strategy" section on pages 19 to 24 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism:	The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 23 to 24 below and the "Description of Air Bag Mechanism" section on pages 47 to 49 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Singapore Dollar ("**SGD**")
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the "**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A "**Business Day**" or an "**Exchange Business Day**" is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")

Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.
Further Information:	Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

$\mathbf{LSL_t}$	means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$\mathrm{LSL}_1 = 1000$

On each subsequent Observation Date(t):

$$\mathrm{LSL}_t = \mathrm{Max}\left[\mathrm{LSL}_{t-1} \times \left(1 + \mathrm{LR}_{t-1,t} - \mathrm{FC}_{t-1,t} - \mathrm{SB}_{t-1,t} - \mathrm{RC}_{t-1,t}\right), 0\right]$$

$\mathbf{LR_{t-1,t}}$ means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right)$$

$\mathbf{FC_{t-1,t}}$ means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$\mathrm{FC}_{t-1,t} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate}_{t-1} \times \mathrm{ACT}(t-1,t)}{\mathrm{DayCountBasisRate}}$$

$\mathbf{SB_{t-1,t}}$ means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$\mathrm{SB}_{t-1,t} = -\mathrm{Leverage} \times \frac{\mathrm{CB} \times \mathrm{ACT}(t-1,t)}{\mathrm{DayCountBasisRate}}$$

CB means the Cost of Borrowing applicable that is equal to: 2.00%

$\mathbf{RC_{t-1,t}}$ means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows :

$$\mathrm{RC}_{t-1,t} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left|\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right|\right) \times \mathrm{TC}$$

TC means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to :

0.04%

“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage -5

$\mathbf{S_t}$ means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

$\mathbf{Rate_t}$	means, in respect of each Observation Date(t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on BLOOMBERG/SIBCSORA Index or any successor page, being the rate as of day (t-2) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on Refinitiv Screen (SORA=MAST) or any successor page.
$\mathbf{Rfactor_t}$	means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula : $$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$ where Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.
ACT(t-1,t)	ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).
DayCountBasisRate	365
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	means, in respect of the Reference Rate any of the following has occurred or will occur: (i) a Reference Rate Cessation; (ii) an Administrator/Benchmark Event; or (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in

order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

Reference Rate Cessation	means, for a Reference Rate, the occurrence of one or more of the following events: (i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or (iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;
Administrator/Benchmark Event	means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.
Reference Rate(s)	means the rate(s) used in the Leverage Inverse Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

<u>Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)</u>

Extraordinary Strategy Adjustment for Performance Reasons	If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date,** noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions. (1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date ($\mathrm{LSL_{IRD}}$) should be computed as follows : $\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}} \times \left(1 + \mathrm{ILR_{IR(n),IR(C)}} - \mathrm{IRC_{IR(n),IR(C)}}\right), 0\right]$ (2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing: $\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}}, 0\right]$
$\mathbf{ILSL_{IR(k)}}$	means, in respect of IR(k), the Intraday Leverage Inverse Strategy Level in accordance with the following provisions : (1) for k = 1 : $\mathrm{ILSL_{IR(1)}} = \mathrm{Max}\left[\mathrm{LSL_{IRD\text{-}1}} \times \left(1 + \mathrm{ILR_{IR(0),IR(1)}} - \mathrm{FC_{IRD\text{-}1,IRD}} - \mathrm{SB_{IRD\text{-}1,IRD}} - \mathrm{IRC_{IR(0),IR(1)}}\right), 0\right]$ (2) for k > 1 : $\mathrm{ILSL_{IR(k)}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(k-1)}} \times \left(1 + \mathrm{ILR_{IR(k-1),IR(k)}} - \mathrm{IRC_{IR(k-1),IR(k)}}\right), 0\right]$
$\mathbf{ILR_{IR(k-1),IR(k)}}$	means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows : $\mathrm{ILR_{IR(k-1),IR(k)}} = \mathrm{Leverage} \times \left(\frac{\mathrm{IS_{IR(k)}}}{\mathrm{IS_{IR(k-1)}}} - 1\right)$
$\mathbf{IRC_{IR(k-1),IR(k)}}$	means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows : $\mathrm{IRC_{IR(k\text{-}1),IR(k)}} = \mathrm{Leverage} \times (\mathrm{Leverage}\text{-}1) \times \left(\left\lvert\frac{\mathrm{IS_{IR(k)}}}{\mathrm{IS_{IR(k\text{-}1)}}}\text{-}1\right\rvert\right) \times \mathrm{TC}$
$\mathbf{IS_{IR(k)}}$	means the Underlying Stock Price in respect of IR(k) computed as follows : (1) for k=0 $\mathrm{IS_{IR(0)}} = \mathrm{S_{IRD-1}} \times \mathrm{Rfactor_{IRD}}$ (2) for k=1 to n means in respect of IR(k), the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period (3) with respect to IR(C) $\mathrm{IS_{IR(C)}} = \mathrm{S_{IRD}}$ In each case, subject to the adjustments and provisions of the Conditions.

IR(k)	For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date; For k=1 to n, means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.
IR(C)	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
n	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
Intraday Restrike Event	means in respect of an Observation Date(t) : (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(0)}}$ as of such Calculation Time. (2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(k)}}$ as of such Calculation Time.
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
TimeReferenceOpening	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 18 June 2021, made by SG Issuer (the "**Issuer**") and Société Générale (the "**Guarantor**"); and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the "**Certificate Holders**") are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status and Guarantee*. The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a "**Guarantee Obligation**").

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the "**Code**").

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

(i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the "**Law**") on 11 December 2016;

(ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;

(iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and

(iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

(c) Transfer. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

(e) *Bail-In*. By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer's liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

(C) the cancellation of the Certificates; and/or

(D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the "**Statutory Bail-In**");

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the "**M&F Code**"):

(A) ranking:

(1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and

(C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer's obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the "**Contractual Bail-in**").

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

"**Amounts Due**" means any amounts due by the Issuer under the Certificates.

"**Bail-In Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

"**MREL**" means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

"**Relevant Resolution Authority**" means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

(c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Underlying Stock that is not fully paid;

(v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

(ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. "**Nationalisation**" means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Other Adjustments*. Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(f) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

(a) Delisting. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

(b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

(a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer, Société Générale and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for Holding Limit Event*. The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"**Holding Limit Event**" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

(c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

(d) *Termination*. If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the "**Substituted Obligor**"), it shall give at least 90 days' notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

16. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

17. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	Keppel Corporation Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	6,700,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 18 June 2021 (the "**Master Instrument**") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the "**Master Warrant Agent Agreement**") and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates
Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples

	thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 26 April 2022.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the "**Certificates**") are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) <u>For Certificate Holders who trade the Certificates intraday</u>: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) <u>For Certificate Holders who hold the Certificates overnight</u>: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

Daily Fees	=	**Daily Management Fee Adjustment**
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

		t[7]=0		t=1		t=2		t=i
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance[8] x Daily Fees	x	Leverage Inverse Strategy daily performance x Daily Fees	x …	Leverage Inverse Strategy Daily performance x Daily Fees

		t=0		**Product of the daily Leverage Inverse Strategy Performance**		**Product of the Daily Fees (Hedging Fee Factor)**
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance	x	Daily Fees x Daily Fees

		t=0				
Final Value of Certificates	=	Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

[7] "t" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.
[8] Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of Keppel Corporation Limited
Expected Listing Date:	**03/07/2018**
Expiry Date:	**18/07/2018**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**0.60 SGD**
Notional Amount per Certificate:	**0.60 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**6.50%**
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n**th** Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\mathrm{HFF}\ (1)\ =\ \mathrm{HFF}\ (0)\ \times\left(1-\ \mathrm{Management\ Fee}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)\times\left(1-\ \mathrm{Gap\ Premium}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\mathrm{HFF}\ (1) =\ 100\%\ \times\left(1-\ 0.40\%\ \times\frac{1}{360}\right)\times\left(1-\ 6.50\%\ \times\frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1) =\ 100\%\ \times\ 99.9989\%\ \times\ 99.9819\%\ \approx\ 99.9808\%$$

Assuming 2nd Exchange Business Day falls 3 Calendar Days after 1st Exchange Business Day:

$$\mathrm{HFF}\ (2) = \mathrm{HFF}\ (1) \times\left(1-\ \mathrm{Management\ Fee}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)\times\left(1-\ \mathrm{Gap\ Premium}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9808\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 6.50\% \times \frac{3}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9808\% \times 99.9967\% \times 99.9458\% \approx 99.9233\%$$

The same principle applies to the following Exchange Business Days:

$$\mathrm{HFF}\ (n) = \mathrm{HFF}\ (n-1) \times \left(1 - \text{Management Fee} \times \frac{\mathrm{ACT}\ (t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\mathrm{ACT}\ (t-1;t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7129% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9808%
5/7/2018	99.9617%
6/7/2018	99.9425%
9/7/2018	99.8850%
10/7/2018	99.8659%
11/7/2018	99.8468%
12/7/2018	99.8276%
13/7/2018	99.8085%
16/7/2018	99.7511%
17/7/2018	99.7320%
18/7/2018	99.7129%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.7129%

= 119.66%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.66% x 0.60 SGD

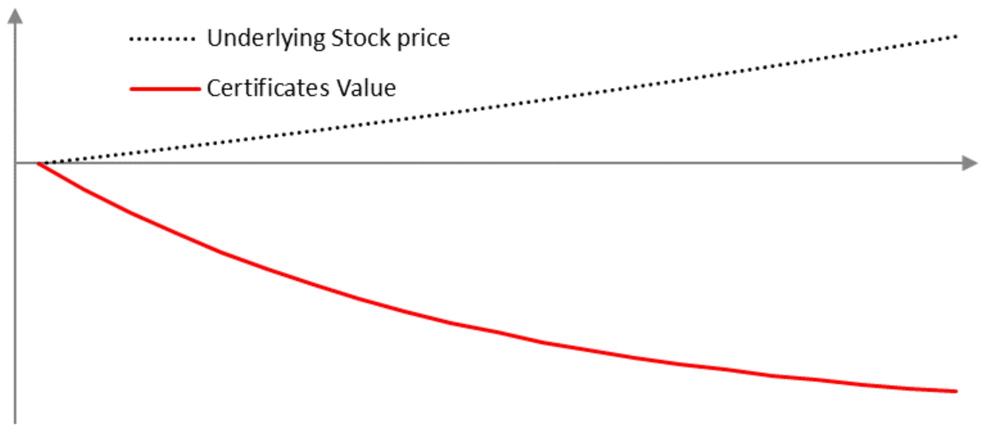
= 0.718 SGD

Illustration on how returns and losses can occur under different scenarios

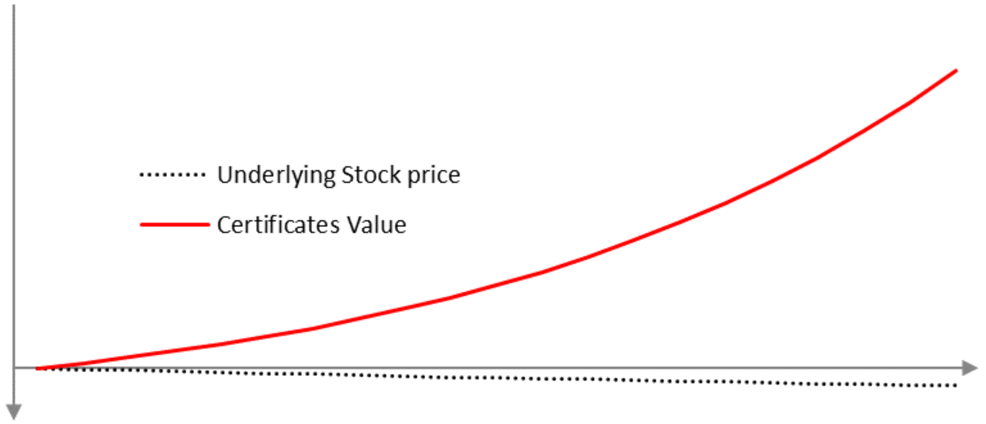
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

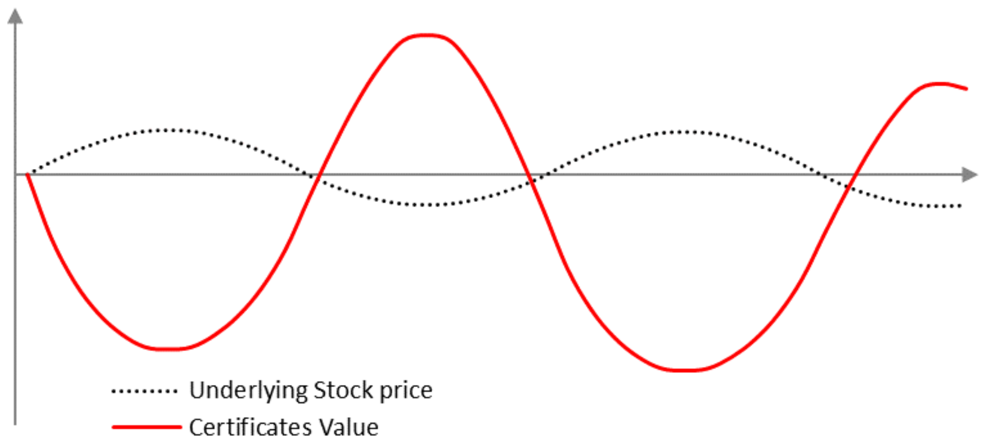
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.6	0.54	0.49	0.44	0.39	0.35
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.6	0.66	0.73	0.80	0.88	0.97
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	0.6	0.54	0.59	0.53	0.59	0.53
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an "Air Bag Mechanism" which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its maximum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy, 30 minutes after the Air Bag trigger.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered and does not take into account the mid-day break. Investors cannot sell or purchase any Certificates during this period.

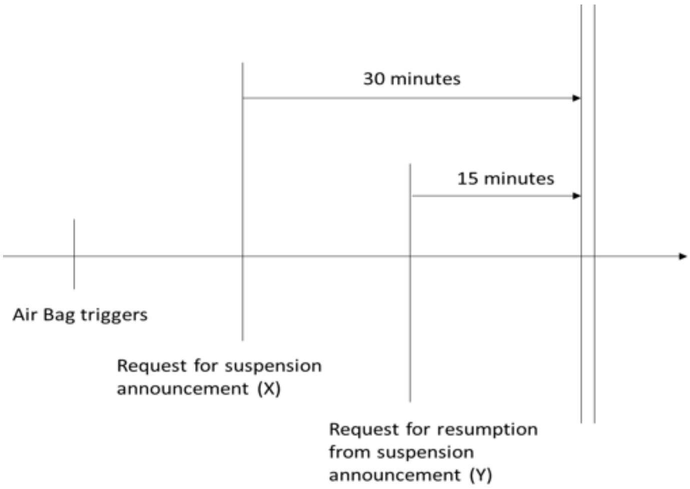
The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

Air Bag Mechanism timeline

<table>
<tr><th>Air Bag Trigger</th><th>Observation Period</th><th>Resumption of Trading</th></tr>
<tr><td>More than 45 minutes before Market Close</td><td rowspan="2">First 15 minutes after Air Bag Trigger</td><td>Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger</td></tr>
<tr><td>Less than 45 minutes before Market Close and more than 15 minutes before Market Close</td><td rowspan="2">Next trading day at Market Open</td></tr>
<tr><td>15 minutes or less than 15 minutes before Market Close</td><td>From Air Bag Trigger to Market Close</td></tr>
</table>

With **Market Close** defined as:

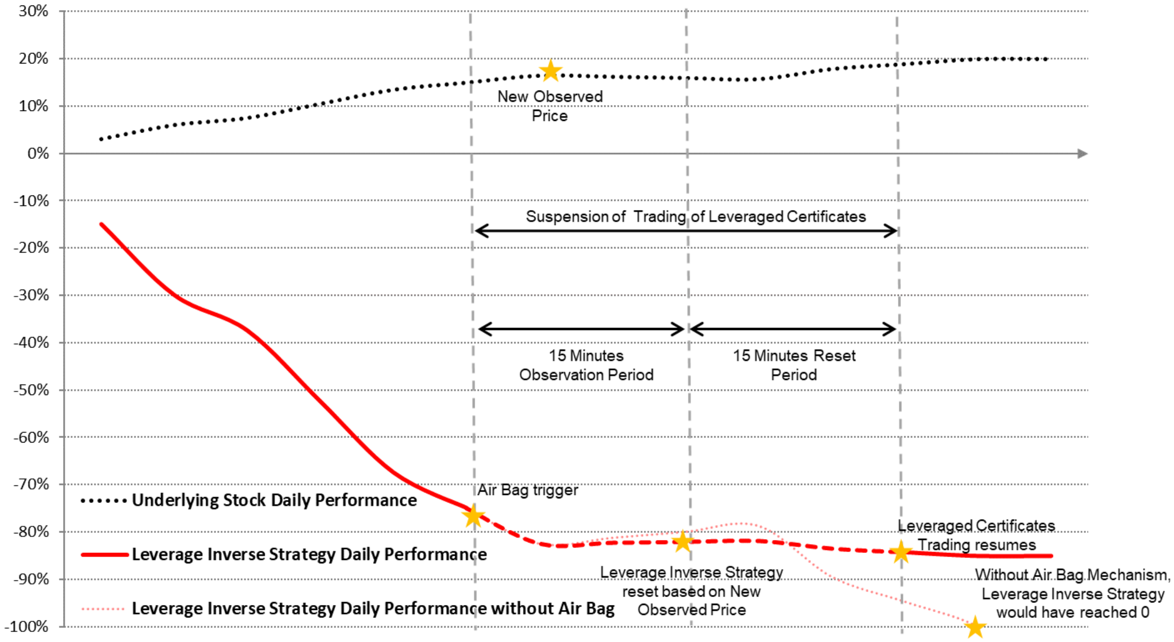
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



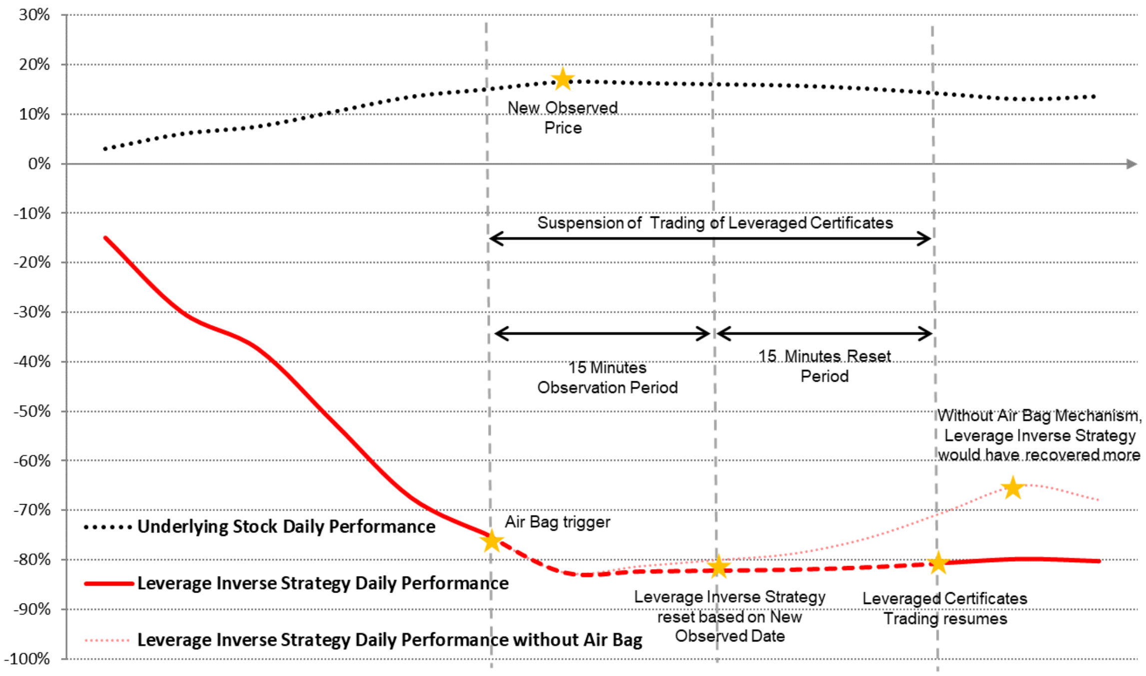
- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day

Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



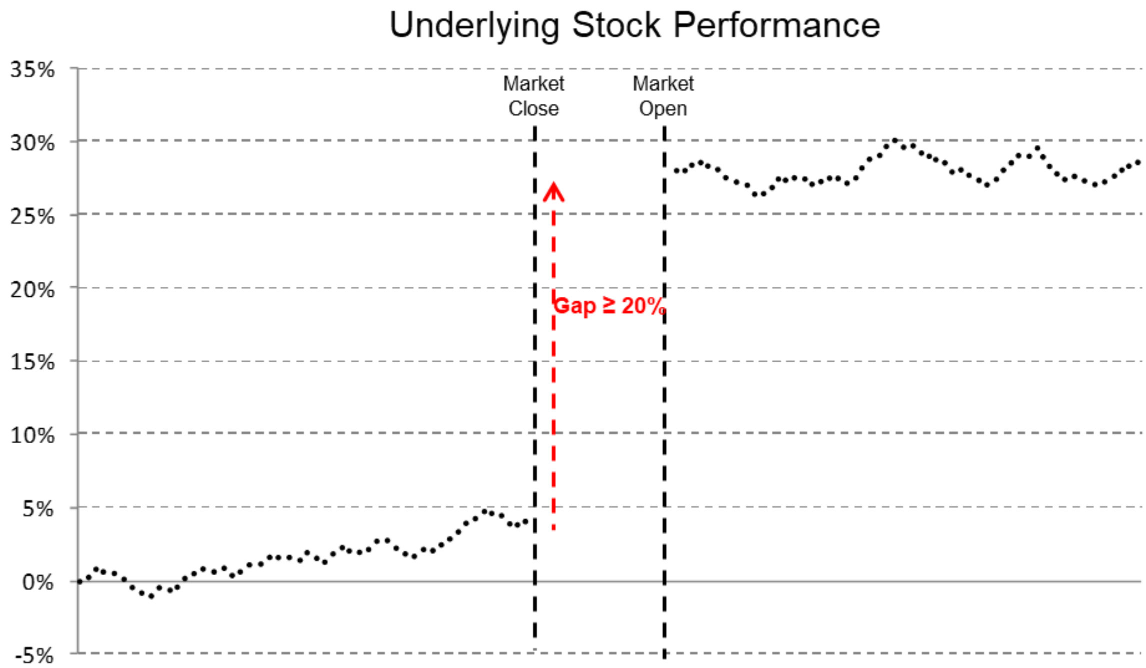
[9] The illustrative examples are not exhaustive.

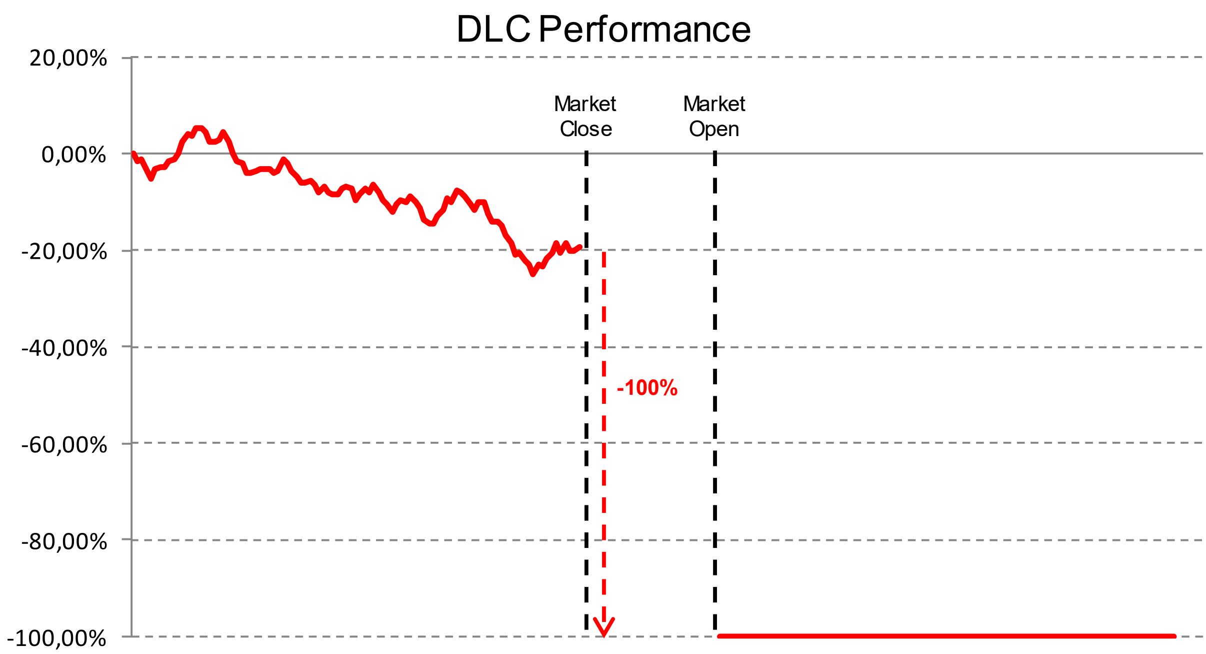
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

Scenario 1 – Overnight rise of the Underlying Stock

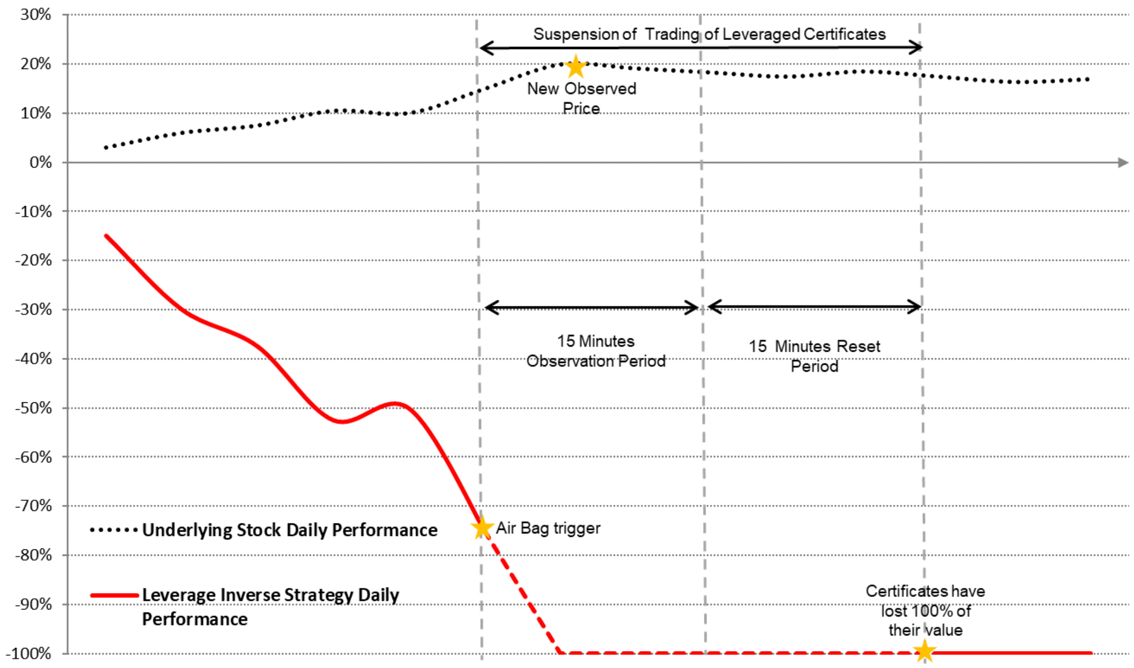
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.





Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{\mathrm{S_{t-1}}}\right] \times \frac{1}{1+M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$\mathrm{DivExc_t}$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$\mathrm{S_{t-1}}$ = $100

$\mathrm{S_t}$ = $51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0)}{100}\right] \times \frac{1}{1+1} = 50\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1\right) = -10\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.54	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $57.5, which is 15% above $50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$\mathrm{S_{t-1}}$ = $100

$\mathrm{S_t}$ = $202

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0)}{100}\right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1\right) = -5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.57	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $230, which is 15% above $200, the Underlying Stock Reference Price.

3. <u>Rights Issues</u>

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of $40.

S_{t-1} = $100

S_t = $84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = $40 (i.e. subscription price of $40)

M = 0.5 (i.e. 1 new share for every 2 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100}\right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.45	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $92, which is 15% above $80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

S_{t-1} = \$100

S_t = \$85

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = \$0

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100}\right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.54	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

S_{t-1} = \$100

S_t = \$84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$20$

R = \$0

M = 0

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100}\right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.45	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $92, which is 15% above $80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at http://www.sgx.com. The Issuer has not independently verified any of such information.

From its humble beginnings as a local ship repair yard in Singapore in the 1960s, Keppel Corporation Limited (the "**Keppel Group**" or the "**Company**") has expanded into three key businesses of Offshore & Marine, Infrastructure and Property, with operations spanning over 30 countries.

The Keppel Group of Companies includes Keppel Offshore and Marine, Keppel Integrated Engineering, Keppel Energy, Keppel Telecommunications and Transportation, K-Green Trust, Keppel Land and K-REIT Asia, among others.

Keppel Offshore & Marine is the global leader in offshore rig design and construction, ship repair and conversion, and specialised shipbuilding. With its core competencies and strong execution capabilities, it is the partner of choice in its chosen segments. Its strategic global network of over 20 yards and offices serving regions including Asia Pacific, Gulf of Mexico, Brazil, Caspian Sea, Middle East and the North Sea, enables effective execution of the Group's *Near Market, Near Customer* strategy.

The Infrastructure business comprises environmental engineering, power generation, logistics and data centre businesses. Keppel Integrated Engineering is a leading global provider of environmental solutions and engineering services, offering a complete range of water and thermal technology for municipal and industrial clients. Keppel Energy has a track record of developing, owning and operating power plants in Singapore, Asia and Latin America, while Keppel Telecommunications and Transportation is a leading service provider in Southeast Asia and Europe with businesses in logistics and data centres.

Keppel Land transforms cityscapes across Asia as the premier developer with a sterling portfolio of award-winning residential developments, integrated townships and investment-grade commercial properties. With a geographical spread across Asia with particular focus on Singapore, China, Vietnam and Indonesia, Keppel Land has a strategic focus on property development and property fund management.

The information set out in Appendix I of this document relates to the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2021 and has been extracted and reproduced from an announcement by the Company released on 31 March 2022 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at http://www.sgx.com.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	(i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate.
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) where the Certificates are suspended from trading for any reason;

(iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;

(viii) if the stock market experiences exceptional price movement and volatility;

(ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and

(x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix II of this document is a reproduction of the press release dated 10 February 2022 containing the Guarantor's consolidated financial results for the fourth quarter ended 31 December 2021.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.

2. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020 or the Guarantor since 31 December 2021, in the context of the issuance of Certificates hereunder.

5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:

   (a) the Guarantee;

   (b) the Master Instrument; and

   (c) the Master Warrant Agent Agreement.

   None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

   The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor

should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

(a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;

(b) the latest financial reports (including the notes thereto) of the Issuer;

(c) the latest financial reports (including the notes thereto) of the Guarantor;

(d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;

(e) the Base Listing Document;

(f) this document; and

(g) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (“**SFO**”)) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (“**CWUMPO**”) or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

  (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

(a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the

Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term "**United States**" includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term

"**U.S. person**" means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the "**CEA**") or any rules thereunder of the CFTC (the "**CFTC Rules**"), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person).

APPENDIX I

REPRODUCTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 OF KEPPEL CORPORATION LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2021 and has been extracted and reproduced from an announcement by the Company released on 31 March 2022 in relation to the same.

INDEPENDENT AUDITOR’S REPORT

to the Members of Keppel Corporation Limited
For the financial year ended 31 December 2021

Report on the audit of the financial statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Keppel Corporation Limited (“the Company”) and its subsidiaries (“the Group”) and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (“the Act”), Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021, the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and changes in equity of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the balance sheets of the Group and of the Company as at 31 December 2021;
- the consolidated profit and loss account of the Group for the financial year then ended;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

to the Members of Keppel Corporation Limited

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Financial exposure in relation to contracts with Sete Brasil Participacoes S.A. ("Sete") *(Refer to Notes 2.28 (b)(ii) and 13 to the financial statements)*	
In October 2019, Sete's creditors approved the Group's Settlement Agreement with Sete as well as a proposal by Magni Partners (Bermuda) Ltd ("Magni") to purchase Sete's four subsidiaries, two of which are special-purpose entities for two uncompleted rigs constructed by the Group. Whilst the implementation of the Settlement Agreement had progressed in 2021, the construction agreements for the two uncompleted rigs with Magni were pending as at 31 December 2021. Contract asset balances relating to these uncompleted rigs (net of loss provision recognised in prior years) as at 31 December 2021 amounted to S$157 million. Management estimated the net present value of the cash flows relating to the construction contract for these two rigs with Magni as at 31 December 2021. Arising from the assessment, management concluded that loss provisions made in prior years were adequate. The assessment is made with the following key assumptions: • Petrobras will continue to require the rigs for execution of its business plans and will charter them at the dayrates and tenure previously agreed with Sete; • Magni or any other potential investor will be able to secure financing to complete the purchase of the rigs with Sete and complete the construction contract with the Group at the terms previously discussed with Magni; and • The future cost of construction of the rigs are not materially different from management's current estimation. Should the conclusion of the negotiation result in significant changes to the key assumptions above, additional material provision may be required. We focused on this area because the assessment of the outcome of the negotiation and the estimation of the recoverable value of the assets relating to the Sete contracts requires management judgment in which several estimates and key assumptions are applied.	We reviewed the term sheet with Magni and correspondences with Sete and its authorised representatives to validate the assumptions applied by management. We assessed the amount and timing of gross cash inflows from Magni to the term sheet. We also assessed the total cost of completing the construction of the rigs through discussions with project managers and corroborating the amounts to an approved budget plan. We obtained management's calculation of the discount rate used and evaluated its reasonableness based on our understanding. Based on our procedures, we found management's basis of assessment of the carrying amounts of the assets relating to the Sete contracts to be reasonable, on the basis of the key assumptions made by management. The ongoing negotiations may result in significant changes to the key assumptions and additional material provision may be required, including adjustments to the net carrying amounts relating to the Sete contracts. We also considered the disclosures in the financial statements in respect of this matter and found that the disclosures in the financial statements in respect of this matter to be adequate.

Key Audit Matter	How our audit addressed the Key Audit Matter
2. Recoverability of trade receivables, contract assets and stocks (work-in-progress) in relation to Offshore and Marine ("O&M") business unit *(Refer to Notes 2.28(b)(ii), 2.28(b)(ix), 13, 15 and 16 to the financial statements)* As at 31 December 2021, the Group has: (i) Stocks under work-in-progress ("WIP") amounting to $1,138 million; (ii) Contract assets relating to certain rig building contracts where the scheduled delivery dates of the rigs had been deferred and have higher counterparty risks, amounting to $1,707 million; and (iii) Trade receivables amounting to $792 million where the rigs had been delivered but the receipt of construction revenue deferred under certain financing arrangements. In 2021, the Group recognised $76 million of expected credit loss against its unsecured trade receivables. We focused on this area because significant judgement and assumptions are required in: (i) estimating the NRV of the WIP balance; and (ii) estimating the expected credit loss of the contract assets and trade receivables balance. For the above contract assets and secured trade receivables, in the event that the customers are unable to fulfil their contractual obligations, management has considered the most likely outcome is for the Group to take possession of the rigs delivered or under construction and charter it out to work with an operator. On this basis, the value of the rigs delivered or under construction and the NRV of the WIP balance is their Value-in-use ("VIU") estimated using the Discounted Cash Flow ("DCF") model. Management assessed the VIU of the rigs with the assistance of independent professional advisors. In addition to the independent professional firm responsible for estimating the VIU based on the DCF model, management has also engaged a separate industry expert to provide a view of the market outlook, assumptions and industry parameters used as inputs to the DCF calculations. The most significant inputs to the DCF calculations include dayrates, cost assumptions, utilisation rates, discount rates and estimated commencement of deployment of the assets. The valuation of the assets based on their estimated VIUs are most sensitive to discount rates and dayrates. Management had also appointed an independent financial advisor to conduct an assessment of the recoverability of unsecured receivables from a customer and secured receivables from another customer as at 31 December 2021.	We reviewed management's estimation of the NRV of the WIP and estimation of the expected credit loss on contract assets on deferred delivery and trade receivables under certain financing arrangements. We assessed the most significant inputs to the DCF calculations of the NRV/VIU of the rigs and engaged our valuation expert to review the discount rates applied. We also assessed the basis of estimating the recoverable amounts of the unsecured receivable adopted by the independent financial advisor. We assessed the sensitivity of the cash flow projections with respect to the key assumptions including discount rate and dayrates, on the estimation of the VIU of the rigs. Based on our procedures, we found management's key judgements and basis of estimation over the NRV of the WIP and the recovery of contract assets on deferred delivery and trade receivables under certain financing arrangements to be appropriate. In respect of the independent professional firm, the industry expert and the financial advisor, we found that they possessed the requisite competency and experience to assist management in the assessment of the valuations. We also considered the adequacy of the disclosures in the financial statements in respect of this matter and found the disclosures in the financial statements in respect of the key judgements and sources of estimation uncertainty to be adequate.

Key Audit Matter	How our audit addressed the Key Audit Matter
3. Impairment assessment of exposures in KrisEnergy *(Refer to Notes 2.28(b)(iii) and 11(b) to the financial statements)* As disclosed in Note 11(b), as at 31 December 2021, the Group's receivables from KrisEnergy, net of expected credit loss, amounted to $115 million. KrisEnergy's ordinary shares were suspended from trading from the Singapore Exchange in August 2019. Whilst the scheme of arrangement was approved by different groups of creditors progressively in early 2021, KrisEnergy announced in April 2021 that consensual restructuring was no longer viable and even if the restructuring exercise was completed, there remained material uncertainty over KrisEnergy's ability to continue as a going concern. On 13 July 2021, KrisEnergy announced that the Grand Court of Cayman Islands had granted the approval for the winding-up petition. The Group has a comprehensive first ranking security package over the assets of the KrisEnergy group. With KrisEnergy in the process of winding up, the Group has implemented detailed recovery plans which were developed in consultation with its financial advisor and legal advisor to preserve KrisEnergy's assets and to maximise recoveries for the Group. Management performed an impairment assessment to estimate the recoverable amount of the Group's receivables from KrisEnergy as at 31 December 2021 based on the estimated amount of cash available from producing assets to be held over the remaining lives of the concession period of 8.5 to 12 years and expected proceeds from assets to be sold, taking into account the rights to these cash flows from the secured assets on a receivership basis. The cash flow estimates from producing assets were based on forecasted production volumes and oil prices, determined by taking reference from external information sources, ranging from US$67 to US$73 per barrel for 2022 to 2033. The estimated recoverable amounts for assets to be sold are based on the binding bids received from external parties. Taking into account the rights to the cash flows from the secured assets on a receivership basis as at 31 December 2021, the Group recognised a loss of $318 million. We focused on this area as the assessment of the recoverable amount involves making projections of cash flows arising from producing assets, including the estimation of the timing of release of the withheld cash in one of the producing assets, in which several estimates and key assumptions were applied.	We held discussions with management and the independent financial advisor to understand the proposed recovery plan, including the recovery strategy for each of the assets. For the producing assets, we evaluated the reasonableness of the estimates and assumptions in the cash flow projections. We also considered the assumptions applied in estimating the timing of release of the withheld cash from one of the producing assets under the security package. We involved our valuation expert in evaluating the discount rate applied by management in discounting the expected cash flows from the producing assets. We assessed the sensitivity of the cash flow projections with respect to key assumptions including the timing of release of the withheld cash, discount rate, future oil prices and expected production volume. For the assets that are to be sold, we traced the recoverable amounts to the draft sales and purchase agreements. In respect of the independent financial advisor for the Group, we assessed that they possessed the requisite competency and experience to assist management in the assessment of the recoverable amount of the receivables from KrisEnergy. We also considered the adequacy of the disclosures in the financial statements in respect of this matter. Based on our procedures, we found the key judgments and basis of estimating the available cash flows for the Group's investment in KrisEnergy to be reasonable. We also found the disclosures in the financial statements in respect of the key judgments and sources of estimation uncertainty to be adequate.
4. Global resolution with criminal authorities in relation to corrupt payments *(Refer to Note 2.28(b)(vi) to the financial statements)* In 2017, a wholly-owned subsidiary, Keppel Offshore and Marine Ltd ("KOM") reached a global resolution with the Corrupt Practices Investigation Bureau ("CPIB") in Singapore, the U.S. Department of Justice ("DOJ"), and the Public Prosecutor's Office in Brazil, Ministério Público Federal ("MPF") in relation to corrupt payments made in relation to KOM's various projects with Petrobras and Sete Brasil in Brazil. As part of the applicable fines payable under the global resolution, a further US$52,777,123 (less any penalties that KOM may pay to specified Brazilian authorities) is payable to CPIB within three years from the date of the Conditional Warning issued by CPIB and has been included in accrued expenses since FY 2017. The discussions with the specified Brazilian authorities remain ongoing, and CPIB has agreed to extend this three-year period for a further 12 months until 22 December 2021 and thereafter for a further 6 months to 22 June 2022.	We obtained an understanding of the progress of ongoing discussions that the Group is having with the authorities. We discussed the reasonableness and the adequacy of the provision made by management with the external legal counsel appointed by the Group. In respect of the external legal counsel engaged by the Group, we assessed that they possessed the requisite competency and experience in the assessment of the adequacy of provision made by management.

Key Audit Matter	How our audit addressed the Key Audit Matter
In 2020, the Office of the Comptroller General of Brazil ("CGU") published a notice in the Official Gazette ("Notice") to the effect that CGU had initiated an administrative enforcement procedure ("AEP") against KOM and certain subsidiaries, in relation to alleged irregularities under the Brazilian Anti-Corruption Statute. The Company understands from CGU that the AEP will not affect the ongoing negotiations with the Brazil authorities, and that the AEP has been suspended pending these ongoing discussions. Based on currently available information, including opinion from the legal advisors, no additional provision was made in relation to the ongoing discussions with the specified Brazilian authorities. We focused on this area because of the management judgment required in determining whether additional provision is required in view of the ongoing discussions with the specified Brazilian authorities.	Based on our procedures, we found management's assessment of the matter, including the on-going discussions with the specified Brazilian authorities to be appropriate. We also considered the adequacy of the disclosures in the financial statements in respect of this matter. We found the disclosures in the financial statements to be adequate.
5. Revenue recognition based on measurement of progress towards performance obligation *(Refer to Notes 2.28(b)(iv) and 25 to the financial statements)* During the financial year, the Group recognised $2,270 million of revenue relating to its rigbuilding, shipbuilding and repairs, and long-term engineering contracts ("construction contracts"). The Group recognises revenue over time by reference to the Group's progress towards completing the construction of the contract work. The stage of completion was measured by reference to either the percentage of the physical proportion of the contract work completed or the proportion of contract costs incurred to date to the estimated total contract costs. We focused on this area because of the significant management judgment required in: • the estimation of the physical proportion of the contract work completed for the contracts; and • the estimation of total costs on the contracts, including contingencies that could arise from variations to original contract terms, and claims.	In respect of construction contracts where progress was measured based on the percentage of the physical proportion of the contract work completed, we sighted certified progress reports from engineers, performed site visits, and obtained confirmations from project owners to assess the appropriateness of management's estimates of the physical proportion of work completed. In respect of construction contracts where progress was measured based on the proportion of contract costs incurred to date to the estimated total contract costs, we evaluated the effectiveness of management's controls over the estimation of total costs and assessed the reasonableness of key inputs in the cost estimation. We tested the appropriateness of estimated costs by comparing these against actual costs incurred. We then recomputed the revenues recognised for the current financial year based on the respective percentage of completion and traced these to the accounting records. In relation to total contracts costs, we reviewed the actual costs incurred by tracing to supplier invoices or sub-contractor progress billings and reviewed management's estimates of total project costs, including costs to complete, by agreeing the costs to quotations and contracts entered for subcontracting costs and reviewing the estimation of construction costs with reference to the remaining activities of the projects. In addition, we reviewed claims from suppliers and subcontractors and traced to the recording of the costs. We assessed the need for provision for liquidated damages via discussions with management and project managers and examination of project documentation. We also considered the adequacy of the Group's disclosures in respect of this matter. Based on our procedures, we found assumptions made in the measurement of the progress of construction contracts to be reasonable. We also found the disclosures in the financial statements to be adequate.

Key Audit Matter	How our audit addressed the Key Audit Matter
6. Valuation of properties held for sale *(Refer to Notes 2.28(b)(ix) and 15 to the financial statements)*	
As at 31 December 2021, the Group has residential properties held for sale of $3,004 million mainly in China, Singapore, Indonesia and Vietnam. Properties held for sale are stated at the lower of cost and net realisable values. The determination of the carrying value and whether to recognise any foreseeable losses for properties held for sale is highly dependent on the estimated cost to complete each development and the estimated selling price. For certain development projects, fair values based on independent valuation reports are used to determine the net realisable value of these properties. We focused on this area as significant judgment is required in making estimates of future selling prices and the estimated cost to complete the development project. In instances where independent valuation reports are used, the valuation process involves significant judgment in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the discount rate and price of comparable plots and properties. Continued unfavourable market conditions in certain of the markets in which the Group operates might exert downward pressure on transaction volumes and residential property prices. This could lead to future trends in these markets departing from known trends based on past experience. There is, therefore, a risk that the estimates of carrying values at the date of these financial statements exceed future selling prices, resulting in losses when the properties are sold. Furthermore, the COVID-19 pandemic has resulted in significant economic uncertainty in the current and future economic environment and there is heightened uncertainty inherent in estimating the impact of the pandemic on future selling prices of the development properties.	We found that, in making its estimates of future selling prices, the Group took into account macroeconomic and real estate price trend information, and the potential financial impact of the COVID-19 pandemic in the estimates. Management applied their knowledge of the business in their regular review of these estimates. We corroborated the Group's forecast selling prices by comparing the forecast selling price to, where available, recently transacted prices and prices of comparable properties located in the same vicinity as the properties held for sale. We compared management's budgeted total development costs against underlying contracts with vendors and supporting documents. We discussed with the project managers to assess the reasonableness of estimated cost to complete and corroborated the underlying assumptions made with our understanding of past completed projects. For projects where management has used independent valuation reports as a basis to determine the net realisable value, we evaluated the qualifications and competence of the external valuer and considered the valuation methodologies used against those applied by other valuers for similar property type. We tested the reliability of inputs used in the valuation and corroborated key inputs such as the discount rate and price of comparable plots and properties used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the inputs were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers. We focused our work on development projects with slower-than-expected sales or with low or negative margins. For projects which are expected to sell below cost, we checked the computations of the foreseeable losses. We also considered the adequacy of the disclosures in the financial statements, in describing the allowance for foreseeable losses made for properties held for sale. Based on our procedures, we were satisfied that management's estimates and assumptions were reasonable. We also found the related disclosures in the financial statements to be adequate.

Key Audit Matter	How our audit addressed the Key Audit Matter
7. Valuation of investment properties *(Refer to Notes 2.28(b)(viii), 8 and 35 to the financial statements)* As at 31 December 2021, the Group owns a portfolio of investment properties of $4,256 million comprising mainly office buildings, hotels, retail malls and mixed-use development projects, located primarily in China, Singapore, Indonesia and Vietnam. Investment properties are stated at their fair values based on independent external valuations. We focused on this area as the valuation process involves significant judgment in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied such as the capitalisation rate, discount rate, net initial yield and price of comparable plots and properties. Furthermore, the valuation reports obtained from independent property valuers for certain investment properties have highlighted the heightened uncertainty of the COVID-19 outbreak and material valuation uncertainty where a higher degree of caution should be attached to the valuation than would normally be the case. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions.	We evaluated the qualifications and competence of the external valuers. We considered the valuation methodologies used against those applied by other valuers for similar property types, and how the impact of the COVID-19 pandemic and market uncertainty has been considered by the independent property valuers in determining the valuation of investment properties. We also considered other alternative valuation methods. We tested the reliability of the projected cash inflows and outflows used in the valuation against supporting lease agreements, construction contracts and other documents. We corroborated other inputs such as the capitalisation rate, net initial yield, discount rate and price of comparable plots used in the valuation methodology by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the inputs were outside the expected range, we undertook further procedures to understand the reasons for these and, where necessary, held further discussions with the valuers. We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions used in the estimates and the impact of COVID-19 on the valuation of investment properties, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. The valuers are members of recognised professional bodies for external valuers. We found the valuation methodologies used to be in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be adequate.
8. Impairment assessment of goodwill arising from acquisition of subsidiary – M1 Limited ("M1") *(Refer to Notes 2.28(b)(iii) and 14 to the financial statements)* In February 2019, the Group obtained controlling interest in M1 through an 80% owned subsidiary at a purchase consideration of $1,232 million. A goodwill of $988 million was recognised on acquisition of M1. An annual impairment assessment was performed on the goodwill arising from acquisition of M1 where the recoverable amount of M1 as a Cash generating unit ("CGU") is estimated. Where the recoverable amount of M1 is determined to be less than the Group's carrying amount of the M1 CGU (including the goodwill), an impairment loss will be recognised. The recoverable value of the M1 CGU as at 31 December 2021 was determined on a VIU basis using a DCF model. The assessment of the VIU of M1 CGU required significant judgment in estimating the underlying assumptions including the revenue growth rate, long term growth rate and discount rate. Based on management's assessment, no impairment loss was recognised as the recoverable amount was higher than the carrying value (including goodwill) of the M1 CGU.	We assessed the appropriateness of the underlying assumptions made by management in their cash flow projections, including the revenue growth rate, long term growth rate and discount rate based on the economic and industry conditions relevant to M1 business. We checked whether the cash flow projections were based on the approved business plan. We involved our valuation expert in evaluating the valuation methodology and the discount rate applied by management. We assessed the sensitivity of the cash flow projections and other key assumptions including discount rate and long term growth rate on the impairment assessment and the impact on the headroom over the carrying value. Based on our procedures, we were satisfied that management's estimates and assumptions used in the impairment assessment of the goodwill on acquisition of M1 were reasonable. We also considered the adequacy of the disclosures in the financial statements in respect of this matter. We found the disclosures in the financial statements to be adequate.

Other information

Management is responsible for the other information. The other information comprises the "Directors' Statement" (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report and other sections of the Keppel Corporation Limited Annual Report 2021 ("Other Sections of the Annual Report") which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lam Hock Choon.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 25 February 2022

BALANCE SHEETS

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Share capital	3	**1,305,668**	1,305,668	**1,305,668**	1,305,668
Treasury shares	3	**(4,624)**	(13,690)	**(4,624)**	(13,690)
Reserves	4	**10,354,096**	9,436,480	**8,495,816**	8,185,085
Share capital & reserves		**11,655,140**	10,728,458	**9,796,860**	9,477,063
Perpetual securities	6	**401,521**	-	**401,521**	-
Non-controlling interests	5	**384,700**	427,446	**-**	-
Total equity		**12,441,361**	11,155,904	**10,198,381**	9,477,063
Represented by:					
Fixed assets	7	**2,044,374**	2,715,753	**8,462**	5,764
Investment properties	8	**4,256,428**	3,674,075	**-**	-
Right-of-use assets	9	**529,216**	582,706	**15,231**	11,204
Subsidiaries	10	**-**	-	**7,993,786**	7,962,538
Associated companies and joint ventures	11	**6,050,258**	5,990,613	**-**	-
Investments	12	**1,447,664**	1,229,492	**24,100**	22,196
Deferred tax assets	24	**212,679**	159,427	**9,313**	5,096
Long term assets	13	**1,347,354**	1,756,399	**122,507**	39,828
Intangibles	14	**1,589,272**	1,608,824	**-**	-
		17,477,245	17,717,289	**8,173,399**	8,046,626
Current assets					
Stocks	15	**4,603,985**	4,959,427	**-**	-
Contract assets	16	**3,169,694**	2,657,231	**-**	-
Amounts due from:					
- subsidiaries	17	**-**	-	**9,852,909**	9,804,710
- associated companies and joint ventures	17	**591,744**	493,269	**22,110**	152
Debtors	18	**2,168,612**	2,531,075	**9,971**	12,273
Derivative assets		**140,031**	124,547	**39,153**	38,206
Short term investments	19	**27,103**	134,634	**-**	-
Bank balances, deposits & cash	20	**3,616,633**	2,479,715	**810**	574
		14,317,802	13,379,898	**9,924,953**	9,855,915
Assets classified as held for sale	37	**527,880**	1,008,692	**-**	-
		14,845,682	14,388,590	**9,924,953**	9,855,915
Current liabilities					
Creditors	21	**5,098,788**	4,603,677	**92,523**	63,808
Derivative liabilities		**249,690**	59,143	**31,284**	30,614
Contract liabilities	16	**1,002,024**	2,072,303	**-**	-
Provisions for warranties	22	**28,932**	39,449	**-**	-
Amounts due to:					
- subsidiaries	17	**-**	-	**175,802**	201,959
- associated companies and joint ventures	17	**286,085**	335,908	**882**	-
Term loans	23	**4,659,308**	4,432,602	**3,326,730**	3,406,552
Lease liabilities	9	**89,677**	69,377	**4,175**	4,198
Taxation	29	**505,479**	358,802	**39,651**	29,155
		11,919,983	11,971,261	**3,671,047**	3,736,286
Liabilities directly associated with assets classified as held for sale	37	**38,330**	115,220	**-**	-
		11,958,313	12,086,481	**3,671,047**	3,736,286
Net current assets		**2,887,369**	2,302,109	**6,253,906**	6,119,629
Non-current liabilities					
Term loans	23	**6,795,912**	7,606,594	**4,113,695**	4,529,017
Lease liabilities	9	**472,042**	494,527	**12,265**	7,725
Deferred tax liabilities	24	**426,891**	443,547	**-**	-
Other non-current liabilities	21	**228,408**	318,826	**102,964**	152,450
		7,923,253	8,863,494	**4,228,924**	4,689,192
Net assets		**12,441,361**	11,155,904	**10,198,381**	9,477,063

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Revenue	25	8,624,713	6,574,342
Materials and subcontract costs		(6,603,496)	(4,591,235)
Staff costs	26	(1,115,650)	(1,120,128)
Depreciation and amortisation		(406,402)	(413,506)
Expected credit loss on financial assets, contract assets and financial guarantee	27	(364,436)	(651,082)
Other operating income - net		763,062	210,010
Operating profit	27	897,791	8,401
Investment income	28	110,952	29,346
Interest income	28	110,374	162,053
Interest expenses	28	(251,021)	(292,266)
Share of results of associated companies and joint ventures	11	466,900	(162,221)
Profit/(loss) before tax		1,334,996	(254,687)
Taxation	29	(324,984)	(253,407)
Profit/(loss) for the year		1,010,012	(508,094)
Attributable to:			
Shareholders of the Company		1,022,651	(505,860)
Perpetual securities holders		3,401	-
Non-controlling interests	5	(16,040)	(2,234)
		1,010,012	(508,094)
Earnings per ordinary share	30		
- basic		56.2 cts	(27.8) cts
- diluted		55.9 cts	(27.7) cts

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	2021 $'000	2020 $'000
Profit/(loss) for the year	1,010,012	(508,094)
Items that may be reclassified subsequently to profit and loss account:		
Cash flow hedges		
- Fair value changes arising during the year, net of tax	(70,678)	(100,148)
- Realised and transferred to profit and loss account	74,573	125,112
Foreign exchange translation		
- Exchange difference arising during the year	187,852	135,212
- Realised and transferred to profit and loss account	17,595	17,247
Share of other comprehensive income of associated companies and joint ventures		
- Cash flow hedges	34,251	(27,370)
- Foreign exchange translation	96,000	69,751
	339,593	219,804
Items that will not be reclassified subsequently to profit and loss account:		
Financial assets, at FVOCI		
- Fair value changes arising during the year	(96,015)	65,246
Foreign exchange translation		
- Exchange difference arising during the year	4,217	1,882
Share of other comprehensive income of associated companies and joint ventures		
- Financial assets, at FVOCI	194	(429)
	(91,604)	66,699
Other comprehensive income for the year, net of tax	247,989	286,503
Total comprehensive income/(loss) for the year	1,258,001	(221,591)
Attributable to:		
Shareholders of the Company	1,263,678	(221,151)
Perpetual securities holders	3,401	-
Non-controlling interests	(9,078)	(440)
	1,258,001	(221,591)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to owners of the Company								
	Share Capital $'000	Treasury Shares $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Perpetual Securities $'000	Non-controlling Interests $'000	Total Equity $'000
Group									
2021									
As at 1 January 2021	1,305,668	(13,690)	175,731	9,703,452	(442,703)	10,728,458	-	427,446	11,155,904
Total comprehensive income for the year									
Profit for the year	-	-	-	1,022,651	-	1,022,651	3,401	(16,040)	1,010,012
Other comprehensive income*	-	-	(60,420)	-	301,447	241,027	-	6,962	247,989
Total comprehensive income for the year	-	-	(60,420)	1,022,651	301,447	1,263,678	3,401	(9,078)	1,258,001
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends paid (Note 31)	-	-	-	(345,752)	-	(345,752)	-	-	(345,752)
Share-based payment	-	-	34,346	-	-	34,346	-	-	34,346
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(11,251)	(11,251)
Purchase of treasury shares	-	(13,048)	-	-	-	(13,048)	-	-	(13,048)
Treasury shares reissued pursuant to share plans	-	22,114	(22,114)	-	-	-	-	-	-
Transfer of statutory, capital and other reserves from revenue reserves	-	-	14,618	(14,618)	-	-	-	-	-
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	1,295	1,295
Issue of perpetual securities, net of transaction costs	-	-	-	-	-	-	398,120	-	398,120
Contributions to defined benefits plans	-	-	(620)	-	-	(620)	-	-	(620)
Total contributions by and distributions to owners	-	9,066	26,230	(360,370)	-	(325,074)	398,120	(9,956)	63,090
Changes in ownership interests in subsidiaries									
Acquisition of additional interest in subsidiaries	-	-	(11,922)	-	-	(11,922)	-	(19,385)	(31,307)
Disposal of interest in subsidiaries	-	-	-	-	-	-	-	(4,327)	(4,327)
Total change in ownership interests in subsidiaries	-	-	(11,922)	-	-	(11,922)	-	(23,712)	(35,634)
Total transactions with owners	-	9,066	14,308	(360,370)	-	(336,996)	398,120	(33,668)	27,456
As at 31 December 2021	1,305,668	(4,624)	129,619	10,365,733	(141,256)	11,655,140	401,521	384,700	12,441,361

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share Capital $'000	Treasury Shares $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Total Equity $'000
Group								
2020								
As at 1 January 2020	1,291,722	(14,009)	126,099	10,470,627	(663,586)	11,210,853	435,178	11,646,031
Total comprehensive income for the year								
Loss for the year	-	-	-	(505,860)	-	(505,860)	(2,234)	(508,094)
Other comprehensive income*	-	-	62,499	-	222,210	284,709	1,794	286,503
Total comprehensive income for the year	-	-	62,499	(505,860)	222,210	(221,151)	(440)	(221,591)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid (Note 31)	-	-	-	(273,078)	-	(273,078)	-	(273,078)
Share-based payment	-	-	36,302	-	-	36,302	-	36,302
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(24,325)	(24,325)
Purchase of treasury shares	-	(19,040)	-	-	-	(19,040)	-	(19,040)
Shares issued	13,946	-	-	-	-	13,946	-	13,946
Treasury shares reissued pursuant to share plans	-	19,359	(33,305)	-	-	(13,946)	-	(13,946)
Transfer of statutory, capital and other reserves from revenue reserves	-	-	(10,436)	11,763	(1,327)	-	-	-
Contribution by non-controlling shareholders	-	-	-	-	-	-	16,888	16,888
Contributions to defined benefits plans	-	-	(1,474)	-	-	(1,474)	6	(1,468)
Other adjustments	-	-	(960)	-	-	(960)	-	(960)
Total contributions by and distributions to owners	13,946	319	(9,873)	(261,315)	(1,327)	(258,250)	(7,431)	(265,681)
Changes in ownership interests in subsidiaries								
Acquisition of additional interest in subsidiaries	-	-	(2,994)	-	-	(2,994)	2,334	(660)
Disposal of interest in subsidiaries	-	-	-	-	-	-	(2,195)	(2,195)
Total change in ownership interests in subsidiaries	-	-	(2,994)	-	-	(2,994)	139	(2,855)
Total transactions with owners	13,946	319	(12,867)	(261,315)	(1,327)	(261,244)	(7,292)	(268,536)
As at 31 December 2020	1,305,668	(13,690)	175,731	9,703,452	(442,703)	10,728,458	427,446	11,155,904

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

The accompanying notes form an integral part of these financial statements.

	Attributable to owners of the Company						
	Share Capital $'000	**Treasury Shares $'000**	**Capital Reserves $'000**	**Revenue Reserves $'000**	**Share Capital & Reserves $'000**	**Perpetual Securities $'000**	**Total Equity $'000**
Company							
2021							
As at 1 January 2021	1,305,668	(13,690)	209,164	7,975,921	9,477,063	-	9,477,063
Total comprehensive income for the year							
Profit for the year	-	-	-	640,888	640,888	3,401	644,289
Other comprehensive income	-	-	3,363	-	3,363	-	3,363
Total comprehensive income for the year	-	-	3,363	640,888	644,251	3,401	647,652
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	(345,752)	(345,752)	-	(345,752)
Share-based payment	-	-	34,346	-	34,346	-	34,346
Purchase of treasury shares	-	(13,048)	-	-	(13,048)	-	(13,048)
Treasury shares reissued pursuant to share plans	-	22,114	(22,114)	-	-	-	-
Issue of perpetual securities, net of transaction costs	-	-	-	-	-	398,120	398,120
Total transactions with owners		9,066	12,232	(345,752)	(324,454)	398,120	73,666
As at 31 December 2021	1,305,668	(4,624)	224,759	8,271,057	9,796,860	401,521	10,198,381
Company							
2020							
As at 1 January 2020	1,291,722	(14,009)	205,112	6,567,206	8,050,031	-	8,050,031
Total comprehensive income for the year							
Profit for the year	-	-	-	1,681,793	1,681,793	-	1,681,793
Other comprehensive income	-	-	1,055	-	1,055	-	1,055
Total comprehensive income for the year	-	-	1,055	1,681,793	1,682,848	-	1,682,848
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	(273,078)	(273,078)	-	(273,078)
Share-based payment	-	-	36,302	-	36,302	-	36,302
Purchase of treasury shares	-	(19,040)	-	-	(19,040)	-	(19,040)
Shares issued	13,946	-	-	-	13,946	-	13,946
Treasury shares reissued pursuant to share plans	-	19,359	(33,305)	-	(13,946)	-	(13,946)
Total transactions with owners	13,946	319	2,997	(273,078)	(255,816)	-	(255,816)
As at 31 December 2020	1,305,668	(13,690)	209,164	7,975,921	9,477,063	-	9,477,063

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Operating activities			
Operating profit		897,791	8,401
Adjustments:			
Depreciation and amortisation		406,402	413,506
Share-based payment expenses		37,369	39,882
(Gain)/Loss on sale of fixed assets		(9,550)	1,667
Gain on disposal of subsidiaries		(241,054)	(63,995)
Gain on disposal of associated companies and joint ventures		(208,635)	(34,419)
Gain from sale of units in associated companies		-	(48,010)
Impairment/write-off of fixed and intangible assets		53,550	62,075
Impairment of associated companies		35,082	48,686
Fair value gain on investment properties		(238,458)	(265,230)
(Gain)/Loss from change in interest in associated companies		(8,516)	1,615
Fair value (gain)/loss on investments		(315,540)	61,023
Gain from reclassification of associated companies to fair value through other comprehensive income investments		-	(124,769)
Fair value gain on remeasurement of remaining interest in a joint venture/associated company		(69,469)	(26,034)
Unrealised foreign exchange differences		(10,841)	24,990
Operational cash flow before changes in working capital		328,131	99,388
Working capital changes:			
Stocks		58,278	(349,684)
Contract assets		(520,205)	872,481
Debtors		412,841	(427,146)
Creditors		865,176	352,164
Contract liabilities		(1,072,727)	272,478
Investments		120,342	(135,398)
Intangibles		(33,087)	(1,859)
Amount due to/from associated companies and joint ventures		(17,217)	(49,486)
		141,532	632,938
Interest received		93,950	132,046
Interest paid		(251,077)	(385,248)
Net income taxes paid		(259,964)	(177,284)
Net cash (used in)/from operating activities		(275,559)	202,452
Investing activities			
Acquisition and further investment in associated companies and joint ventures		(156,783)	(743,600)
Acquisition of fixed assets and investment properties		(538,366)	(487,640)
Disposal of subsidiaries	A	1,146,299	331,761
Proceeds from disposal of associated companies and joint ventures and return of capital		668,040	318,141
Proceeds from disposal of fixed assets		592,656	3,187
Repayment from associated companies and joint ventures		2,438	58,778
Dividends received from investments, associated companies and joint ventures		311,177	245,270
Net cash from/(used in) investing activities		2,025,461	(274,103)
Financing activities			
Acquisition of additional interest in subsidiaries		(28,385)	(450)
Proceeds from non-controlling shareholders of subsidiaries		-	1,881
Proceeds from term loans		1,709,321	2,240,500
Repayment of term loans		(2,308,566)	(1,159,414)
Principal element of lease payments		(68,573)	(53,413)
Proceeds from issuance of perpetual securities, net of transaction cost		398,120	-
Purchase of treasury shares		(13,048)	(19,040)
Dividend paid to shareholders of the Company		(345,752)	(273,078)
Dividend paid to non-controlling shareholders of subsidiaries		(11,251)	(24,325)
Net cash (used in)/from financing activities		(668,134)	712,661
Net increase in cash and cash equivalents		1,081,768	641,010
Cash and cash equivalents as at beginning of year		2,408,473	1,777,244
Effects of exchange rate changes on the balance of cash held in foreign currencies		53,401	(9,781)
Cash and cash equivalents as at end of year	B	3,543,642	2,408,473

The accompanying notes form an integral part of these financial statements.

Reconciliation of liabilities arising from financing activities

2021

	1 January 2021 $'000	Net payment of principal $'000	Non-cash changes					31 December 2021 $'000
			Reclassified as liabilities directly associated with assets classified as held for sale $'000	Addition during the year $'000	Remeasure-ment of lease liabitities $'000	Disposal of subsidiaries $'000	Foreign exchange movement $'000	
Term loans	12,039,196	(599,245)	-	-	-	-	15,269	11,455,220
Lease liabilities	563,904	(68,573)	-	76,427	(4,536)	-	(5,503)	561,719

2020

	1 January 2020 $'000	Net proceeds/ (payment) of principal $'000	Non-cash changes					31 December 2020 $'000
			Reclassified as liabilities directly associated with assets classified as held for sale $'000	Addition during the year $'000	Remeasure-ment of lease liabitities $'000	Disposal of subsidiaries $'000	Foreign exchange movement $'000	
Term loans	11,059,631	1,081,086	(91,967)	-	-	-	(9,554)	12,039,196
Lease liabilities	597,439	(53,413)	-	25,668	22,385	-	(28,175)	563,904

Notes to Consolidated Statement of Cash Flows

A. Disposal of subsidiary

During the financial year, the book values of net assets of subsidiaries disposed were as follows:

	2021 $'000	2020 $'000
Fixed assets and investment properties	(22)	(192)
Stocks	(311,921)	(293,591)
Debtors and other assets	(10,741)	(10,377)
Associated companies	(1,208)	(158,670)
Bank balances and cash	(3,145)	(5,352)
Assets classified as held for sale*	(875,971)	-
Amount due from associated companies and joint ventures	(4,731)	-
Creditors and other liabilities	110,586	251,693
Liabilities directly associated with assets classified as held for sale*	156,412	-
Current and deferred taxation	6,201	-
Non-controlling interests deconsolidated	2,228	2,195
Net assets disposed of	(932,312)	(214,294)
Net gain on disposal	(241,054)	(63,995)
Amount accounted for as an associated company	18,980	59,927
Realisation of foreign currency translation reserve	1,395	(2,950)
Sale proceeds	(1,152,991)	(221,312)
Less: Bank balances and cash disposed	6,692	5,352
Less: Deferred proceeds received	-	(115,801)
Cash inflow on disposal	(1,146,299)	(331,761)

The accompanying notes form an integral part of these financial statements.

A. Disposal of subsidiary (continued)

* Breakdown of assets classified as held for sale and liabilities directly associated with assets classified as held for sale disposed during the year:

	2021 $'000
Assets classified as held for sale	
Fixed assets	(53,358)
Investment properties	(648,430)
Right-of-use assets	(153,602)
Associated companies	(9,399)
Debtors	(7,635)
Bank balances, deposits & cash	(3,547)
	(875,971)
Liabilities directly associated with assets classified as held for sale	
Creditors	56,063
Term loans	91,327
Current and deferred taxation	9,022
	156,412

During the year, significant disposal of subsidiaries relates to Keppel Bay Tower Pte. Ltd., First King Properties Limited, Chengdu Shengshi Jingwei Real Estate Co., Ltd. and the disposal of 51% equity stake in Tianjin Fushi Property Development Co., Ltd. Keppel Bay Tower Pte. Ltd. was disposed to an associated company of the Group.

Disposal during the prior year relates to the First FLNG Holdings Pte Ltd, First FLNG Sub-Fund Holdings Pte Ltd, Jiangyin Evergro Properties Co., Ltd and Chengdu Hilltop Development Co Ltd. During the prior year, the Group also received deferred proceeds from FY2019 sale of 70% interest in Dong Nai Waterfront City LLC.

B. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	2021 $'000	2020 $'000
Bank balances, deposits and cash	3,616,633	2,479,715
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and other liabilities	(72,991)	(71,242)
	3,543,642	2,408,473

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its principal place of business and registered office is 1 HarbourFront Avenue #18-01, Keppel Bay Tower, Singapore 098632.

The Company's principal activity is that of an investment holding and management company.

The principal activities of the companies in the Group consist of:

- offshore production facilities and drilling rigs design, construction, fabrication and repair, ship conversions and repair and specialised shipbuilding;
- power generation, renewables, environmental engineering and infrastructure operation and maintenance;
- property development and investment, as well as master development;
- provision of telecommunications services, retail sales of telecommunications equipment and accessories, development and operation of data centres, and provision of logistics solutions; and
- management of private funds and listed real estate investment and business trusts.

The financial statements of the Group for the financial year ended 31 December 2021 and the balance sheet and statement of changes in equity of the Company at 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 25 February 2022.

2. Significant accounting policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"). All references to SFRS(I)s and IFRSs are referred to collectively as SFRS(I)s in these financial statements, unless specified otherwise. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2.2 Adoption of New and Revised Standards

The Group adopted the new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s that are effective for annual periods beginning on or after 1 January 2021. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: *Interest Rate Benchmark Reform - Phase 2*
- Amendment to SFRS(I) 16 *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

Interest Rate Benchmark Reform – Phase 2

The Group has adopted the amendments to SFRS(I) 9, SFRS(I) 7 and SFRS(I) 16 *Interest Rate Benchmark Reform – Phase 2* effective 1 January 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the current year opening reserves amounts on adoption.

Hedge relationships

The Phase 2 amendments address issues arising during interest rate benchmark reform ("IBOR reform"), including specifying when hedge designations and documentation should be updated, and when amounts accumulated in cash flow hedge reserve should be recognised in profit or loss.

Note 35 provides further information about the reliefs applied by the Group and the hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior year as a result of these amendments. In the current year, the Group has adopted the following hedge accounting reliefs provided by the 'Phase 2' amendments to existing cash flow hedges (refer to Note 35 for the notional amount) that have transitioned to alternative benchmark rates required by IBOR reform:

- *Hedge designation*: When the 'Phase 1' amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationship.
- *Amounts accumulated in the cash flow hedge reserve*: When the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate.

2. Significant accounting policies (continued)

Financial instruments measured at amortised cost and lease liabilities
Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the Group applies the relevant SFRS(I) 16 requirements to account for the entire lease modification, including those changes required by IBOR reform.

For the year ended 31 December 2021, the Group has applied the practical expedients provided under Phase 2 to amendments to S$200 million of its long-term debt, as disclosed in Note 35.

Effect of IBOR reform
The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the Singapore Swap Offer Rate ("SOR") or the United States Dollar London Interbank Offered Rate ("USD LIBOR"). A significant portion of these floating rate borrowings are hedged using interest rate swaps, which have been designated as cash flow hedges.

SOR will cease publication after 30 June 2023, and it is expected to be replaced by the Singapore Overnight Rate Average ("SORA"). The Group has S$700 million of variable-rate SGD borrowings which references to SOR, with interest rate fixing dates falling after 30 June 2023. The Group hedges the variability in cash flows using SOR-linked interest rate swaps. While most swaps have been restructured in view of IBOR reform, the Group's communication with its swap and debt counterparties is still ongoing, as specific changes required by IBOR reform for most of its debt and some of its swaps have not yet been agreed. The Group also has S$35,604,000 variable-rate SGD receivables which references to SOR, with interest rate fixing dates falling after 30 June 2023. The Group's communication with its receivables counterparties is ongoing, but specific changes required by IBOR reform have not yet been agreed. As IBOR uncertainty is still present, the Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to SOR risk, and further information on the hedging relationship has been disclosed in Note 35. The expected transition from SOR to SORA had no effect on the amounts reported for the current and prior financial years.

USD LIBOR will cease publication after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR"). The Group has US$625 million (or S$854 million equivalent) of variable-rate USD borrowings which references to USD LIBOR, with interest rate fixing dates falling after 30 June 2023. The Group hedges the variability in cash flows using USD LIBOR-linked interest rate swaps. While some swaps have been restructured in view of IBOR reform, the Group's communication with its swap and debt counterparties is still ongoing, as specific changes required by IBOR reform for most of its debt and swaps have not yet been agreed. The Group also has S$377,660,000 variable-rate USD receivables which references to USD LIBOR, with interest rate fixing dates falling after 30 June 2023. The Group's communication with its receivables counterparties is ongoing, but specific changes required by IBOR reform have not yet been agreed. As IBOR uncertainty is still present, the Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to USD LIBOR risk, and further information on the hedging relationship has been disclosed in Note 35. The expected transition from USD LIBOR to SOFR had no effect on the amounts reported for the current and prior financial years.

Affected financial instruments are SOR or USD LIBOR-linked instruments, with interest rate fixing dates falling after 30 June 2023. The following table contains details of all the affected financial instruments that the Group and Company holds at 31 December 2021 which are referenced to SOR and have not yet transitioned to new benchmark rates:

	SOR			
	Group		Company	
	Carrying Amount $'000	Of which: Not yet transitioned to an alternative benchmark rate $'000	Carrying Amount $'000	Of which: Not yet transitioned to an alternative benchmark rate $'000
31 December 2021				
Assets				
- Derivative financial instruments	6,457	-	6,457	-
- Amounts due from an associated company	22,500	22,500	-	-
- Loan to a joint venture	13,104	13,104	-	-
Liabilities				
- Borrowings	699,510	499,510	200,000	-
- Derivative financial instruments	45,878	36,418	9,460	-

The following table contains details of all the affected financial instruments that the Group and Company holds at 31 December 2021 which are referenced to USD LIBOR and have not yet transitioned to new benchmark rates:

	USD LIBOR			
	Group		Company	
	Carrying Amount $'000	Of which: Not yet transitioned to an alternative benchmark rate $'000	Carrying Amount $'000	Of which: Not yet transitioned to an alternative benchmark rate $'000
31 December 2021				
Assets				
- Derivative financial instruments	16,566	16,566	16,566	16,566
- Trade Receivables	377,660	377,660	-	-
Liabilities				
- Borrowings	854,063	854,063	854,063	854,063
- Derivative financial instruments	8,036	55	8,036	55

The above table excludes receivables from KrisEnergy of S$109,513,000 which are referenced to USD LIBOR as the carrying amount of these receivables are primarily measured based on the expected recoveries for the Group. Refer to Note 11(b) for more details on the Group's investments in KrisEnergy and related exposures.

2.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

The financial statements of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated financial statements from their respective dates of obtaining control or ceasing control. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the fair value of the assets transferred, equity instruments issued, liabilities incurred or assumed at the date of exchange and the fair values of any contingent consideration arrangement and any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised in the profit and loss account as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests, except for deferred tax assets/liabilities, share-based related accounts and assets held for sale.

Any excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit and loss account on the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted and the difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group derecognises all assets (including any goodwill), liabilities and non-controlling interests at their carrying amounts. Amounts previously recognised in other comprehensive income in respect of that former subsidiary are reclassified to the profit and loss account or transferred directly to revenue reserves if required by a specific Standard. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in the profit and loss account.

On a transaction-by-transaction basis, the measurement of non-controlling interests is either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree.

Contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in the profit and loss account.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests in a subsidiary based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies (continued)

2.4 Fixed Assets

Fixed assets are initially stated at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss, if any. The cost initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent expenditure is added to the carrying amount only when it is probable that future economic benefits will flow to the entity and the cost can be measured reliably. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Profits or losses on disposal of fixed assets are included in the profit and loss account.

Depreciation of fixed assets is calculated on a straight-line basis to write off the cost of the fixed assets over their estimated useful lives. No depreciation is provided on freehold land and capital work-in-progress. The estimated useful lives of other fixed assets are as follows:

Buildings on freehold land	20 to 50 years
Buildings on leasehold land	Over period of lease (ranging from 10 to 50 years)
Vessels & floating docks	10 to 30 years
Plant, machinery & equipment	3 to 30 years
Networks and related application systems	5 to 25 years
Furniture, fittings & office equipment	2 to 15 years
Cranes	5 to 30 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Investment Properties

Investment properties comprise completed properties and properties under construction or re-development held to earn rental and/or for capital appreciation and right-of-use assets relating to leasehold land that is held for long term capital appreciation or for a currently indeterminate use. Investment properties are initially recognised at cost and subsequently measured at fair value, determined annually based on valuations by independent professional valuers, except for significant investment properties which are revalued on a half-yearly basis. Changes in fair value are recognised in the profit and loss account.

The cost of major renovations or improvements is capitalised and the carrying amounts of the replaced components are recognised in the profit and loss account.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit and loss account.

2.6 Subsidiaries

A subsidiary is an entity (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Investments in subsidiaries are stated in the financial statements of the Company at cost less accumulated impairment losses. On disposal of a subsidiary, the difference between net disposal proceeds and carrying amount of the investment is taken to profit or loss.

2.7 Associated Companies and Joint Ventures

An associated company is an entity, not being a subsidiary, over which the Group has significant influence, but not control.

A joint venture is an entity, not being a subsidiary, over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are stated in the Company's financial statements at cost less any impairment losses. On disposal of an associated company or a joint venture, the difference between net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment loss, if any. The Group's share of profit or loss and other comprehensive income of the associated company or joint venture is included in the consolidated profit and loss account and consolidated statement of comprehensive income respectively. The Group's share of net assets of the associated company or joint venture is included in the consolidated balance sheet.

When the Group's investment in an associated company or a joint venture is held by, or is held indirectly through, a subsidiary that is a venture capital organisation, or a mutual fund, unit trust and similar entities, the Group may elect to measure that investment at fair value through profit or loss. This election is made separately for each associated company or joint venture, at initial recognition of the associated company or joint venture.

Any excess of the cost of acquisition over the Group's share of net identifiable assets, liabilities and contingent liabilities of the associated company or joint venture recognised at the date of acquisition measured at their fair values is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net identifiable assets, liabilities and contingent liabilities measured at their fair values over the cost of acquisition, after reassessment, is recognised immediately in the profit and loss account as a bargain purchase gain.

2.8 Intangibles

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net identifiable assets acquired and the liabilities assumed measured at their fair values at acquisition date. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any impairment losses. If the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the profit and loss account as a bargain purchase gain.

Spectrum Rights

These comprise expenditure relating to one-time charges paid to acquire spectrum rights and telecommunications licenses or access codes. These intangible assets are measured initially at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Spectrum rights are amortised on a straight-line basis over the estimated economic useful life of 4 to 16 years.

Brand

The brand was acquired as part of a business combination completed in the prior financial year. The brand value will be amortised over the useful life which is estimated to be 30 years.

Customer Contracts and Customer Relationships

Customer contracts and customer relationships are identified and recognised separately from goodwill. The cost of customer contracts and relationships is at their fair value at the acquisition date and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred which are expected to generate future economic benefits are recognised as intangibles and amortised on a straight-line basis over their useful lives, ranging from 1 to 20 years.

Other Intangible Assets

Other intangible assets include development expenditure and internet protocol (IP) address, initially recognised at cost and subsequently carried at cost less accumulated amortisation. Costs incurred which are expected to generate future economic benefits are recognised as intangibles and amortised on a straight-line basis over their useful lives, ranging from 3 to 20 years.

Other intangible assets also include management rights which is initially recognised at cost upon acquisition and subsequently carried at cost less accumulated impairment losses, if any. The useful life of the management rights is estimated to be indefinite because management believes there is no foreseeable limit to the period over which the management rights is expected to generate net cash inflows for the Group.

2.9 Service Concession Arrangement

The Group has an existing service concession arrangement with a governing agency (the grantor) to design, build, own and operate a desalination plant in Singapore. Under the service concession arrangement, the Group will operate the plant for 25 years. At the end of the concession period, the grantor may require the plant to be handed over in a specified condition or to be demolished at reasonable costs borne by the grantor. Such service concession arrangement falls within the scope of SFRS(I) INT 12 *Service Concession Arrangements*.

The Group constructs the plant (construction services) used to provide public services and operates and maintains the plant (operation services) for the concession period as specified in the contract. The Group recognises and measures revenue in accordance with SFRS(I) 15 for the services it performs.

The Group recognises a financial asset arising from the provision of the construction services when it has a contractual right to receive fixed and determinable amounts of payments irrespective of the output produced. The consideration receivable is measured initially at fair value and subsequently measured at amortised amount using the effective interest method.

2. Significant accounting policies (continued)

2.10 Financial Assets

The Group classifies its financial assets in the following measurement categories:
- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Purchases and sale of financial assets are recognised on the trade date when the Group commits to purchase or sell the assets.

At initial recognition, the Group measures a financial asset at its fair value including, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the profit and loss account.

(i) Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade, intercompany and other receivables (excluding prepayments) and investments. Trade, intercompany and other receivables are stated initially at fair value and subsequently at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the profit and loss account when the asset is derecognised or impaired. Interest income from these financial assets is recognised in the profit and loss account using the effective interest rate method.

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in the profit and loss account in the period in which it arises.

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the profit and loss account. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit and loss account. Interest income from these financial assets is recognised in the profit and loss account using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in the profit and loss account in the period in which the changes arise. For equity investments where the Group has elected to recognise changes in fair value in OCI, movements in fair values are presented as "fair value changes" in OCI. Dividends from equity investments are recognised in the profit and loss account.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the profit and loss account. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to the profit and loss account.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in the profit and loss account if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sale proceeds would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and bank deposits which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.11 Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses arising from changes in fair value of derivative financial instruments that do not qualify for hedge accounting are taken to the profit and loss account.

For cash flow hedges, the effective portion of the gains or losses on the hedging instrument is recognised directly in other comprehensive income and accumulated in the hedging reserve, while the ineffective portion is recognised in the profit and loss account. Amounts taken to other comprehensive income are reclassified to the profit and loss account when the hedged transaction affects the profit and loss account.

For fair value hedges, changes in the fair value of the designated hedging instruments are recognised in the profit and loss account. The hedged item is adjusted to reflect change in its fair value in respect of the risk hedged, with any gain or loss recognised in the profit and loss account.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

2.12 Investments

Investments include equity investments classified as FVPL and FVOCI and debt investments classified as FVPL. See further in Note 2.10.

The fair value of investments that are traded in active markets is based on quoted market prices at the balance sheet date. The quoted market prices are the current bid prices. The fair value of investments that are not traded in an active market is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the underlying net asset value of the investee companies and discounted cash flow analysis.

2.13 Stocks

Stocks, consumable materials and supplies are stated at the lower of cost and net realisable value, cost being principally determined on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overheads expenditure, and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate temporary occupation permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

2.14 Contract Assets and Contract Liabilities

For contract where the customer is invoiced on a milestone payment schedule or over the period of the contract, a contract asset is recognised if the value of the contract work transferred by the Group exceed the receipts from the customer, and a contract liability is recognised if the receipts from the customer exceed the value of the contract work transferred by the Group.

2.15 Impairment of Assets

Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill included in the carrying amount of an associated company or joint venture is tested for impairment as part of the investment.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU"s) expected to benefit from the synergies of the combination. An impairment loss is recognised in the profit and loss account when the carrying amount of the CGU, including goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then, to reduce the carrying amount of the other assets in the unit on a pro-rata basis. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2. Significant accounting policies (continued)

Other Non-Financial Assets
Tangible and intangible assets are tested for impairment whenever there is any indication that these assets may be impaired.

Management rights are tested for impairment annually and whenever there is an indication that the management rights may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as impairment loss in the profit and loss account. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the profit and loss account.

2.16 Financial Liabilities and Equity Instruments
Financial liabilities include trade, intercompany and other payables, bank loans and overdrafts. Trade, intercompany and other payables are stated initially at fair value and subsequently carried at amortised cost. Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.22).

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2.17 Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Provision for warranties is set up upon completion of a contract to cover the estimated liability which may arise during the warranty period. This provision is based on service history. Any surplus of provision will be written back at the end of the warranty period while additional provisions, where necessary, are made when known. These liabilities are expected to be incurred over the applicable warranty periods.

Provision for claims is made for the estimated cost of all claims notified but not settled at the balance sheet date, less recoveries, using the information available at the time. Provision is also made for claims incurred but not reported at the balance sheet date based on historical claims experience, modified for variations in expected future settlement. The utilisation of provisions is dependent on the timing of claims.

2.18 Leases
When a Group company is the lessee
At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets
The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented as a separate line on the balance sheets. Right-of-use assets which meets the definition of an investment property is presented within "Investment Properties" and accounted for in accordance with Note 2.5.

Lease liabilities
The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments include the following:
- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option, if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Lease liabilities are presented as a separate line on the balance sheets.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:
- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases
The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments
Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises these lease payments in profit or loss in the periods that triggered such lease payments. Details of the variable lease payments are disclosed in Note 9.

Rent concessions
The Group has elected to apply the optional practical expedient under Amendments to SFRS(I) 16 *Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)*.

Under the practical expedient, the Group, as a lessee, has elected not to assess whether a rent concession is a lease modification, if all the following conditions are met:
- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- There is no substantive change to other terms and conditions of the lease.

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.

2.19 Assets classified as Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2.20 Revenue

Revenue consists of:
- Revenue recognised on rigbuilding, shipbuilding and repairs, property construction and long term engineering contracts;
- Sale of goods;
- Rendering of services; and
- Rental income from investment properties.

2. Significant accounting policies (continued)

Revenue recognition
The Group enters into rigbuilding, shipbuilding and repairs, property construction and long term engineering contracts with customers. These contracts are fixed in prices. Revenue is recognised when the control over the contract work is transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the contract work over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to-date.

The contract work, except for overseas property construction contracts, has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the contract work. For overseas property construction contracts, the Group does not have enforceable rights to payment arising from the contractual terms. Revenue from overseas property construction contracts is recognised at a point in time when the rights to payment become enforceable.

The measure of progress for rigbuilding contracts, and shipbuilding and repair contracts, is determined based on the estimation of the physical proportion of the contract work completed for the contracts with reference to engineers' estimates. The measure of progress for property construction and long term engineering contracts is determined based on the proportion of contract costs incurred to-date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress.

An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Revenue from sale of goods is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

Revenue from the rendering of services including electricity supply, logistic services, operations and maintenance under service concession arrangements, asset management fees, and telecommunication services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed or in accordance with terms of the service agreements.

Revenue arising from additional claims and variation orders, whether billed or unbilled, is recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claims or approve the variation orders, and the amount that it is probable will be accepted by the customer can be measured reliably.

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term.

2.21 Government Grants
Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.22 Borrowing Costs
Borrowing costs incurred to finance the development of properties and acquisition of fixed assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to the profit and loss account over the period of borrowing using the effective interest rate method.

For Singapore trading properties which the Group recognises revenue over time, borrowing costs on the portion of the property not ready for transfer of control to the purchasers are capitalised until the time when control is capable of being transferred to the purchasers.

2.23 Employee Benefits
Defined Contribution Plan
The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

Employee Leave Entitlement
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

Share Plans Scheme
The Group operates share-based compensation plans. The fair value of the employee services received in exchange for the grant of restricted shares and performance shares is recognised as an expense in the profit and loss account with a corresponding increase in the share plan reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair values of the restricted shares and performance shares granted on the respective dates of grant.

At each balance sheet date, the Group revises its estimates of the number of share plan awards that are expected to vest on the vesting dates, and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share plan reserve over the remaining vesting period.

No expense is recognised for share plan awards that do not ultimately vest, except for share plan awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When share plan awards are released, the share plan reserve is transferred to share capital if new shares are issued, or to the treasury shares account when treasury shares are re-issued to the employee.

2.24 Income Taxes

Current income tax is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, valuation of investment properties, unremitted offshore income and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset/liability is realised/settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss account, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over cost.

2.25 Foreign Currencies

Functional Currency
Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“functional currency”).

The financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore Dollars, which is the functional currency of the Company.

Foreign Currency Transactions
Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from translation of monetary assets and liabilities are taken to the profit and loss account. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign Currency Translation
For inclusion in the Group’s financial statements, the assets and liabilities of foreign subsidiaries, associated companies and joint ventures that are in functional currencies other than Singapore Dollars are translated into Singapore Dollars at the exchange rates ruling at the balance sheet date. Profit or loss of foreign subsidiaries, associated companies and joint ventures are translated into Singapore Dollars using the average exchange rates for the financial year. Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as assets and liabilities of the foreign subsidiaries, associated companies and joint ventures. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in Foreign Exchange Translation Account until disposal.

2. Significant accounting policies (continued)

Disposal or partial disposal of a foreign operation
On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associated company that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified from equity to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associated companies or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.26 Share Capital and Perpetual Securities
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When shares are reacquired by the Company, the amount of consideration paid and any directly attributable transaction cost is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in non-distributable capital reserve. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Perpetual securities which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

2.27 Segment Reporting
The Group has five main segments, of which there are six reportable operating segments, namely Offshore & Marine, Infrastructure & Others, Urban Development, Connectivity, Asset Management and Corporate & Others. Management monitors the results of each of the main segments for the purpose of making decisions on resource allocation and performance assessment.

2.28 Critical Accounting Judgments and Estimates

(a) Critical judgments in applying the Group's accounting policies
In the process of applying the Group's accounting policies, there is no instance of application of judgments which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations and as follows:

(i) Control over Keppel REIT
The Group has approximately 47% (2020: approximately 49%) gross ownership interest of units in Keppel REIT as at 31 December 2021. Keppel REIT is managed by Keppel REIT Management Limited ("KRML"), a wholly-owned subsidiary of the Group. The Group has provided an undertaking to the trustee of Keppel REIT to grant the other unitholders the right to endorse or re-endorse the appointment of directors of KRML at the annual general meetings of Keppel REIT. The Group has determined that it does not have control over Keppel REIT but continues to have significant influence over the investment.

(ii) Interest Rate Benchmark Reform – Phase 1
SOR
In calculating the change in fair value attributable to the hedged SGD borrowings, the Group assumes that:

- The existing floating-rate borrowings will move to SORA at the same time as the interest rate swaps (hedging instruments) with similar adjustment spreads;
- No other material changes to the terms of the borrowings and interest rate swaps are anticipated; and
- The interest rate swaps will not be derecognised.

Given that the critical terms are assumed to continue to match, the change in fair value of the hedged risk is the same as the change in fair value of the hedging instrument. Therefore, no hedge ineffectiveness is recognised as a result of the expected transition of the cash flow hedges from SOR to SORA.

USD LIBOR
In calculating the change in fair value attributable to the hedged USD borrowings, the Group assumes that:

- The existing floating-rate borrowings will move to SOFR at the same time as the interest rate swaps (hedging instruments) with similar adjustment spreads;
- No other material changes to the terms of the borrowings and interest rate swaps are anticipated; and
- The interest rate swaps will not be derecognised.

Given that the critical terms are assumed to continue to match, the change in fair value of the hedged risk is the same as the change in fair value of the hedging instrument. Therefore, no hedge ineffectiveness is recognised as a result of the expected transition of the cash flow hedges from USD LIBOR to SOFR.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(i) Coronavirus Disease 2019 ("COVID-19") and volatility in oil prices

The evolving situation of the COVID-19 pandemic, including emergence of new variants of the virus, and volatility in oil prices could impact the assessment of the carrying amounts of the Group's assets and liabilities. In the assessment for the current period, management has carried out a review to assess the assumptions used in the assessment of the carrying values of certain assets of the Group. Management has exercised judgment in determining the significant assumptions used and has relied on information currently available in the assessment of the appropriateness of the carrying values of the Group's assets as at 31 December 2021.

Should the COVID-19 situation take a longer than expected period to recover and/or the recovery of the dayrates or utilisation rates take a longer period or to a lower level than expected, the assessment of the carrying amounts of the assets of the Group could be impacted, and material provisions may be made and additional liabilities may arise in the subsequent financial years.

(ii) Recoverability of contract asset and receivable balances in relation to offshore & marine construction contracts

Contracts with Sete Brasil ("Sete")

The Group had previously entered into contracts with Sete for the construction of six rigs for which progress payments from Sete had ceased since November 2014. In April 2016, Sete filed for bankruptcy protection and its authorised representatives had been in discussion with the Group on the eventual completion and delivery of some of the rigs. In October 2019, the Settlement Agreement as well as the winning bid proposal for Magni Partners (Bermuda) Ltd ("Magni") to purchase four Sete subsidiaries, two of which are special-purpose entities ("SPEs") for uncompleted rigs constructed by the Group, was approved by the creditors. As part of the Settlement Agreement, which is subject to fulfilment of certain conditions precedent, the Group will take over ownership of remaining four uncompleted rigs and will be able to explore various options to extract the best value from these assets.

On 12 October 2021, the Group entered into a 2nd Supplemental Agreement to the Settlement Agreement in relation to the two SPEs and together with the Supplemental Agreement signed on 31 May 2021 for the four uncompleted rigs, essentially terminated all the EPC contracts and related agreements entered into in relation to the six rigs with no penalties, refunds and/or any additional amounts being due to any party, and the parties will waive all rights to any claims. The Group had obtained full title to the four uncompleted rigs, albeit two of which are still encumbered. Sete is to procure the release of the mortgage on the two encumbered rigs placed with the ship registry. The receivables the Group has with Sete of approximately US$260,000,000 shall be recognised as an undisputed debt and be recognised as part of the debt under the Judicial Reorganisation Plan. The outstanding amount will be paid to the Group proportionally and pari passu with other creditors of Sete as part of, and out of proceeds of, its Judicial Reorganisation Plan.

Management estimated the net present value of the cashflows relating to the construction contract for two rigs with Magni. In addition, management performed an assessment to estimate the cost of discontinuance of related agreements of the EPC contracts with Sete, offset by possible options in extracting value from the uncompleted rigs and possible payout from the Judicial Reorganisation Plan.

Arising from the above assessment, the loss allowance for trade debtors of $183,000,000 (2020: $183,000,000) and the provision for related contract costs of $245,000,000 (2020: $245,000,000) made in prior years remain adequate to address the cost of discontinuance, salvage cost and unpaid progress billings relating to EPC contracts with Sete.

2. Significant accounting policies (continued)

Taking into consideration cost of completion, cost of discontinuance, salvage cost and unpaid progress billings with regards to these rigs, the total cumulative loss recognised in relation to these rig contracts amounted to $476,000,000 as at 31 December 2021 (2020: $476,000,000).

The above assessment had been made with the following key assumptions:

(i) Petrobras will continue to require the rigs for execution of its business plans and will charter them at the dayrates and tenure previously agreed with Sete;
(ii) Magni or any other potential investor will be able to secure financing to complete the purchase of the rigs with Sete and complete the construction contract with the Group at the terms previously discussed with Magni; and
(iii) The future cost of construction of the rigs are not materially different from management's current estimation.

At the date of these financial statements, the Group continues to be in active discussion with relevant stakeholders as Sete negotiates with Petrobras. Should the conclusion of the negotiation result in significant changes to the key assumptions as disclosed above, additional material provision may be required, including adjustments to the net carrying amounts (net of total cumulative losses as described above) relating to the Sete contracts amounting to $157,449,000 as at 31 December 2021 (2020: $113,645,000).

Other contracts
As at 31 December 2021, the Group had several rigs that were under construction for customers where customers had requested for deferral of delivery dates of the rigs in prior years and have higher counterparty risks, amounting to $1,707,190,000 (2020: $1,653,547,000). In the event that the customers are unable to fulfill their contractual obligations, the Group can exercise the right to retain payments received to date and retain title to the rigs.

The Group had also delivered rigs to customers where receipt of the construction revenue have been deferred under certain financing arrangements, amounting to $791,952,000 as at 31 December 2021 (2020: $848,117,000) of which $791,952,000 (2020: $772,443,000) is secured on the rigs and $nil (2020: $75,674,000) is unsecured but the Group has obtained parental guarantee from the customers.

Management has assessed each deferred construction project individually to make judgment as to whether the customers will be able to fulfil their contractual obligations and take delivery of the rigs at the revised delivery dates. Management has also performed an assessment of the expected credit loss on contract assets and trade receivables of deferred projects and of rigs delivered on financing arrangements to determine if a provision for expected loss is necessary.

Whilst there are indicators of improvement during the year, the global economic environment continues to be significantly affected by COVID-19 and the oil and gas industry, in particular, has experienced an unprecedented and very difficult period as a result of lower expected demands. Management expects the full recovery for the industry to take some time. The Group remains cognizant of these developments and have been closely monitoring the market and industry developments relating to utilisation rates, dayrates, oil price outlook and other relevant information.

For the above contract assets and secured trade receivables, in the event that the customers are unable to fulfil their contractual obligations, management has considered the most likely outcome for the rigs delivered or under construction is for the Group to take possession of the asset and charter it out to work with an operator. The value of the rig on this basis would be based on an estimation of the value-in-use ("VIU") of the rig, i.e. through estimating the net present value of cash flows from operating the rig over the useful life of the asset.

Management has engaged independent professional firms to assist in their assessment on whether the VIU of the rigs exceed the carrying values of contract assets and trade receivables as at 31 December 2021. The VIU model used by the independent firm is consistent with prior years and is based on Discounted Cash Flow ("DCF") calculations that cover each class of rig. In addition to the independent firm responsible for the valuation based on DCF calculations, management has also engaged a separate industry expert to independently provide a view of the market outlook, assumptions and parameters which are used in the valuation based on estimation of VIU. Key inputs into the estimation of the VIU include dayrates, cost assumptions, utilisation rates, discount rates and estimated commencement of deployment of the assets. The valuation of the rigs would decrease if the expected income from operating the rigs decline, or discount rates were higher, or the estimated commencement of deployment were delayed.

Management has also appointed an independent financial advisor to conduct an assessment of the recoverability of unsecured receivables from a customer and secured receivables from another customer as at 31 December 2021.

Based on the results of the assessments, the Group did not recognise any (2020: $430,842,000) expected credit loss on contract assets, but recognised an expected credit loss allowance of $75,952,000 (2020: $169,611,000) on receivables during the financial year ended 31 December 2021 as follows:

		Financing to customers		
	Contract assets $'000	**Secured $'000**	**Unsecured $'000**	**Total $'000**
As at 31 December 2021				
Gross balance	**3,393,984**	**892,407**	**141,654**	**4,428,045**
Less: Expected credit loss				
Balance, 1 January	**432,541**	**99,162**	**62,921**	**594,624**
Currency alignment	**-**	**1,293**	**2,781**	**4,074**
Impairment charged	**-**	**-**	**75,952**	**75,952**
Balance, 31 December	**432,541**	**100,455**	**141,654**	**674,650**
Net balance	**2,961,443**	**791,952**	**-**	**3,753,395**
As at 31 December 2020				
Gross balance	2,933,715	871,605	138,595	3,943,915
Less: Expected credit loss				
Balance, 1 January	21,000	-	-	21,000
Currency alignment	-	(4,634)	(2,894)	(7,528)
Impairment charged	430,842	103,796	65,815	600,453
Reclassification (Note 16)	(19,301)	-	-	(19,301)
Balance, 31 December	432,541	99,162	62,921	594,624
Net balance	2,501,174	772,443	75,674	3,349,291

The valuations of the rigs based on estimated VIU were most sensitive to discount rates and dayrates.

- A discount rate of 7.6% has been used in the valuation as at 31 December 2021 (2020: 7%). An increase of 1% of the discount rate would increase the expected credit loss by approximately S$7,000,000 for the year (2020: S$7,000,000).
- A decrease in dayrates of US$5,000 per day across the entire asset useful life of 25 years would not increase the expected credit loss (2020: $nil).

(iii) Impairment of non-financial assets

Determining whether the carrying value of a non-financial asset is impaired requires an estimation of the value in use of the cash-generating units ("CGU"s). This requires the Group to estimate the future cash flows expected from the CGUs and an appropriate discount rate in order to calculate the present value of the future cash flows. Management performed impairment tests on fixed assets (Note 7), investments in subsidiaries (Note 10), investments in associated companies and joint ventures (Note 11), and intangibles (Note 14) as at 31 December 2021.

Management has performed the impairment assessment of its investments and related exposures in KrisEnergy Limited ("KrisEnergy"). Refer to Note 11(b) for more details on the impairment assessment of Group's investments in KrisEnergy.

Management has also performed an impairment assessment of the goodwill arising from acquisition of M1 Limited. Details of the impairment testing is disclosed in Note 14.

(iv) Revenue recognition and contract cost

The Group recognises contract revenue over time for rigbuilding contracts, and shipbuilding and repair contracts by reference to the estimation of the physical proportion of the contract work completed for the contracts with reference to engineers' estimates. The Group also recognises contract revenue over time for long term engineering contracts by reference to the proportion of contract costs incurred to-date to the estimated total contract costs. The stage of completion is measured in accordance with the accounting policy stated in Note 2.20. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately. Significant assumptions are required in determining the stage of completion and significant judgment is required in the estimation of the physical proportion of the contract work completed for the contracts; and the estimation of total costs on the contracts, including contingencies that could arise from variations to original contract terms and claims. In making the assumption, the Group evaluates by relying on past experience and the work of engineers. Revenue from construction contracts is disclosed in Note 25.

2. Significant accounting policies (continued)

(v) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet.

(vi) Claims, litigations and reviews

The Group entered into various contracts with third parties in its ordinary course of business and is exposed to the risk of claims, litigations, latent defects or review from the contractual parties and/or government agencies. These can arise for various reasons, including change in scope of work, delay and disputes, defective specifications or routine checks etc. The scope, enforceability and validity of any claim, litigation or review may be highly uncertain. In making its judgment as to whether it is probable that any such claim, litigation or review will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise.

EIG Energy Fund XIV, L.P., et al. v. Keppel Offshore & Marine Ltd., (United States District Court, Southern District of New York)

In February 2018, the Group was served a summons by eight investment funds ("Plaintiffs") managed by EIG Management Company, LLC ("EIG") where a civil action was commenced by the Plaintiffs pursuant to the Racketeer Influenced and Corrupt Organizations Act ("RICO") in the United States District Court, Southern District of New York. In April 2018, the Plaintiffs added, among other things, a state law claim for aiding and abetting fraud. In May 2020, the Court dismissed the Plaintiffs' civil RICO conspiracy claim but denied the Group's motion to dismiss the Plaintiff's claim on aiding and abetting fraud under New York state law. Consequently, the Plaintiffs currently seek US$221 million plus punitive damages, interest, attorney's fees, costs and disbursements, based on the remaining claim for aiding and abetting fraud.

Following completion of factual depositions, in late September 2021, the Plaintiffs and the Group have each served a motion for summary judgment, seeking judgment on the abovementioned claim which the Plaintiffs have presently quantified at approximately US$820 million in aggregate, including US$442 million in punitive damages and US$157 million as pre-judgment interest. Each party's opening brief, opposition brief and reply brief were filed with the Court on 2 November 2021. There currently is no scheduled hearing date for the summary judgment motions.

Based on the advice obtained from an external legal counsel, the remaining claim for aiding and abetting fraud is without merit and the Group will vigorously defend itself. As at the date of these financial statements, based on advice obtained from external legal counsel, it is premature to predict or determine the eventual outcome of this remaining claim and hence, the potential amount of loss cannot currently be assessed.

Termination of Two Mid-Water Semisubmersible Drilling Rig Contracts

A subsidiary of Keppel Offshore & Marine Ltd ("KOM subsidiary") terminated two contracts with subsidiaries of a customer for the construction of two mid-water semisubmersible drilling rig for harsh environment use:

(i) In June 2020, the buyer under the first of these contracts ("First Contract") alleged a breach of contract by the KOM subsidiary and purportedly terminated the First Contract and sought recovery of the payments already made to the KOM subsidiary with interest. The allegations by the buyer were refuted and the purported termination of the contract was rejected by the KOM subsidiary. The buyer subsequently failed to pay an instalment due under the First Contract. Non-payment of any instalment by the customer is a default in accordance with the First Contract, entitling the KOM subsidiary to terminate the First Contract, retain all payments received to date (approximately US$54 million), and seek compensation for the work done to date and claim ownership of the rig. The KOM subsidiary had therefore issued a notice of termination of the First Contract to the buyer and commenced arbitration to enforce its rights under the First Contract against the buyer.

(ii) In December 2020, the KOM subsidiary issued a notice of termination of the second of these contracts ("Second Contract") and commenced arbitration to enforce its rights under the Second Contract against the buyer, which rights include the right to retain the amounts already paid by the buyer to date of approximately US$43 million and to seek reimbursement of the KOM subsidiary's costs of the project to the date of termination.

Subsequent to the issuance of this notice of termination, the KOM subsidiary has received a notice from the buyer purporting to terminate the Second Contract, alleging breaches under the Second Contract. As it had already terminated the Second Contract, the KOM subsidiary's position is that the notice of termination can have no effect. In any event, the KOM subsidiary refutes the abovementioned allegations by the buyer in the notice.

The Group is working with legal advisors to enforce its rights and will continue to evaluate the potential financial impact in consultation with its advisors. Based on currently available information, including opinion from the legal advisors, no provision was made in respect of the recovery of the payments already made to the Group by the two buyers.

Global resolution with criminal authorities in relation to corrupt payments
In 2017, KOM reached a global resolution with the criminal authorities in the United States of America, Brazil and Singapore in relation to corrupt payments made in relation to KOM's various projects with Petrobras and Sete Brasil in Brazil, which were made with knowledge or approval of former KOM executives. Fines in an aggregate amount of US$422,216,980, or equivalent to approximately S$570 million, paid/payable had been allocated between the three jurisdictions.

As part of the global resolution, KOM accepted a Conditional Warning from the Corrupt Practices Investigation Bureau ("CPIB") in Singapore, and entered into a Deferred Prosecution Agreement ("DPA") with the U.S. Department of Justice ("DOJ"), while Keppel FELS Brasil S.A., a wholly-owned subsidiary of KOM, entered into a Leniency Agreement with the Public Prosecutor's Office in Brazil, the Ministerio Publico Federal ("MPF") which became effective following the approval of the Fifth Chamber for Coordination and Review of the MPF in April 2018. In addition, Keppel Offshore & Marine USA, Inc ("KOM USA"), also a wholly-owned subsidiary of KOM, pleaded guilty to one count of conspiracy to violate the U.S. Foreign Corrupt Practices Act and entered into a Plea Agreement with the DOJ.

KOM has successfully complied with its obligations under the DPA and the DPA has accordingly concluded on 22 December 2020. KOM has also been in compliance with its obligations under the Conditional Warning issued by the CPIB and the Leniency Agreement entered into with the MPF. As part of the applicable fines payable under the global resolution, a sum of US$52,777,122.50 (less any penalties that KOM may pay to specified Brazilian authorities) was payable to CPIB within three years from the date of the Conditional Warning and has been included in accrued expenses since FY 2017. The discussions with the specified Brazilian authorities remain ongoing, and CPIB has agreed to extend this three-year period for a further 12 months to 22 December 2021 and thereafter for a further 6 months to 22 June 2022.

In June 2020, the Office of the Comptroller General of Brazil ("CGU") published a notice in the Official Gazette ("Notice") to the effect that CGU has initiated an administrative enforcement procedure ("AEP") against KOM, Prismatic Services Ltd., Keppel FELS Ltd., Keppel FELS Brasil S.A., and BrasFELS S.A., in relation to alleged irregularities under the Brazilian Anti-Corruption Statute. Neither the Notice nor any summons has been served on any of the foregoing entities to date.

The Notice does not provide any factual particulars and the Company is therefore currently unable to assess the matter or its impact, if any. The Company understands from CGU that the AEP will not affect the ongoing negotiations with the Brazil authorities, and that the AEP has been suspended pending these ongoing discussions.

Based on currently available information, including opinion from the legal advisors, no additional provision was made in relation to the ongoing discussions with the specified Brazilian authorities.

Arbitration in relation to two Floating Production Storage and Offloading Units
Two of the Company's wholly-owned subsidiaries have received a request for arbitration from the customer ("Claimant") to two engineering, procurement and construction contracts relating to Floating Production Storage and Offloading units ("EPC Contracts"). The Claimant has withheld a total of approximately US$11.3 million due to the subsidiaries and has claimed a further amount of approximately US$38.2 million on the basis that the Claimant is allegedly entitled to a price reduction and remediation costs associated with defective equipment supplied under the EPC contracts (the "Claim").

The subsidiaries, in consultation with legal advisors, deny the Claimant's alleged right to such price reductions and the defective equipment and vehemently challenge the Claimant's right to withhold payments due to the subsidiaries and its supposed right to claim such price reductions. The subsidiaries intend to vigorously defend the claim and in addition, seek remedies, including counterclaims for the sums unduly withheld by the Claimant.

Based on currently available information, including opinion from the legal advisors, no provision was made in respect of the Claim as at 31 December 2021.

(vii) Useful lives of network and related application systems
The cost of network and related application systems is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimated the useful lives of these fixed assets to be within 5 to 25 years. These are common life expectancies applied in the telecommunications industry. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amounts of the Group's network and related application systems at the end of the reporting period are disclosed in Note 7 to the financial statements.

2. Significant accounting policies (continued)

(viii) Revaluation of investment properties
The Group carries its investment properties at fair value with changes in fair value being recognised in the profit and loss account, determined annually by independent professional valuers on the highest and best use basis except for significant investment properties which are revalued on a half-yearly basis.

For the purpose of the financial statements for the year ended 31 December 2021, valuations were obtained from the valuers for the Group's investment properties, and the resultant fair value changes were recognised in the profit and loss account.

In determining the fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, price of comparable plots and properties, estimated construction costs to complete, net initial yield and discount rate. The valuation reports obtained from independent valuers for certain properties have highlighted the uncertainty of the COVID-19 outbreak and material valuation uncertainty where a higher degree of caution should be attached to the valuation than would normally be the case. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions.

In relying on the valuation reports, management has exercised its judgment to ensure that the valuation methods and estimates are reflective of current market conditions. The carrying amount of investment properties and the key assumptions used to determine the fair value of the investment properties are disclosed in Notes 8 and 35.

(ix) Estimating net realisable value of stocks
The net realisable value of stocks represent the estimated selling price for these stocks less all estimated cost of completion and costs necessary to make the sale.

As at 31 December 2021, stocks under work-in-progress amounted to $1,289,838,000 (Note 15). The assessment of the carrying value of these stocks amounting to $1,137,665,000 were performed in conjunction with the recoverability assessment of contract assets based on a VIU approach as described in Note 2.28(b)(ii).

Based on the results of the VIU assessments, the Group did not recognise further impairment on stocks under work-in-progress for the financial year ended 31 December 2021 (2020: $41,508,000 and $50,000,000 in years prior to 2020).

The valuations of these stocks under work-in-progress based on estimated VIU were most sensitive to discount rates, dayrates and delay in charter start date.

- An increase of 1% of the discount rate would result in an impairment of approximately $46,500,000 (2020: $158,000,000).
- A decrease in dayrates of US$5,000 per day across the entire asset life of 25 years would not result in an impairment (2020: $21,000,000).
- A delay in charter start date of 12 months would result in an impairment of approximately $24,200,000 (2020: $85,000,000).

For properties held for sale, the allowance for foreseeable losses is estimated taking into account the net realisable values and estimated total construction costs. The net realisable values are based on recent selling prices for the development project or comparable projects or independent valuation and the prevailing market conditions less costs to be incurred in selling the property. The estimates and assumptions used are subject to risk and uncertainty in view of the economic uncertainty brought about by the COVID-19 pandemic. The estimated total construction costs include contracted amounts plus estimated costs to be incurred taking into consideration relevant data and trend. The allowance is progressively reversed for those residential units sold above their carrying amounts.

(x) Fair value measurement of unquoted investment funds
In determining the fair value of unquoted investment funds, the Group relies on the net asset values as reported in the latest available capital account statements provided by third-party fund managers.

The fund managers measure the fair value of underlying investments of the funds based on:

(i) Last quoted bid price for all quoted investments;
(ii) Valuation technique for unquoted investments where there is no active market.

Valuation techniques used by the third-party fund managers include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, comparable company approach, discounted cash flow analyses, option pricing models, and latest round of fund raising.

The availability of observable inputs can vary from investment to investment. For certain investments classified under Level 3 of the fair value hierarchy, the valuation could be based on models or inputs that are less observable or unobservable in the market and the determination of the fair values require significant judgement. Those estimated values do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future events which could not be reasonably determined as at the balance sheet date.

These unobservable inputs that require significant judgement have been disclosed in Note 35.

3. Share capital

	Group and Company			
	Number of Ordinary Shares ("Shares")			
	Issued Share Capital		Treasury Shares	
	2021	2020	**2021**	2020
Balance at 1 January	**1,820,557,767**	1,818,394,180	**(3,051,474)**	(2,014,736)
Issue of shares under share plans	**-**	2,163,587	**-**	-
Treasury shares transferred pursuant to share plans	**-**	-	**4,668,215**	2,829,890
Treasury shares purchased	**-**	-	**(2,560,000)**	(3,866,628)
Balance at 31 December	**1,820,557,767**	1,820,557,767	**(943,259)**	(3,051,474)

	Amount ($'000)			
	Issued Share Capital		Treasury Shares	
	2021	2020	**2021**	2020
Balance at 1 January	**1,305,668**	1,291,722	**(13,690)**	(14,009)
Issue of shares under share plans	**-**	13,946	**-**	-
Treasury shares transferred pursuant to share plans	**-**	-	**22,114**	19,359
Treasury shares purchased	**-**	-	**(13,048)**	(19,040)
Balance at 31 December	**1,305,668**	1,305,668	**(4,624)**	(13,690)

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends declared by the Company.

During the financial year, the Company transferred 4,668,215 (2020: 2,829,890) treasury shares to employees under vesting of Shares released under the KCL Share Plans. The Company also purchased 2,560,000 (2020: 3,866,628) treasury shares in the Company in the open market during the financial year. The total amount paid was $13,048,000 (2020: $19,040,000). Except for the transfer, there was no other sale, disposal, cancellation and/or use of treasury shares during the financial year.

KCL Share Plans

The KCL Performance Share Plan ("KCL PSP") and KCL Restricted Share Plan ("KCL RSP") were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 April 2010. The KCL Performance Share Plan 2020 ("KCL PSP 2020") and KCL Restricted Share Plan 2020 ("KCL RSP 2020") were approved by the Company's shareholders at the Annual General Meeting held on 2 June 2020, replacing the KCL PSP and KCL RSP respectively with effect from 2 June 2020. The KCL PSP and KCL RSP were terminated on the same day.

The share plans are administered by the Remuneration Committee whose members are:

Till Bernhard Vestring (Chairman)
Danny Teoh
Jean-François Manzoni

During the financial year, nil (2020: 25,641) Shares under the KCL Restricted Share Plan ("KCL RSP"), 2,955,417 (2020: 4,315,136) Shares under the KCL Restricted Share Plan – Deferred Shares ("KCL RSP-Deferred Shares"), 1,712,798 (2020: nil) Shares under the KCL Restricted Share Plan 2020 – Deferred Shares ("KCL RSP 2020-Deferred Shares") and nil (2020: 652,700) Shares under the KCL Performance Share Plan ("KCL PSP") were vested.

3. Share capital (continued)

Details of the KCL RSP, KCL RSP-Deferred Shares, KCL RSP 2020-Deferred Shares, KCL PSP, KCL PSP 2020, KCL PSP - Transformation Incentive Plan ("KCL PSP-TIP"), KCL PSP – M1 Transformation Incentive Plan ("KCL PSP-M1 TIP") and the KCL PSP 2020 - Transformation Incentive Plan ("KCL PSP 2020-TIP") are as follows:

	KCL RSP	**KCL RSP-Deferred Shares & KCL RSP 2020-Deferred Shares**	**KCL PSP & KCL PSP 2020**
Plan Description	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets at the end of a one-year performance period	Award of fully-paid ordinary shares of the Company	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year performance period
Performance Conditions	Return on Equity	-	(a) Absolute Total Shareholder's Return (b) Return on Capital Employed (c) Net Profit
Final Award	0% to 100% of the contingent award granted, depending on achievement of pre-determined targets	100% of the awards granted	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting Condition and Schedule	If pre-determined targets are achieved, awards will vest equally over three years subject to fulfilment of service requirements	Awards will vest equally over three years subject to fulfilment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the three-year performance period subject to fulfilment of service requirements

	KCL PSP-TIP	**KCL PSP-M1 TIP**	**KCL PSP 2020-TIP**
Plan Description	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a six-year performance period	Two separate awards of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year and six-year performance period respectively	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a five-year performance period
Performance Conditions	(a) Absolute Total Shareholder's Return (b) Corporate Scorecard Achievement comprising pre-determined stretched financial and non-financial targets for the Group (c) Individual Performance Achievement	(a) Net Profit (b) Corporate Scorecard Achievement comprising pre-determined stretched financial and non-financial targets for the Group (c) Net Promoter Score (d) Individual Performance Achievement	(a) Absolute Total Shareholder's Return (b) Corporate Scorecard Achievement comprising pre-determined stretched financial and non-financial targets for the Group (c) Individual Performance Achievement (d) Asset Monetisation and Cross-BU Revenue targets
Final Award	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting Condition and Schedule	If pre-determined targets are achieved, awards will vest at the end of the six-year performance period subject to fulfilment of service requirements. Performance conditions may be subject to re-testing at the end of the six-year performance period	If pre-determined targets are achieved, the two separate awards will vest at the end of the three-year and six-year performance period subject to fulfilment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the five-year performance period subject to fulfilment of service requirements. Performance conditions may be subject to re-testing at the end of the five-year performance period

Movements in the number of shares under the KCL RSP, KCL RSP-Deferred Shares, KCL RSP 2020-Deferred Shares, KCL PSP, KCL PSP-TIP, KCL PSP-M1 TIP, KCL PSP 2020 and the KCL PSP 2020-TIP are as follows:

	2021					
	KCL RSP 2020-Deferred Shares	**KCL PSP**	**KCL PSP-TIP**	**KCL PSP-M1 TIP**	**KCL PSP 2020**	**KCL PSP 2020-TIP**
Contingent awards/ Awards (KCL RSP-Deferred Shares & KCL RSP 2020-Deferred Shares)						
Balance at 1 January	**-**	**4,300,000**	**6,522,171**	**423,500**	**-**	**-**
Granted	**5,096,700**	**-**	**-**	**-**	**1,490,000**	**11,380,000**
Adjustments upon released	**(7,625)**	**-**	**-**	**-**	**-**	**-**
Released	**(5,089,075)**	**-**	**-**	**-**	**-**	**-**
Cancelled	**-**	**(128,120)**	**(355,465)**	**-**	**-**	**(240,000)**
Balance at 31 December	**-**	**4,171,880**	**6,166,706**	**423,500**	**1,490,000**	**11,140,000**

	2020			
	KCL RSP-Deferred Shares	**KCL PSP**	**KCL PSP-TIP**	**KCL PSP-M1 TIP**
Contingent awards / Awards (KCL RSP-Deferred Shares)				
Balance at 1 January	-	3,885,000	5,585,967	-
Granted	5,318,164	1,585,000	1,280,000	423,500
Adjustments upon released	(1,709)	(417,300)	-	-
Released	(5,316,455)	(652,700)	-	-
Cancelled	-	(100,000)	(343,796)	-
Balance at 31 December	-	4,300,000	6,522,171	423,500

	2021		2020	
	KCL RSP-Deferred Shares	**KCL RSP-2020 Deferred Shares**	KCL RSP	KCL RSP-Deferred Shares
Awards released but not vested:				
Balance at 1 January	**4,669,070**	**-**	26,241	3,912,564
Released	**-**	**5,089,075**	-	5,316,455
Vested	**(2,955,417)**	**(1,712,798)**	(25,641)	(4,315,136)
Cancelled	**(133,989)**	**(144,783)**	(600)	(244,813)
Other adjustments	**(3,015)**	**-**	-	-
Balance at 31 December	**1,576,649**	**3,231,494**	-	4,669,070

Executive Directors who are eligible for the KCL Share Plans are required to hold a minimum number of Shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

As at 31 December 2021, there were no awards released but not vested (2020: nil) under the KCL RSP, 1,576,649 (2020: 4,669,070) Shares under the KCL RSP-Deferred Shares that were released but not vested and 3,231,494 Shares released but not vested under the KCL RSP 2020-Deferred Shares. At the end of the financial year, the number of contingent award of Shares granted but not released was 4,171,880 (2020: 4,300,000) under the KCL PSP, 6,166,706 (2020: 6,522,171) under the KCL PSP-TIP, 423,500 (2020: 423,500) under the KCL PSP-M1 TIP, out of which 127,900 (2020: 127,900) is to be vested in three years and 295,600 (2020: 295,600) is to be vested in six years, 1,490,000 (2020: nil) under the KCL PSP 2020 and 11,140,000 (2020: nil) under the KCL PSP 2020-TIP.

Depending on the achievement of pre-determined performance targets, the actual number of Shares to be released could range from zero to a maximum of 6,257,820 under the KCL PSP, zero to a maximum of 9,250,059 under the KCL PSP-TIP, zero to a maximum of 635,250 under the KCL PSP-M1 TIP, zero to a maximum of 2,235,000 under the KCL PSP 2020, and zero to a maximum of 16,710,000 under the KCL PSP 2020-TIP.

The fair values of the contingent award of Shares under the KCL RSP-Deferred Shares, KCL RSP 2020-Deferred Shares, KCL PSP, KCL PSP-TIP, KCL PSP-M1 TIP, KCL PSP 2020 and the KCL PSP 2020-TIP are determined at the grant date using Monte Carlo simulation method which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility.

3. Share capital (continued)

On 15 February 2021, the Company granted awards of 5,096,700 Shares under the KCL RSP 2020-Deferred Shares and the estimated fair value of the Shares granted were $4.98. On 30 April 2021, the Company granted contingent awards of 1,490,000 Shares under the KCL PSP 2020 and the estimated fair value of the Shares granted was $4.18. On 30 July 2021, the Company granted contingent awards of 11,380,000 Shares under the KCL PSP 2020-TIP and the estimated fair value of the Shares granted was $1.95.

In the prior year, on 17 February 2020, the Company granted awards of 5,318,164 Shares under the KCL RSP-Deferred Shares and the estimated fair value of the Shares granted were $6.48. On 31 March 2020, the Company granted contingent awards of 1,585,000 Shares under the KCL PSP, on 28 February 2020, 1,280,000 Shares under the KCL PSP-TIP and on 17 February 2020, 423,500 Shares under the KCL PSP-M1 TIP. The estimated fair value of the Shares granted was $3.69 under the KCL PSP, $1.92 under the KCL PSP-TIP, $6.31 and $5.72 respectively under the KCL PSP-M1 TIP.

The significant inputs into the model are as follows:

	2021		
	KCL RSP 2020-Deferred Shares	**KCL PSP 2020**	**KCL PSP 2020-TIP**
Date of grant	**15.02.2021**	**30.04.2021**	**30.07.2021**
Prevailing share price at date of grant	**$5.15**	**$5.42**	**$5.49**
Expected volatility of the Company	**27.39%**	**27.18%**	**26.77%**
Expected term	**0.00 - 2.00 years**	**2.83 years**	**4.58 years**
Risk free rate	**0.30% - 0.34%**	**0.56%**	**0.77%**
Expected dividend yield	*	*	*

	2020			
	KCL RSP-Deferred Shares	**KCL PSP**	**KCL PSP-TIP**	**KCL PSP-M1 TIP**
Date of grant	17.02.2020	31.03.2020	28.02.2020	17.02.2020
Prevailing share price at date of grant	$6.72	$5.29	$6.34	$6.72
Expected volatility of the Company	23.89%	26.02%	24.07%	23.89%
Expected term	0.00 - 2.00 years	2.92 years	1.99 years	2.00 and 5.00 years
Risk free rate	1.48% - 1.50%	0.87%	1.28%	1.50% and 1.53%
Expected dividend yield	*	*	*	*

* Expected dividend yield is based on management's forecast.

The expected volatilities are based on the historical volatilities of the Company's share price over the previous 36 months immediately preceding the grant date. The expected term used in the model is based on the grant date and the end of the performance period.

4. Reserves

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Capital reserves				
Share option and share plans reserve	**198,151**	190,711	**198,151**	190,711
Fair value reserve	**(49,653)**	47,470	**24,100**	22,196
Hedging reserve	**(180,398)**	(218,544)	**(452)**	(1,911)
Bonus issue by subsidiaries	**40,000**	40,000	**-**	-
Others	**121,519**	116,094	**2,960**	(1,832)
	129,619	175,731	**224,759**	209,164
Revenue reserves	**10,365,733**	9,703,452	**8,271,057**	7,975,921
Foreign exchange translation account	**(141,256)**	(442,703)	**-**	-
	10,354,096	9,436,480	**8,495,816**	8,185,085

Movements in the Group's and the Company's reserves are set out in the Consolidated Statements of Changes in Equity. Movements in hedging reserve by risk categories are as follows:

	Foreign exchange risk $'000	Interest rate risk $'000	Price risk $'000	Total $'000
Group				
2021				
As at 1 January	**(48,621)**	**(205,610)**	**35,687**	**(218,544)**
Fair value changes arising during the year, net of tax	**(24,319)**	**85,466**	**(131,825)**	**(70,678)**
Realised and transferred to profit and loss account				
- Materials and subcontract costs	**16,021**	**-**	**(52,713)**	**(36,692)**
- Other operating income – net	**57,601**	**-**	**-**	**57,601**
- Interest expenses	**-**	**31,155**	**-**	**31,155**
- Other gains and losses	**(86)**	**22,595**	**-**	**22,509**
Share of associated companies and joint ventures' fair value changes	**1,800**	**32,451**	**-**	**34,251**
As at 31 December	**2,396**	**(33,943)**	**(148,851)**	**(180,398)**
2020				
As at 1 January	(10,425)	(89,236)	(93,203)	(192,864)
Transfer of hedging reserve from revenue reserve	(109)	-	(23,165)	(23,274)
Fair value changes arising during the year, net of tax	(50,212)	(119,894)	69,958	(100,148)
Realised and transferred to profit and loss account				
- Materials and subcontract costs	5,411	(319)	82,097	87,189
- Other operating income – net	15,319	848	-	16,167
- Interest expenses	-	26,424	-	26,424
- Exchange difference	(4,668)	-	-	(4,668)
Share of associated companies and joint ventures' fair value changes	(3,937)	(23,433)	-	(27,370)
As at 31 December	(48,621)	(205,610)	35,687	(218,544)

The changes in fair value of the hedging instruments approximate the changes in fair value of the hedged items, which resulted in minimal hedge ineffectiveness recognised in profit or loss except for additional information disclosed elsewhere in the financial statements.

5. Non-controlling interests

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	NCI percentage of ownership interest and voting interest		Carrying amount of NCI		Profit after tax allocated to NCI	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Konnectivity Pte. Ltd.	**20%**	20%	**304,313**	306,897	**6,999**	9,182
Other subsidiaries with immaterial NCI			**80,387**	120,549	**(23,039)**	(11,416)
Total			**384,700**	427,446	**(16,040)**	(2,234)

5. Non-controlling interests (continued)

Summarised financial information before inter-group elimination

	Konnectivity Pte. Ltd.	
	2021 $'000	2020 $'000
Non-current assets	**1,865,149**	2,396,955
Current assets	**641,450**	413,821
Non-current liabilities	**135,917**	331,564
Current liabilities	**485,153**	577,638
Net assets	**1,885,529**	1,901,574
Less: NCI	**(363,965)**	(367,088)
	1,521,564	1,534,486
Revenue	**1,096,177**	1,074,090
Profit for the year	**40,979**	51,544
Total comprehensive income	**45,841**	51,339
Net cash generated from operations	**273,921**	292,801
Net cash from/(used in) investing activities	**360,092**	(139,592)
Net cash used in financing activities	**(423,465)**	(191,737)
Total comprehensive income allocated to NCI	**7,396**	9,149
Dividends paid to NCI	**9,980**	13,110

During the financial year, the Group acquired additional interest in certain subsidiaries of the Company from its non-controlling interests. The following summarises the effect of the change in the Group's ownership interest on the equity attributable to owners of the Company:

	2021 $'000	2020 $'000
Amounts paid/payable on changes in ownership interest in subsidiaries	**(31,307)**	(660)
Non-controlling interest acquired	**19,385**	(2,334)
Total amount recognised in equity reserves	**(11,922)**	(2,994)

6. Perpetual Securities

On 16 September 2021, the Company issued subordinated perpetual securities with an aggregate principal amount of $400,000,000 and an initial distribution rate of 2.9% per annum. The distribution will be payable semi-annually in arrear unless deferred at the discretion of the Company and will be cumulative in accordance with the terms and conditions of the perpetual securities. The perpetual securities have no fixed redemption date and are redeemable in whole at the Company's option on 16 September 2024 or any subsequent semi-annual distribution payment dates thereafter, at their principal amount, together with any accrued, unpaid or deferred distributions.

Subject to the relevant terms and conditions of the perpetual securities, the Company can elect to defer distributions on these perpetual securities and is not subject to any limits as to the number of times a distribution can be deferred, unless it has:

(i) paid or declared discretionary dividends, distributions or other discretionary payment in respect of its ordinary shares; or
(ii) redeemed, cancelled, bought back or otherwise acquired ordinary shares (except in connection with any share scheme shares/options), during the six months ending on the day before the relevant distribution payment date.

If on any distribution payment date, payment of all distribution payments is not made in full, the Company shall not (i) pay or declare any dividends, distributions or other discretionary payment on its ordinary shares or (ii) redeem, reduce, cancel, buy-back or acquire ordinary shares (except in connection with any share scheme shares/options) until the Company has satisfied in full all outstanding arrears of distribution on these perpetual securities or is permitted to do so by an extraordinary resolution by the holders of the perpetual securities.

As the perpetual securities have no fixed redemption date and the payment of distributions is at the discretion of the Company, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

The Company recognised $398,120,000 of perpetual securities, net of transaction costs, after the issuance. As at 31 December 2021, the perpetual securities of $401,521,000 recognised within equity included accrued distributions for the perpetual securities.

7. Fixed assets

	Freehold Land & Buildings $'000	Buildings on Leasehold Land $'000	Vessels & Floating Docks $'000	Networks and Related Application Systems $'000	Plant, Machinery, Equipment & Others[(1)] $'000	Capital Work-in-Progress $'000	Total $'000
Group							
2021							
Cost							
At 1 January	118,113	1,913,994	526,939	724,319	2,208,740	179,257	5,671,362
Additions	1,621	6,262	144	106,519	90,816	103,423	308,785
Disposals	(1,581)	(2,787)	(2,774)	(749,377)	(21,258)	(32,157)	(809,934)
Write-off	-	(11,775)	-	-	(2,696)	(9,978)	(24,449)
Subsidiaries disposed	-	-	-	-	(208)	-	(208)
Reclassification							
- ROU asset	-	36,406	-	-	-	-	36,406
- Stocks	-	(19,642)	-	-	-	(19,999)	(39,641)
- Other fixed assets categories	(32,292)	81,434	(20,578)	(636)	26,658	(54,586)	-
- Asset held for sale (Note 37)	(69)	(142,955)	(55,340)	-	(79,558)	(4,303)	(282,225)
Exchange differences	(1,876)	22,602	6,795	-	8,866	(1,313)	35,074
At 31 December	83,916	1,883,539	455,186	80,825	2,231,360	160,344	4,895,170
Accumulated depreciation and impairment losses							
At 1 January	70,386	968,237	176,300	155,070	1,544,970	40,646	2,955,609
Depreciation charge	2,380	49,898	22,201	82,447	126,413	-	283,339
Disposals	(1,356)	(2,326)	(2,066)	(200,350)	(20,730)	-	(226,828)
Impairment	-	35,969	-	-	-	866	36,835
Write-off	-	(6,002)	-	-	(1,732)	-	(7,734)
Subsidiaries disposed	-	-	-	-	(186)	-	(186)
Reclassification							
- ROU asset	-	12,124	-	-	-	-	12,124
- Stocks	-	(10,094)	-	-	-	-	(10,094)
- Other fixed assets categories	(13,506)	21,845	(12,138)	(84)	3,883	-	-
- Asset held for sale (Note 37)	(30)	(118,729)	(16,834)	-	(71,867)	-	(207,460)
Exchange differences	(835)	5,306	3,652	-	5,917	1,151	15,191
At 31 December	57,039	956,228	171,115	37,083	1,586,668	42,663	2,850,796
Net Book Value	26,877	927,311	284,071	43,742	644,692	117,681	2,044,374

Included in freehold land & buildings are freehold land amounting to $6,264,000 (2020: $6,427,000).

Certain fixed assets with carrying amount of $116,755,000 (2020: $119,016,000) are mortgaged to banks for loan facilities (Note 23).

Interest capitalised during the financial year amounted to $nil (2020: $nil).

Each rigbuilding, shipbuilding and repair facilities in the Energy & Environment segment has been identified as individual CGUs. The recoverable amounts of these CGUs were determined using value-in-use models and valuation performed by independent professional firm. The value incorporated cash flow projections based on financial forecasts approved by management. Management had determined the forecasted cash flows based on past performance and its current expectations of market development. These cash flows were discounted at discount rates ranging from 6% to 20% (2020: 6% to 14%) per annum, depending on the location of the facilities.

In 2020, the recoverable amounts of the impaired assets amounted to a total of $146,304,000. The Group recognised an impairment loss of $19,694,000 on buildings on leasehold land in the Energy & Environment segment, which was based on the difference between the recoverable amount and the carrying value of the fixed assets.

During the year, the Group recognised an impairment loss of $35,969,000 (2020: $6,919,000) on buildings on leasehold land in the Urban Development segment, which was based on the difference between the recoverable amount and the carrying value of a fixed asset. The recoverable amount of $67,273,000 (2020: $106,960,000) was based on an independent external valuation, which was determined using value-in-use model. Cashflows used to determine the recoverable amount were discounted at a discount rate of 14.5% (2020: 14.0%) per annum.

7. Fixed assets (continued)

In 2020, the Group recognised an impairment loss of $9,555,000 on certain buildings and equipment in the Connectivity segment, due to lower recoverable amounts subsequent to sustained losses generated from these assets, as a result of weaker economic outlook which adversely affected fair values and expected returns of these assets. The recoverable amounts were assessed to be fair value less costs of disposal. The recoverable amounts of $65,543,000 was determined using a combination of cost replacement method, income capitalisation method and market comparison. The significant assumptions are capitalisation rate of 5.5% to 6.0% and price of comparable land at $35 per square metre. This is a Level 3 fair value measurement.

On 22 December 2021, the Group completed the sale of certain mobile, fixed and fibre assets (comprising passive infrastructure and network equipment) ("Network Assets") to M1 Network Private Limited ("M1NPL"), a jointly controlled entity of the Group, for a consideration of $580,000,000, an amount equivalent to the carrying amount of the Network Assets. On the same date, the Network Services Agreement ("NSA") between the Group and M1NPL became effective where M1NPL will provide the Group and its mobile virtual network operators ("MVNO") access to and use of the network capacity generated by the Network Assets for an initial period of 15 years. In addition, the Group will undertake the operations and maintenance of the Network Assets on behalf of M1NPL.

This Group had evaluated the economic and accounting implications of the agreements and concluded that:

(i) the Network Assets could be derecognised from the Group's financial statements as a sale to M1NPL in accordance with SFRS(I)1-16 *Property, Plant and Equipment* whereby M1NPL obtained control of the Network Assets as the Group's performance obligation under the agreement had been satisfied against the requirements under SFRS(I) 15 *Revenue from Contracts with Customers*; and
(ii) the NSA contract does not contain a lease in accordance with SFRS(I) 16 *Leases*. Accordingly, the NSA has been accounted for as a service contract.

	Freehold Land & Buildings $'000	Buildings on Leasehold Land $'000	Vessels & Floating Docks $'000	Networks and Related Application Systems $'000	Plant, Machinery, Equipment & Others[1] $'000	Capital Work-in-Progress $'000	Total $'000
Group							
2020							
Cost							
At 1 January	114,791	1,968,811	533,604	645,963	2,162,118	137,572	5,562,859
Additions	374	3,263	14,585	72,296	86,801	44,102	221,421
Disposals	-	(1,341)	(1,876)	(2,360)	(22,867)	(627)	(29,071)
Write-off	-	-	-	-	(3,029)	(11)	(3,040)
Subsidiaries acquired	-	-	-	-	-	-	-
Subsidiaries disposed	-	-	-	-	(621)	-	(621)
Reclassification							
- ROU asset	-	(6,281)	-	-	(142)	-	(6,423)
- Stocks	-	-	-	-	-	7,778	7,778
- Other fixed assets categories	859	10,379	(11,384)	8,420	2,352	(10,626)	-
- Asset held for sale (Note 37)	-	(58,764)	-	-	(623)	-	(59,387)
Exchange differences	2,089	(2,073)	(7,990)	-	(15,249)	1,069	(22,154)
At 31 December	118,113	1,913,994	526,939	724,319	2,208,740	179,257	5,671,362
Accumulated depreciation and impairment losses							
At 1 January	66,035	884,340	159,877	63,476	1,440,840	46,446	2,661,014
Depreciation charge:	2,869	50,002	15,582	91,823	134,710	-	294,986
Disposals	-	(1,214)	(1,876)	(226)	(20,901)	-	(24,217)
Impairment:	-	34,573	-	-	1,595	-	36,168
Write-off	-	-	-	-	(2,070)	-	(2,070)
Subsidiaries disposed	-	-	-	-	(429)	-	(429)
Reclassification							
- ROU asset	-	6,849	-	-	(42)	-	6,807
- Stocks	-	-	-	-	-	-	-
- Other fixed assets categories	(4)	456	6,592	-	(326)	(6,718)	-
- Asset held for sale (Note 37)	-	(4,701)	-	-	(526)	-	(5,227)
Exchange differences	1,486	(2,068)	(3,875)	(3)	(7,881)	918	(11,423)
At 31 December	70,386	968,237	176,300	155,070	1,544,970	40,646	2,955,609
Net Book Value	47,727	945,757	350,639	569,249	663,770	138,611	2,715,753

(1) Others comprise furniture, fittings and office equipment and cranes.

	Freehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[(2)] $'000	Total $'000
Company			
2021			
Cost			
At 1 January	**1,233**	**18,039**	**19,272**
Additions	**-**	**6,520**	**6,520**
Disposals	**-**	**(898)**	**(898)**
At 31 December	**1,233**	**23,661**	**24,894**
Accumulated depreciation and impairment losses			
At 1 January	**1,233**	**12,275**	**13,508**
Depreciation charge	**-**	**2,956**	**2,956**
Disposals	**-**	**(32)**	**(32)**
At 31 December	**1,233**	**15,199**	**16,432**
Net Book Value	**-**	**8,462**	**8,462**
2020			
Cost			
At 1 January	1,233	17,538	18,771
Additions	-	552	552
Disposals	-	(29)	(29)
Write-off	-	(22)	(22)
At 31 December	1,233	18,039	19,272
Accumulated depreciation and impairment losses			
At 1 January	1,233	10,265	11,498
Depreciation charge	-	2,047	2,047
Disposals	-	(29)	(29)
Write-off	-	(8)	(8)
At 31 December	1,233	12,275	13,508
Net Book Value	-	5,764	5,764

(2) Others comprise furniture, fittings and office equipment.

8. Investment properties

	Group	
	2021 $'000	2020 $'000
At 1 January	**3,674,075**	3,022,091
Development expenditure	**229,581**	266,219
Fair value gain (Note 27)	**238,458**	268,430
Reclassification		
- Assets held for sale (Note 37)	**-**	(650,062)
- Stocks (Note 15)	**3,544**	714,733
Exchange differences	**110,770**	52,664
At 31 December	**4,256,428**	3,674,075

The Group revalues its investment property portfolio on an annual basis except for significant investment properties which are revalued on a half-yearly basis. The fair value of investment properties is determined by external, independent professional valuers which have appropriate recognised professional qualifications and experience in the location and category of property being valued. Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

8. Investment properties (continued)

The Group's investment properties (including integral plant and machinery) are stated at management's assessments based on the following valuations (open market value basis) by independent firms of professional valuers as at 31 December 2021:

- Cushman & Wakefield VHS Pte Ltd and Knight Frank Pte Ltd for properties in Singapore;
- Cushman & Wakefield Shenzhen Valuation Company Limited and Beijing Colliers International Real Estate Valuation Co., Ltd for properties in China;
- KJPP Willson dan Rekan (an affiliate of Knight Frank) for properties in Indonesia;
- D&P Real Estate Services Company Limited (an affiliate of Colliers) for properties in Vietnam;
- Cushman & Wakefield India Pvt Ltd for a property in India; and
- Cushman & Wakefield V.O.F. for a property in the Netherlands.

Based on valuations performed by the independent valuers, management has analysed the appropriateness of the fair value changes.

Interest capitalised within development expenditure during the financial year amounted to $42,027,000 (2020: $24,526,000).

The Group has mortgaged certain investment properties of carrying value amounting to $1,875,368,000 as at 31 December 2021 (2020: $1,815,790,000) to banks for loan facilities (Note 23).

During the year, the Group reclassified $3,544,000 (2020: $714,733,000) from properties held for sale to investment properties upon change of use of the asset from property trading to holding for capital gain and/or rental yield.

9. Right-of-use assets (leases)

Leases

The Group as lessee

Leasehold land & buildings
The Group leases several lands, offices, retail stores and shipyards for use in its operations.

Plant, machinery, equipment & others
The Group leases equipment and vehicles for office and operation use, mainly in the Energy & Environment segment.

Base station sites
The Group leases base station sites to facilitate transmission of telecommunication services.

There are no externally imposed covenants on these lease arrangements.

Right-of-use assets

	Leasehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[1] $'000	Base Station Sites $'000	Total $'000
Group				
2021				
Net Book Value				
At 1 January	553,983	5,048	23,675	582,706
Additions	70,558	2,910	2,353	75,821
Depreciation	(63,928)	(2,666)	(3,584)	(70,178)
Write-off	(271)	-	-	(271)
Remeasurement	(5,452)	(43)	-	(5,495)
Reclassification				
- Fixed assets (Note 7)	(24,282)	-	-	(24,282)
- Assets held for sale (Note 37)	(32,192)	-	-	(32,192)
- Other right-of-use assets categories	(27)	27	-	-
Exchange differences	3,567	(46)	(414)	3,107
At 31 December	501,956	5,230	22,030	529,216

	Leasehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[1] $'000	Base Station Sites $'000	Total $'000
Group				
2020				
Net Book Value				
At 1 January	735,348	9,376	15,205	759,929
Additions	12,752	1,103	14,100	27,955
Depreciation	(56,373)	(3,620)	(5,378)	(65,371)
Impairment loss	(2,879)	-	-	(2,879)
Disposal	-	(27)	-	(27)
Write-off	(570)	(1,342)	-	(1,912)
Remeasurement	22,637	-	(252)	22,385
Reclassification				
- Fixed assets (Note 7)	13,230	-	-	13,230
- Assets held for sale (Note 37)	(154,281)	-	-	(154,281)
Exchange differences	(15,881)	(442)	-	(16,323)
At 31 December	553,983	5,048	23,675	582,706

(1) Others comprise furniture, fittings, office equipment and motor vehicles.

The right-of-use asset relating to the leasehold land presented under investment properties (Note 8) is stated at fair value and has a carrying amount at balance sheet date of $4,742,000 (2020: $7,916,000).

Total cash outflow for all the leases was $99,894,000 (2020: $85,747,000), comprising repayment of principal of $68,573,000 (2020: $53,413,000) and interest payment of $31,321,000 (2020: $32,334,000).

Certain right-of-use assets with carrying amount of $10,520,000 (2020: $11,105,000) are mortgaged to banks for loan facilities (Note 23).

	Leasehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[2] $'000	Total $'000
Company			
2021			
Net Book Value			
At 1 January	**11,031**	**173**	**11,204**
Depreciation	**(3,727)**	**(72)**	**(3,799)**
Additions	**338**	**28**	**366**
Remeasurement	**7,460**	**-**	**7,460**
At 31 December	**15,102**	**129**	**15,231**
2020			
Net Book Value			
At 1 January	12,620	213	12,833
Depreciation	(3,807)	(68)	(3,875)
Additions	2,218	28	2,246
At 31 December	11,031	173	11,204

(2) Others comprise office equipment.

Total cash outflow for all the leases was $4,211,000 (2020: $4,201,000), comprising repayment of principal of $3,885,000 (2020: $3,916,000) and $326,000 interest payment (2020: $285,000).

	Group	
	2021 $'000	2020 $'000
Lease expense not capitalised in lease liabilities		
Short-term leases	**14,429**	22,582
Low-value leases	**588**	892
Variable lease payments which do not depend on an index or rate	**666**	317

As at 31 December 2021, future cash outflows to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities include variable lease payments, $609,797,000 (2020: $496,808,000) for extension options and $57,086,000 (2020: $55,678,000) for committed leases which have yet to commence.

9. Right-of-use assets (leases) (continued)

The following table details the liquidity analysis for lease liabilities of the Group and the Company based on contractual undiscounted cash flows.

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Within one year	**99,073**	96,104	**4,181**	4,127
Within one to two years	**89,339**	86,291	**4,137**	4,052
Within two to five years	**205,076**	193,279	**8,941**	4,016
After five years	**365,741**	478,179	**-**	-
Total	**759,229**	853,853	**17,259**	12,195

The Group as lessor
The Group leases out properties, pipe service corridor racks and wayleaves facilities to non-related parties under non-cancellable operating leases. At the end of the reporting period, the Group's undiscounted future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables are as follows:

	Group	
	2021 $'000	2020 $'000
Within one year	**75,639**	64,501
In the second year	**68,126**	43,041
In the third year	**54,012**	38,305
In the fourth year	**30,662**	36,316
In the fifth year	**20,886**	21,869
After the fifth year	**62,346**	59,601
Total	**311,671**	263,633

10. Subsidiaries

	Company	
	2021 $'000	2020 $'000
Quoted shares, at cost		
Market value: $5,750,000 (2020: $5,800,000)	**493**	493
Unquoted shares, at cost	**8,442,349**	8,442,614
	8,442,842	8,443,107
Provision for impairment	**(449,056)**	(480,569)
	7,993,786	7,962,538

Movements in the provision for impairment of subsidiaries are as follows:

	Company	
	2021 $'000	2020 $'000
At 1 January	**480,569**	480,569
Charge to profit and loss	**18,487**	-
Reversal	**(50,000)**	-
At 31 December	**449,056**	480,569

Impairment of $18,487,000 (2020: $nil) made during the year mainly relates to an investment holding subsidiary that holds the loan receivable from KrisEnergy Limited. Based on the expected credit loss assessment as detailed in Note 11(b), an impairment provision on the loan receivable was recognised, resulting in the estimated recoverable amount of the subsidiary to be below the Company's cost of investment. The recoverable amount of $28,000 is based on fair value less costs of disposal which was determined using the net asset value of the subsidiaries. This is a Level 3 fair value measurement.

During the year, provision of impairment amounting to $50,000,000 (2020: $nil) was written-back as a result of increase in the estimated recoverable amount of subsidiaries mainly attributable to fair value gains from investments. The recoverable amount of $194,354,000 is based on fair value less costs of disposal which was determined using the net asset value of the subsidiaries. This is a Level 3 fair value measurement.

Information relating to significant subsidiaries consolidated in the financial statements is given in Note 40.

11. Associated companies and joint ventures

	Group 2021 $'000	Group 2020 $'000
Quoted shares, at cost Market value: $2,981,536,000 (2020: $2,945,022,000)	**2,277,137**	2,703,470
Unquoted shares, at cost	**3,006,644**	2,601,982
Loan receivable from associated company	**-**	156,553
	5,283,781	5,462,005
Provision for impairment	**(144,005)**	(152,509)
	5,139,776	5,309,496
Share of reserves post acquisition	**393,681**	6,719
Carrying amount	**5,533,457**	5,316,215
Unquoted shares, at fair value through profit or loss	**142,238**	148,529
Notes issued by associated companies (net of provision for impairment)	**245,000**	280,084
Advances to associated companies and joint ventures	**129,563**	245,785
	6,050,258	5,990,613

Notes issued by an associated company of $245,000,000 are unsecured and will mature in 2040. Interest is charged at 17.5% (2020: 17.5%) per annum. During the year, an impairment of $35,084,000 was recognised for notes issued by another associated company KrisEnergy Limited (Note 11(b)).

Advances to associated companies and joint ventures are unsecured and are not repayable within the next 12 months. Interest is charged at 3.0% (2020: 1.1% to 3.0%) per annum on interest-bearing advances.

Movements in the provision for impairment of associated companies and joint ventures are as follows:

	Group 2021 $'000	Group 2020 $'000
At 1 January	**152,509**	197,392
Impairment loss	**-**	9,486
Disposal	**(674)**	(18,733)
Reclassification to Investments	**(7,830)**	(35,640)
Exchange differences	**-**	4
At 31 December	**144,005**	152,509

Impairment loss made during the prior year mainly relates to the shortfall between the carrying amount of the costs of investment and the recoverable amount of certain associated companies.

The carrying amount of the Group's material associated companies and joint ventures, all of which are equity accounted for, are as follows:

		2021 $'000	2020 $'000
Keppel REIT	(a)	**1,953,614**	1,898,249
KrisEnergy Limited	(b)	**-**	35,084
Keppel DC REIT	(c)	**470,649**	420,124
Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited	(d)	**673,007**	636,366
Floatel International Limited	(e)	**262,146**	95,668
Other associated companies and joint ventures		**2,690,842**	2,905,122
		6,050,258	5,990,613

11. Associated companies and joint ventures (continued)

The summarised financial information of the material associated companies, not adjusted for the Group's proportionate share, based on its SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

(a) Keppel REIT

	2021 $'000	2020 $'000
Current assets	225,934	175,433
Non-current assets	8,261,750	7,588,935
Total assets	8,487,684	7,764,368
Current liabilities	273,276	223,179
Non-current liabilities	2,624,424	2,321,056
Total liabilities	2,897,700	2,544,235
Net assets	5,589,984	5,220,133
Less: Non-controlling interests	(723,796)	(721,783)
	4,866,188	4,498,350
Proportion of the Group's ownership	47%	49%
Group's share of net assets	2,264,724	2,206,891
Other adjustments	(311,110)	(308,642)
Carrying amount of equity interest	1,953,614	1,898,249
Revenue	216,606	170,223
Profit after tax	255,856	279
Other comprehensive income	23,459	24,911
Total comprehensive income	279,315	25,190
Fair value of ownership interest (if listed)**	1,943,429	1,872,365
Dividends received	98,865	69,808

** Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy)

(b) KrisEnergy Limited

Investments in KrisEnergy Limited and related exposure

	2021 $'000	2020 $'000
Equity interest	-	-
Zero-coupon notes	-	35,084
Total carrying amount of investment[4]	-	35,084
Trade receivable for production barge[1]	-	-
Loan receivable under CBA loan facility	-	77,193
Loan receivable under the revolving credit facility ("RCF")[2]	109,513	-
Advances for receivership funding[3]	5,876	-
Contract assets[1]	-	29,225
Total carrying amount of other related exposures	115,389	106,418
Other related exposure:		
Guarantee[2]	-	247,340
Non-current (excluding carrying amount of investment)	93,311	77,193

[1] In relation to a construction contract for a production barge for KrisEnergy. The exposure was reclassified from contract assets to receivable in June 2021 as a result of the Group exercising its rights to the production barge.

[2] Guarantee was in relation to a bilateral agreement between the Group and a bank, on a revolving credit facility (RCF) granted to KrisEnergy. KrisEnergy defaulted on the repayment of the RCF on 30 June 2021, on which the Group had made payment to the bank and recorded a loan receivable (net of impairment provision) from KrisEnergy.

[3] In relation to a short term interest free bridging facility extended to KrisEnergy (in receivership) for the purpose of its working capital requirements and receivership expenses.

[4] The summarised financial information in relation to KrisEnergy is not included as the carrying amount of the investment has been written down to $nil

KrisEnergy's ordinary shares were suspended from trading from the Singapore Exchange in August 2019. Whilst the scheme of arrangement was approved by different groups of creditors progressively in early 2021, KrisEnergy announced in April 2021 that consensual restructuring was no longer viable and even if the restructuring exercise was completed, there remained material uncertainty over KrisEnergy's ability to continue as a going concern. On 13 July 2021, KrisEnergy announced that the Grand Court of Cayman Islands had granted the approval for its winding-up petition.

The Group has a comprehensive first ranking security package over the assets of the KrisEnergy group through the RCF and CBA Loan Facility. With KrisEnergy in the process of winding up, the Group has implemented detailed recovery plans which were developed in consultation with its financial advisor, Borrelli Walsh (trading as "Kroll"), and legal advisor to preserve KrisEnergy's assets and to maximise recoveries for the Group. Amongst other things, the Group has appointed Borrelli Walsh as receiver over the assets of a number of members of the KrisEnergy group under the security package.

In assessing expected credit losses, management had reviewed the cash flow projections prepared by Borrelli Walsh, based on the estimated amount of cash available from producing assets to be held over the remaining lives of the concession period of 8.5 to 12 years and expected proceeds from assets to be sold, taking into account the rights to these cash flows from the secured assets on a receivership basis. The cash flow estimates from producing assets were based on forecasted production volumes and oil prices, determined by taking reference from external information sources, ranging from US$67 to US$73 per barrel for 2022 to 2033 (December 2020: US$50 to US$62 from 2021 to 2029). The estimated recoverable amounts for assets to be sold are based on the binding bids received from external parties.

The timing of the cash flows, estimated production volumes, expected proceeds from assets to be sold and discount rates used in assessing recoverable amounts are subject to risk and uncertainty.

Based on the assessment, an additional impairment provision of $317,999,000 was recognised for the year ended 31 December 2021. Taking into account the rights to the cash flows from the secured assets on a receivership basis as at 31 December 2021, the loss comprised expected credit loss of $282,915,000 on financial guarantee in relation to the bilateral agreement with the bank, receivables for production barge and CBA loan facility and the full impairment of the Group's investment in the zero-coupon notes of $35,084,000.

In the financial year ended 31 December 2020, management had performed an assessment which had taken into consideration the terms of restructuring and with KrisEnergy continuing as a going concern, and recognised an impairment charge of $39,200,000 on the investment in zero-coupon notes.

Management had also reviewed the cash flow projections prepared by Borelli Walsh and determined that the cash flow projections are most sensitive to the timing of withheld cash (December 2020: most sensitive to oil prices).

The existing cash from one of the producing assets under the security package have been withheld as the operator of this asset is performing a study on the estimated costs to decommission the asset at the end of field life in 2031. The study is expected to be completed in the first quarter of 2022 and a further assessment of the release of withheld cash is expected to be carried out in the same year. If the release of the withheld cash were delayed by an additional year, this would lead to a decrease in estimated recoverable amount of $3,000,000 but not result in additional impairment for the financial year ended 31 December 2021.

Based on the assessment performed for the financial year ended 31 December 2020, the estimated cash available from producing assets and forecasted production from assets under development would decrease if the oil prices were to decrease by 2% across the forecasted period of 2021 to 2029, and this would result in an additional impairment of $34,400,000.

(c) Keppel DC REIT

	2021 $'000	2020 $'000
Current assets	**262,188**	304,561
Non-current assets	**3,517,962**	3,045,267
Total assets	**3,780,150**	3,349,828
Current liabilities	**220,609**	233,618
Non-current liabilities	**1,223,865**	1,133,968
Total liabilities	**1,444,474**	1,367,586
Net assets	**2,335,676**	1,982,242
Less: Non-controlling interests	**(42,429)**	(37,590)
	2,293,247	1,944,652
Proportion of the Group's ownership	**20%**	21%
Group's share of net assets	**458,649**	407,405
Other adjustments	**12,000**	12,719
Carrying amount of equity interest	**470,649**	420,124
Revenue	**271,065**	265,571
Profit after tax	**321,573**	171,728
Other comprehensive income	**11,251**	7,491
Total comprehensive income	**332,824**	179,219
Fair value of ownership interest (if listed)**	**847,490**	961,363
Dividends received	**35,928**	22,367

** Based on the quoted market price at 31 December (Level 1 in the fair value hierarchy)

11. Associated companies and joint ventures (continued)

(d) Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited

	2021 $'000	2020 $'000
Current assets	**1,317,280**	1,173,770
Non-current assets	**539,024**	490,242
Total assets	**1,856,304**	1,664,012
Current liabilities	**384,913**	308,518
Non-current liabilities	**67,848**	26,475
Total liabilities	**452,761**	334,993
Net assets	**1,403,543**	1,329,019
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets	**701,772**	664,510
Other adjustments	**(28,765)**	(28,144)
Carrying amount of equity interest	**673,007**	636,366
Revenue	**369,357**	575,559
Profit after tax	**43,447**	147,871
Other comprehensive income	**-**	-
Total comprehensive income	**43,447**	147,871
Dividends received	**21,162**	38,471

(e) Floatel International Limited

	2021 $'000	2020 $'000
Current assets	**88,287**	109,865
Non-current assets	**878,785**	1,017,819
Total assets	**967,072**	1,127,684
Current liabilities	**52,381**	883,371
Non-current liabilities	**389,559**	366,279
Total liabilities	**441,940**	1,249,650
Net assets	**525,132**	(121,966)
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets	**262,146**	(60,885)
Carrying amount of equity interest	**262,146**	(60,885)
Loan receivable	**-**	156,553
	262,146	95,668
Revenue	**127,016**	112,384
Profit/(Loss) after tax	**322,163**	(730,863)
Other comprehensive loss	**(3)**	(19,419)
Total comprehensive income/(loss)	**322,160**	(750,282)
Dividends received	**-**	-

Investments in Floatel International Limited and related exposure

	2021 $'000	2020 $'000
Equity interest	**262,146**	-
Loan receivable	**-**	95,668
Total carrying amount	**262,146**	95,668
Other related exposure:		
Guarantee[1]	**119,386**	-

[1] In relation to a bilateral agreement between the Group and financial institutions, on the US$100 million revolving credit facility granted to Floatel.

On 24 March 2021, Floatel successfully completed its debt restructuring where Floatel retained its existing fleet of five operating vessels, substantially reduced its debt by approximately US$610 million and secured a new super senior US$100 million Revolving Credit Facility ("RCF") from financial institutions. Keppel Offshore & Marine Ltd ("KOM"), a wholly owned subsidiary of the Company, entered into participation agreements with these financiers that would require KOM to make whole for any loss the financiers suffer under this RCF.

Following the restructuring, KOM retains its equity interest of 49.92% in Floatel but forgave the loan receivable from Floatel amounting to notional amount of approximately US$244 million. The Group continues to equity account for Floatel's results and during the financial year ended 31 December 2021, the Group equity accounted for Floatel's profits amounting to $160,824,000. This comprised $269,125,000 gain from debt restructuring, $53,842,000 loss from vessel impairment and $54,459,000 losses from operations.

The significantly improved capital structure post debt restructuring has provided a runway for Floatel to recover and emerge financially stronger. Since completion of the restructuring, Floatel had also successfully won multiple charter contracts and extension option for its vessels. Accordingly, no further impairment loss was recognised on the Group's investment in Floatel for the financial year ended 31 December 2021.

(f) Other associated companies and joint ventures

Aggregate information about the Group's investments in other associated companies and joint ventures are as follows:

	2021 $'000	2020 $'000
Share of results	**108,411**	42,459
Share of other comprehensive income	**72,324**	17,903
Share of total comprehensive income	**180,735**	60,362

Information relating to significant associated companies and joint ventures, including information on principal activities, country of operation/incorporation and proportion of ownership interest, and whose results are included in the financial statements is given in Note 40.

12. Investments

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Investments at fair value through other comprehensive income ("OCI"):				
- Quoted equity units in a public infrastructure trust managed by a related company	**495,432**	495,432	**-**	-
- Quoted equity shares in oil and gas industry	**5,418**	7,819	**-**	-
- Quoted equity shares in other industries	**1,460**	1,361	**-**	-
- Unquoted equity shares in real estate industry	**70,871**	76,693	**24,100**	22,196
- Unquoted equity shares and funds in oil and gas industry	**28,134**	24,320	**-**	-
- Unquoted equity shares and funds in other industries	**27,018**	111,596	**-**	-
- Unquoted property funds managed by a related company	**100,029**	105,070	**-**	-
Total investments at fair value through OCI	**728,362**	822,291	**24,100**	22,196
Investments at fair value through profit or loss:				
- Quoted equity shares	**71,314**	66,014	**-**	-
- Unquoted equity shares and funds	**552,849**	246,848	**-**	-
- Unquoted bonds and debentures	**95,139**	94,339	**-**	-
Total investments at fair value through profit or loss	**719,302**	407,201	**-**	-
Total investments	**1,447,664**	1,229,492	**24,100**	22,196

Quoted equity units in a public infrastructure trust refers to the Group's investment in Keppel Infrastructure Trust which was reclassified from associated company to an investment carried at fair value through other comprehensive income arising from loss of significant influence in the previous financial year.

Unquoted investments at fair value through profit or loss included a bond amounting to $20,791,000 (2020: $21,887,000) bearing interest at 4% (2020: 4%) per annum which is maturing in 2027.

Unquoted investments at fair value through profit or loss included compulsorily convertible debentures amounting to $74,034,000 (2020: $72,452,000) bearing interest at rates ranging from 0.0001% to 10.0% (2020: 0.0001% to 10.0%) per annum which is maturing in 2022 and 2040 respectively.

13. Long term assets

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Derivative assets	**46,263**	48,723	**28,346**	39,288
Contract assets	**99,109**	73,458	**-**	-
Call option	**171,520**	156,643	**-**	-
Service concession receivable	**-**	353,586	**-**	-
Trade receivables	**791,952**	875,810	**-**	-
Other receivables	**238,510**	248,179	**94,161**	540
	1,347,354	1,756,399	**122,507**	39,828

Contract assets primarily relate to the Group's right to consideration for development units delivered to customers under the pay-and-stay scheme, as well as for handset and equipment delivered and accepted by customers but not yet billed at the reporting date. As at 1 January 2020, the Group's non-current contract assets amounted to $99,523,000.

The call option granted to the Group is in connection with the disposal of its 87.51% equity interest in Ocean Properties LLP (formerly known as Ocean Properties Private Limited) to Keppel REIT in 2011. The Group has an option to acquire the same shares exercisable at the price of $1 upon the expiry of 99 years from 14 December 2011 under the share purchase agreement. The call option may be exercised earlier upon the occurrence of certain specified events as stipulated in the call option deed. As at 31 December 2021, the fair value was determined by reference to the difference in valuations obtained from an independent professional valuer for the underlying investment property based on the remaining 840-year leasehold and 89-year leasehold (2020: based on the remaining 841-year leasehold and 90-year leasehold). The details of the valuation techniques and inputs used for the call option are disclosed in Note 35.

The service concession receivable relates to a service concession arrangement with a governing agency of the Government of Singapore (the grantor) to design, build, own and operate a desalination plant in Singapore, which has a capacity to produce 137,000 cubic metres of fresh drinking water per day. The plant has officially commenced operations on 29 June 2020. The Group has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period of 25 years irrespective of the output produced. At the end of the concession period, the grantor may require the plant to be handed over in a specified condition or to be demolished at reasonable costs borne by the grantor. For the financial year ended 31 December 2021, service concession receivable was reclassified as "assets classified as held for sale" (Note 37). In arriving at the carrying value of the service concession arrangement as at the end of the reporting year, effective interest rates of 4.15% (2020: 4.15%) per annum were used to discount the future expected cash flows.

Trade receivables are related to financing arrangements for delivered rigs where the Group has retained title. $377,660,000 (2020: $369,508,000) is due from one customer and bears floating interest at LIBOR plus a margin, and repayable in 2024 and 2025. The remainder is due from another customer, bears fixed interest and repayable in February 2024, December 2029 and on demand. The customer has options for early repayment. During the year, the Group recognised an expected credit loss allowance of $75,952,000 (2020: $169,611,000) on the trade receivables as detailed in Note 2.28(b)(ii). As at 1 January 2020, the Group's long term trade receivables amounted to $638,973,000.

Included in other receivables is an unsecured, interest-free advance to an investee which matures on 31 December 2024. In 2020, an allowance for expected credit loss of $21,979,000 was made after taking into account the financial condition of the investee.

Included in other receivables is a secured loan receivable under the revolving credit facility (net of impairment provision) from KrisEnergy Limited ("KrisEnergy"), an associated company under receivership, as disclosed in Note 11(b). In 2020, included in other receivables is a secured loan receivable from KrisEnergy repayable on 30 April 2024 and bears a fixed interest rate of 15.00% per annum.

Included in other receivables are claims receivable which represents claims from customer for long term contracts. During the year, the Group recognised $1,170,000 of allowance for expected credit loss on claims receivable arising from the discounting effects due to changes in the expected timing of receipt (2020: write back of allowance of $3,893,000).

The carrying amount of the long term assets approximates their fair value.

14. Intangibles

	Goodwill $'000	Development Expenditure $'000	Brand $'000	Spectrum Rights $'000	Customer Contracts and Relationships $'000	Others $'000	Total $'000
Group							
2021							
At 1 January	**1,047,558**	**16,749**	**260,601**	**124,553**	**141,652**	**17,711**	**1,608,824**
Additions	**-**	**910**	**-**	**27,504**	**-**	**4,673**	**33,087**
Amortisation	**-**	**(1,662)**	**(9,252)**	**(19,881)**	**(21,957)**	**(133)**	**(52,885)**
Reclassification	**-**	**(2,558)**	**-**	**-**	**2,558**	**-**	**-**
Exchange differences	**-**	**246**	**-**	**-**	**-**	**-**	**246**
At 31 December	**1,047,558**	**13,685**	**251,349**	**132,176**	**122,253**	**22,251**	**1,589,272**
Cost	**1,047,558**	**39,511**	**277,563**	**157,535**	**228,241**	**22,546**	**1,772,954**
Accumulated amortisation	**-**	**(25,826)**	**(26,214)**	**(25,359)**	**(105,988)**	**(295)**	**(183,682)**
	1,047,558	**13,685**	**251,349**	**132,176**	**122,253**	**22,251**	**1,589,272**
2020							
At 1 January	1,047,558	16,811	269,853	141,935	189,025	17,799	1,682,981
Additions	-	1,558	-	301	-	-	1,859
Impairment loss	-	-	-	-	(23,015)	-	(23,015)
Amortisation	-	(1,456)	(9,252)	(17,683)	(24,670)	(88)	(53,149)
Exchange differences	-	(164)	-	-	312	-	148
At 31 December	1,047,558	16,749	260,601	124,553	141,652	17,711	1,608,824
Cost	1,047,558	38,258	277,563	130,031	227,598	17,873	1,738,881
Accumulated amortisation	-	(21,509)	(16,962)	(5,478)	(85,946)	(162)	(130,057)
	1,047,558	16,749	260,601	124,553	141,652	17,711	1,608,824

Impairment testing of goodwill
For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGU"s).

Out of the total goodwill of $1,047,558,000, goodwill allocated from the acquisition of M1 Limited amounted to $988,288,000.

The recoverable amount of M1 as a CGU was determined based on its value-in-use using a discounted cash flow model based on cash flow projections by management covering a 5-year period, and cash flows beyond the 5-year period were extrapolated using a terminal growth rate of 1.48% (2020: 1.46%), premised on the estimated long term growth rate for the country where the CGU operates. Cash flows were discounted using a discount rate of 7% (2020: 7%) per annum.

The recoverable amount was estimated to be higher than the carrying value of the M1 CGU. Accordingly, no impairment of goodwill was recognised in 2021 and 2020. The calculation of value-in-use for the CGU is sensitive to the terminal growth rate and the discount rate applied. Any possible reasonable change in the terminal growth rate or discount rate used in the calculation of the value-in-use amount would not cause any impairment to goodwill.

Impairment of other intangibles
In 2020, the Group recognised an impairment loss of $23,015,000 on customer relationship in the Energy & Environment segment. In view that the subsidiary has been making losses since acquisition and the adverse global economic environment which was significantly affected by COVID-19, the recoverability of the intangible asset - customer relationship was uncertain. Accordingly, the intangible asset - customer relationship was fully impaired.

15. Stocks

		Group	
		2021 $'000	2020 $'000
Consumable materials and supplies		227,224	190,370
Finished products for sale		82,651	99,087
Work-in-progress (net of provision)		1,289,838	1,072,890
Properties held for sale	(a)	3,004,272	3,597,080
		4,603,985	4,959,427

For work-in-progress balances, the Group determines the estimated net realisable value based on arrangements to market the work-in-progress and discounted cash flow models. The provision for stocks to write down its carrying value to its net realisable value at the end of the financial year was $177,220,000 (2020: $146,202,000). See Note 2.28(b)(ix) for further disclosures on key estimates made in estimating NRV of the Group's work-in-progress.

(a) Properties held for sale

	Group	
	2021 $'000	2020 $'000
Properties under development		
Land cost	1,688,380	1,988,513
Development cost incurred to date	526,584	622,565
Related overhead expenditure	210,084	196,676
	2,425,048	2,807,754
Completed properties held for sale	600,140	809,313
	3,025,188	3,617,067
Provision for properties held for sale	(20,916)	(19,987)
	3,004,272	3,597,080

Movements in the provision for properties held for sale are as follows:

	Group	
	2021 $'000	2020 $'000
At 1 January	19,987	25,217
Charge to profit and loss account	583	2,252
Exchange differences	452	(127)
Amount written off	(106)	(1,253)
Subsidiary disposed	-	(6,102)
At 31 December	20,916	19,987

The allowance for foreseeable losses is estimated taking into account the net realisable values and estimated total construction costs. The net realisable values are based on recent selling prices for the development project or comparable projects or independent valuation and the prevailing market conditions less costs to be incurred in selling the property. The estimated total construction costs include contracted amounts plus estimated costs to be incurred taking into consideration relevant data and trend. The allowance is progressively reversed for those residential units sold above their carrying amounts.

As at 31 December 2021, properties amounting to $220,556,000 (2020: $274,452,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings as referred to in Note 23.

During the year, the Group reclassified $3,544,000 (2020: $714,733,000) from properties held for sale to investment properties due to change of use of the assets from property trading to holding for capital gain and/or rental yield. The Group also reclassified $29,547,000 (2020: $4,221,000) from fixed asset to properties held for sale due to change of use of the assets. In the prior year, $11,999,000 from properties held for sale were reclassified to fixed asset.

Interest capitalised during the financial year amounted to $17,499,000 (2020: $19,980,000) at rates of 0.79% to 0.95% (2020: 0.80% to 2.50%) per annum for Singapore properties and 1.50% to 7.00% (2020: 3.00% to 7.00%) per annum for overseas properties.

16. Contract assets/liabilities

	Group		
	31 December		1 January
	2021 $'000	2020 $'000	2020 $'000
Contract assets	**3,169,694**	2,657,231	3,497,476
Contract liabilities	**1,002,024**	2,072,303	1,824,965

In 2020, contract assets amounting to $447,337,000 (net of the expected credit loss allowance of $19,301,000) were reclassified to stocks – work-in-progress.

Contract assets relating to certain rig-building contracts where the scheduled dates of the rigs have been deferred and have higher counter-party risks amounted to $1,707,190,000 (2020: $1,653,547,000). See Note 2.28(b)(ii) – Other contracts for further disclosures on key estimates used in estimating the expected credit loss on these contract assets.

Contract liabilities included proceeds received from sale of properties of $535,334,000 (2020: $971,638,000). Remaining contract liabilities of $466,690,000 (2020: $1,100,665,000) are recorded when receipts from customers exceed the value of work transferred where the customer is invoiced on a milestone payment schedule.

Revenue recognised during the financial year ended 31 December 2021 in relation to contract liability balance at 1 January 2021 was $1,358,302,000 (2020: $816,736,000).

The aggregate amount of the transaction price allocated to the remaining performance obligation is $6,047,351,000 (2020: $5,490,832,000) and the Group expects to recognise this revenue over the next 1 to 4 years (2020: 1 to 4 years).

Movements in the allowance for expected credit loss for contract assets are as follows:

	Group		
	31 December		1 January
	2021 $'000	2020 $'000	2020 $'000
At 1 January	**432,541**	21,000	21,000
Charge to profit and loss account (Note 27)	**23,225**	430,842	-
Amount utilised	**(23,225)**	-	-
Reclassified to stocks - work-in-progress (Note 15)	**-**	(19,301)	-
At 31 December	**432,541**	432,541	21,000

17. Amounts due from/to

	Company	
	2021 $'000	2020 $'000
Subsidiaries		
Amounts due from		
- trade	**104,390**	112,547
- advances	**9,893,770**	9,698,763
	9,998,160	9,811,310
Allowance for expected credit loss	**(145,251)**	(6,600)
	9,852,909	9,804,710
Amounts due to		
- trade	**9,820**	4,138
- advances	**165,982**	197,821
	175,802	201,959
Movements in the allowance for expected credit loss are as follows:		
At 1 January	**6,600**	6,600
Charge to profit and loss account	**138,651**	-
At 31 December	**145,251**	6,600

Advances to and from subsidiaries are unsecured and are repayable on demand. Interest is charged at rates up to 4.00% (2020: up to 4.00%) per annum on interest-bearing advances.

17. Amounts due from/to (continued)

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Associated Companies and Joint Ventures				
Amounts due from				
- trade	169,612	160,987	32	152
- advances	453,932	349,170	22,078	-
	623,544	510,157	22,110	152
Allowance for expected credit loss	(31,800)	(16,888)	-	-
	591,744	493,269	22,110	152
Amounts due to				
- trade	44,017	49,213	882	-
- advances	242,068	286,695	-	-
	286,085	335,908	882	-
Movements in the allowance for expected credit loss are as follows:				
At 1 January	16,888	16,480	-	-
Charge to profit and loss account	14,912	408	-	-
At 31 December	31,800	16,888	-	-

Advances to and from associated companies and joint ventures are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.05% to 13.00% (2020: 0.09% to 15.00%) per annum on interest-bearing advances.

As at 1 January 2020, the Group's amount due from associated companies and joint ventures relating to trade amounted to $140,502,000.

18. Debtors

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade debtors	1,218,664	1,806,269	26	7
Allowance for expected credit loss	(233,267)	(241,871)	-	-
	985,397	1,564,398	26	7
Service concession receivable	-	8,780	-	-
Sundry debtors	348,227	277,912	726	1,044
Prepayments	129,802	159,834	87	85
Tax recoverable	7,755	5,029	-	-
Value Added Tax receivable	103,382	174,904	32	370
Interest receivable	25,973	17,043	-	21
Deposits paid	251,307	23,995	382	374
Recoverable accounts	62,337	39,142	5,637	8,166
Accrued receivables	361,846	225,951	3,073	2,206
Advances to subcontractors	19,340	48,037	8	-
Advances to non-controlling shareholders of subsidiaries	4,375	3,524	-	-
	1,314,344	984,151	9,945	12,266
Allowance for expected credit loss	(131,129)	(17,474)	-	-
	1,183,215	966,677	9,945	12,266
Total	2,168,612	2,531,075	9,971	12,273
Movements in the allowance for expected credit loss are as follows:				
At 1 January	259,345	277,534	-	-
Charge to profit and loss account	113,379	29,989	-	-
Amount written off	(15,966)	(43,707)	-	-
Subsidiaries disposed	-	(257)	-	-
Exchange differences	7,638	(4,034)	-	-
Reclassified to assets held for sale	-	(180)	-	-
Total	364,396	259,345	-	-

As at 1 January 2020, the Group's net trade debtors amounted to $1,685,857,000.

19. Short term investments

	Group 2021 $'000	Group 2020 $'000
Total investments at fair value through other comprehensive income:		
Quoted equity shares	**26,834**	35,802
Investments at fair value through profit or loss:		
Quoted equity shares	**269**	78,492
Unquoted debt instrument	**-**	20,340
Total investments at fair value through profit or loss	**269**	98,832
Total short term investments	**27,103**	134,634

Investments at fair value through other comprehensive income are mainly in the oil and gas industry listed in Singapore.

20. Bank balances, deposits and cash

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Bank balances and cash	**1,976,981**	1,211,166	**810**	574
Fixed deposits with banks	**1,348,400**	933,606	**-**	-
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and other liabilities	**72,991**	71,242	**-**	-
Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	**218,261**	263,701	**-**	-
	3,616,633	2,479,715	**810**	574

Fixed deposits with banks of the Group mature on varying periods, substantially between 3 days to 6 months (2020: 1 day to 6 months). This comprises Singapore Dollars fixed deposits of $268,451,000 (2020: $148,389,000) at interest rates substantially ranging from 0.05% to 0.25% (2020: 0.05% to 0.19%) per annum, and foreign currency fixed deposits of $1,079,949,000 (2020: $785,217,000) at interest rates substantially ranging from 0.10% to 5.40% (2020: 0.01% to 6.80%) per annum.

The bank balances at 31 December 2021 include an amount of $nil (2020: $107,000) pledged to a bank in relation to certain banking arrangement.

Cash and cash equivalents of $1,013,296,000 (2020: $763,958,000) held in the People's Republic of China are subject to local exchange control regulations. These regulations place restriction on the amount of currency being exported other than through dividends and capital repatriation upon liquidations.

21. Creditors and other non-current liabilities

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade creditors	**763,233**	746,994	**1,643**	1,433
Customers' advances and deposits	**85,277**	130,551	**-**	-
Sundry creditors	**924,520**	975,910	**5,186**	3,562
Accrued expenses	**2,947,496**	2,356,154	**57,514**	31,620
Advances from non-controlling shareholders	**144,971**	149,593	**-**	-
Retention monies	**187,078**	199,245	**-**	-
Interest payables	**46,213**	45,230	**28,180**	27,193
	5,098,788	4,603,677	**92,523**	63,808
Other non-current liabilities:				
Accrued expenses	**129,986**	94,164	**32,187**	24,114
Derivative liabilities	**98,422**	224,662	**70,777**	128,336
	228,408	318,826	**102,964**	152,450

Advances from non-controlling shareholders of certain subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.50% to 3.62% (2020: 1.80% to 4.94%) per annum on interest-bearing advances.

The carrying amount of the non-current liabilities approximates their fair value.

22. Provisions for warranties

	Group 2021 $'000	Group 2020 $'000
At 1 January	**39,449**	36,448
(Write-back)/Charge to profit and loss account	**(9,866)**	2,352
Amount utilised	**(252)**	(13)
Exchange differences	**(399)**	662
At 31 December	**28,932**	39,449

23. Term loans

		2021 Due within one year $'000	2021 Due after one year $'000	2020 Due within one year $'000	2020 Due after one year $'000
Group					
Keppel Corporation Medium Term Notes	(a)	**700,000**	**2,053,710**	-	2,653,932
Keppel Land Medium Term Notes	(b)	**199,978**	**709,403**	-	629,617
Keppel Telecommunications & Transportation Medium Term Notes	(c)	**-**	**100,000**	-	100,000
Keppel Corporation Commercial Paper	(d)	**128,000**	**-**	-	-
Bank loans					
- secured	(e)	**8,852**	**717,559**	110,485	596,215
- unsecured	(f)	**3,622,478**	**3,215,240**	4,322,117	3,626,830
		4,659,308	**6,795,912**	4,432,602	7,606,594
Company					
Keppel Corporation Medium Term Notes	(a)	**700,000**	**2,053,710**	-	2,653,932
Keppel Corporation Commercial Paper	(d)	**128,000**	**-**	-	-
Unsecured bank loans	(f)	**2,498,730**	**2,059,985**	3,406,552	1,875,085
		3,326,730	**4,113,695**	3,406,552	4,529,017

(a) At the end of the financial year, notes issued under the US$5,000,000,000 Multi-Currency Medium Term Note Programme by the Company amounted to $2,753,710,000 (2020: $2,653,932,000). The notes denominated in Singapore Dollars, US Dollars and Japanese Yen, are unsecured and comprised fixed rate notes due from 2022 to 2042 (2020: from 2022 to 2042) with interest rates ranging from 0.88% to 4.00% (2020: 0.88% to 4.00%) per annum.

(b) At the end of the financial year, notes issued under the US$3,000,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited and its wholly-owned subsidiary, Keppel Land Financial Services Pte. Ltd. amounted to $579,518,000 (2020: $329,767,000). The notes denominated in Singapore Dollars, are unsecured and comprised fixed rate notes due from 2023 to 2026 (2020: 2023), with interest rates ranging from 2.00% to 2.84% (2020: 2.68% to 2.84%) per annum.

At the end of the financial year, notes issued under the US$800,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited amounted to $329,863,000 (2020: $299,850,000). The notes denominated in Singapore Dollars, are unsecured and comprised fixed rate notes due from 2022 to 2024 (2020: 2022 to 2024) with interest rates ranging from 3.80% to 3.90% (2020: 3.80% to 3.90%) per annum.

(c) At the end of the financial year, notes issued under the $500,000,000 Multi-Currency Medium Term Note Programme by Keppel Telecommunications & Transportation Ltd, amounted to $100,000,000 (2020: $100,000,000). The fixed rate notes, due in 2024, are unsecured and carried an interest rate of 2.85% per annum from September 2017 to September 2022 and 3.85% per annum from September 2022 to September 2024 (2020: 2.85% per annum from September 2017 to September 2022 and 3.85% per annum from September 2022 to September 2024).

(d) At the end of the financial year, commercial papers issued under the US$1,000,000,000 Multi-Currency Euro Commercial Paper Programme by the Company amounted to $128,000,000 (2020: $nil). The commercial papers, which are denominated in Singapore Dollars, are unsecured and comprised fixed rate commercial papers due in 2022 (2020: n.a.) with interest rates ranging from 0.58% to 0.64% (2020: n.a.) per annum.

(e) The secured bank loans consist of:

- A term loan of $50,000,000 drawn down by a subsidiary. The term loan is repayable in 2023 and is secured on certain assets of the subsidiary. Interest is based on money market rates range of 0.90% to 2.28% per annum.

- A term loan of $42,732,000 drawn down by a subsidiary. The term loan is repayable in 2032 and is secured on certain assets of the subsidiary. Interest is based on money market rates range of 2.38% to 4.43% per annum.

- A term loan of $40,448,000 drawn down by a subsidiary. The term loan is repayable in 2033 and is secured on certain assets of the subsidiary. Interest is based on money market rates range of 2.38% to 4.43% per annum.

- A term loan of $370,536,000 drawn down by a subsidiary. The term loan is repayable in 2035 and is secured on certain assets of the subsidiary. Interest is based on money market rates of 4.31% per annum.

- Other secured bank loans totalling $222,695,000 (2020: $294,745,000) comprised $92,264,000 (2020: $84,088,000) of loans denominated in Singapore Dollars and $130,431,000 (2020: $210,657,000) of foreign currency loans. They are repayable within one to six (2020: one to seven) years and are secured on investment properties and certain fixed and other assets of the subsidiaries. Interest on foreign currency loans is based on money market rates ranging from 3.90% to 13.25% (2020: 0.70% to 13.25%) per annum.

(f) The unsecured bank loans of the Group totalling $6,837,718,000 (2020: $7,948,947,000) comprised $2,768,820,000 (2020: $4,972,916,000) of loans denominated in Singapore Dollars and $4,068,898,000 (2020: $2,976,031,000) of foreign currency loans. They are repayable within one to ten (2020: one to eleven) years. Interest on loans denominated in Singapore Dollars is based on money market rates ranging from 0.67% to 3.05% (2020: 0.58% to 3.08%) per annum. Interest on foreign currency loans is based on money market rates ranging from 0.06% to 10.95% (2020: 0.50% to 8.58%) per annum.

The unsecured bank loans of the Company totalling $4,558,715,000 (2020: $5,281,637,000) comprised $1,280,000,000 (2020: $3,142,000,000) of loans denominated in Singapore Dollars and $3,278,715,000 (2020: $2,139,637,000) of foreign currency loans. They are repayable within one to four years (2020: one to five years). Interest on loans denominated in Singapore Dollars is based on money market rates ranging from 0.71% to 1.28% (2020: 0.58% to 3.08%) per annum. Interest on foreign currency loans is based on money market rates ranging from 0.06% to 1.46% (2020: 0.50% to 3.24%) per annum.

The Group has mortgaged certain properties and assets of up to an aggregate amount of $2,223,200,000 (2020: $2,220,363,000) to banks for loan facilities.

The fair values of term loans for the Group and Company are $11,304,660,000 (2020: $12,014,024,000) and $7,312,908,000 (2020: $7,845,496,000) respectively. These fair values, under Level 2 of the fair value hierarchy, are computed on the discounted cash flow method using discount rates based upon the borrowing rates which the Group expect would be available as at the balance sheet date.

Loans due after one year are estimated to be repayable as follows:

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Years after year-end:				
After one but within two years	**1,652,688**	2,036,433	**889,922**	1,000,000
After two but within five years	**3,929,770**	4,038,732	**2,476,893**	2,379,017
After five years	**1,213,454**	1,531,429	**746,880**	1,150,000
	6,795,912	7,606,594	**4,113,695**	4,529,017

24. Deferred taxation

	Group 2021 $'000	Group 2020 $'000
Deferred tax liabilities	426,891	443,547
Deferred tax assets	(212,679)	(159,427)
Net deferred tax liabilities	214,212	284,120

Net deferred tax liabilities are determined by offsetting deferred tax assets against deferred tax liabilities of the same entities arising from same tax jurisdiction. Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has unrecognised deferred tax liabilities of $52,622,000 (2020: $61,237,000) for taxes that would be payable on the undistributed earnings of certain subsidiaries and associated companies as these earnings would not be distributed in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences.

The Group has unutilised tax losses and capital allowances of $1,035,843,000 (2020: $893,023,000) for which no deferred tax benefit is recognised in the balance sheet. These tax losses and capital allowances can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. Tax losses amounting to $276,311,000 (2020: $214,920,000) can be carried forward for a period of one to ten years subsequent to the year of the loss, while the remaining tax losses have no expiry date.

Movements in deferred tax liabilities and assets are as follows:

	At 1 January $'000	Charged/ (credited) to profit or loss $'000	Charged/ (credited) to other comprehensive income $'000	Subsidiaries disposed $'000	Reclassification $'000	Exchange differences $'000	At 31 December $'000
Group							
2021							
Deferred Tax Liabilities							
Accelerated tax depreciation	301,431	(101,324)	-	-	-	2,399	202,506
Investment properties valuation	116,697	46,223	-	-	-	7,237	170,157
Offshore income & others	82,773	5,132	(108)	(4,224)	-	3,669	87,242
Total	500,901	(49,969)	(108)	(4,224)	-	13,305	459,905
Deferred Tax Assets							
Other provisions	(113,103)	(3,099)	-	-	-	(1,323)	(117,525)
Unutilised tax benefits	(84,213)	(20,523)	-	-	-	(5,854)	(110,590)
Lease liabilities	(19,465)	1,785	-	-	-	102	(17,578)
Total	(216,781)	(21,837)	-	-	-	(7,075)	(245,693)
Net Deferred Tax Liabilities	284,120	(71,806)	(108)	(4,224)	-	6,230	214,212
2020							
Deferred Tax Liabilities							
Accelerated tax depreciation	295,789	9,906	-	-	(4,197)	(67)	301,431
Investment properties valuation	75,175	38,354	-	-	(148)	3,316	116,697
Offshore income & others	79,430	2,377	73	-	-	893	82,773
Total	450,394	50,637	73	-	(4,345)	4,142	500,901
Deferred Tax Assets							
Other provisions	(18,043)	(94,206)	(212)	-	-	(642)	(113,103)
Unutilised tax benefits	(88,146)	8,972	-	-	(4,701)	(338)	(84,213)
Lease liabilities	(21,631)	(51)	-	-	-	2,217	(19,465)
Total	(127,820)	(85,285)	(212)	-	(4,701)	1,237	(216,781)
Net Deferred Tax Liabilities	322,574	(34,648)	(139)	-	(9,046)	5,379	284,120

25. Revenue

	Group	
	2021 $'000	2020 $'000
Revenue from contracts with customers		
Revenue from construction contracts	2,269,719	1,705,056
Sale of property	1,538,477	1,176,590
Sale of goods	462,576	396,346
Sale of electricity, utilities and gases	3,050,539	1,912,901
Revenue from telecommunication services	702,263	714,894
Revenue from other services rendered	526,223	575,234
	8,549,797	6,481,021
Other sources of revenue		
Rental income from investment properties	74,916	93,321
	8,624,713	6,574,342

26. Staff costs

	Group	
	2021 $'000	2020 $'000
Wages and salaries	910,764	893,717
Employer's contribution to Central Provident Fund	81,021	77,722
Share plans granted to Director and employees	37,369	39,882
Other staff benefits	86,496	108,807
	1,115,650	1,120,128

27. Operating profit

Operating profit is arrived at after charging/(crediting) the following:

	Group	
	2021 $'000	2020 $'000
Included in materials and subcontract costs:		
Fair value (gain)/loss on		
- forward foreign exchange contracts	595	(3,430)
Cost of stocks & contract assets	1,390,762	1,051,028
Direct operating expenses		
- investment properties that generated rental income	32,507	36,473
Included in staff costs:		
Key management's emoluments		
(including executive directors' remuneration)		
- short-term employee benefits	11,928	9,728
- post-employment benefits	110	92
- share plans granted	10,872	10,203
Included in expected credit loss on debtors & receivables, contract assets and financial guarantee:		
Expected credit loss on debtors and receivables (Note 13 & 18)	194,356	219,668
Bad debts written-off	831	572
Expected credit loss on contract assets (Note 16)	23,225	430,842
Expected credit loss on financial guarantee	146,024	-

27. Operating profit (continued)

	Group	
	2021 $'000	2020 $'000
Included in other operating income - net:		
Government grant income	**(40,718)**	(155,284)
Impairment of associated companies (Note 11)	**35,082**	48,686
Impairment/write-off of fixed and intangible assets	**53,550**	62,075
Provision for stocks	**34,905**	50,502
Fair value gain on investment properties* (Note 8)	**(238,458)**	(265,230)
Fair value (gain)/loss on		
- investments	**(315,540)**	61,023
- forward foreign exchange contracts	**(1,129)**	(11,578)
Gain on differences in foreign exchange	**(6,532)**	(29,806)
(Profit)/Loss on sale of fixed assets	**(9,550)**	1,667
Profit on sale of investments	**(9,833)**	-
Gain on disposal of subsidiaries	**(241,054)**	(63,995)
Gain on disposal of associated companies and joint ventures	**(208,635)**	(34,419)
Gain from sale of units in associated companies	**-**	(48,010)
(Gain)/Loss from change in interest in associated companies	**(8,516)**	1,615
Fair value gain on remeasurement of remaining interest in a joint venture/an associated company	**(69,469)**	(26,034)
Gain from reclassification of associated companies to investments carried at fair value through other comprehensive income	**-**	(124,769)
Fees and other remuneration to Directors of the Company	**2,374**	2,323
Auditors' remuneration		
- auditors of the Company	**3,414**	3,545
- other auditors of subsidiaries	**2,088**	2,099
Non-audit fees paid to		
- auditors of the Company	**1,932**	1,730
- other auditors of subsidiaries	**209**	178

Government grant income of $17,202,000 (2020: $105,327,000) was recognised during the financial year under the Jobs Support Scheme ("JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

Gain on disposal of associated companies and joint ventures was mainly attributable to the divestment of Dong Nai Waterfront City LLC, Nanjing Jinsheng Real Estate Development Co., Ltd., Wuhu Sanshan Port Co., Ltd., and gain from divestment of interest in Keppel Logistics (Foshan) following agreement reached with local authorities on Lanshi port closure compensation. Dong Nai Waterfront City LLC was disposed to an associated company of the Group. In the prior year, gain on disposal of associated companies and joint ventures was mainly attributable to the sale of interest in Business Online Public Company Limited and Taicang Xuchang Property Co., Ltd.

The fair value gain on remeasurement of remaining interest in a joint venture arose from the partial disposal with loss of control over the Group's former wholly-owned subsidiary, Tianjin Fushi Property Development Co., Ltd. In the prior year, the fair value gain on remeasurement of remaining interest in an associated company arose from the partial disposal with loss of control over the Group's former wholly-owned subsidiary, Chengdu Hilltop Development Co Ltd.

* In 2020, the effect of rental guarantee of $3,200,000 to be provided to Keppel REIT, an associated company, as part of the sale consideration for Keppel Bay Tower Pte. Ltd was included in the fair value gain on Keppel Bay Tower.

28. Investment income, interest income and interest expenses

	Group	
	2021 $'000	2020 $'000
Investment income from:		
Shares - quoted	37,766	20,763
Shares / funds - unquoted	73,186	8,583
	110,952	29,346
Interest income from:		
Bonds, debentures, deposits and others	42,304	81,112
Associated companies and joint ventures	53,688	66,745
Service concession arrangement	14,382	14,196
	110,374	162,053
Interest expenses on notes, loans and overdrafts	(221,090)	(260,126)
Interest expenses on lease liabilities	(31,501)	(31,964)
Fair value gain/(loss) on interest rate caps and swaps	1,570	(176)
	(251,021)	(292,266)

29. Taxation

(a) Income tax expense

	Group	
	2021 $'000	2020 $'000
Tax expense comprised:		
Current tax	307,720	181,889
Adjustment for prior year's tax	(34,238)	(14,168)
Others	16,854	14,779
	290,336	182,500
Deferred tax (Note 24):		
Current deferred tax	(70,595)	(57,355)
Adjustment for prior year's tax	(1,211)	22,707
	(71,806)	(34,648)
Land appreciation tax:		
Current year	106,454	105,555
	324,984	253,407

The income tax expense on the results of the Group differ from the amount of income tax expense determined by applying the Singapore standard rate of income tax to profit before tax due to the following:

	Group	
	2021 $'000	2020 $'000
Profit/(Loss) before tax	1,334,996	(254,687)
Share of (profit)/loss of associated companies and joint ventures, net of tax	(466,900)	162,221
Profit/(Loss) before tax and share of profit of associated companies and joint ventures	868,096	(92,466)
Tax calculated at tax rate of 17% (2020: 17%)	147,576	(15,719)
Income not subject to tax	(155,990)	(102,858)
Expenses not deductible for tax purposes	217,497	216,061
Unrecognised tax benefits	26,387	37,444
Effect of different tax rates in other countries	45,128	30,774
Adjustment for prior year's tax	(35,449)	8,539
Land appreciation tax	106,454	105,555
Effect of tax reduction on land appreciation tax	(26,619)	(26,389)
	324,984	253,407

29. Taxation (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
At 1 January	**358,802**	248,425	**29,155**	31,523
Exchange differences	**14,632**	3,528	**-**	-
Tax expense	**307,720**	181,889	**8,474**	5,744
Adjustment for prior year's tax	**(34,238)**	(14,168)	**(5,300)**	(13,900)
Land appreciation tax	**106,454**	105,555	**-**	-
Net income taxes paid	**(259,964)**	(177,284)	**7,290**	5,788
Subsidiaries disposed	**(2,182)**	-	**-**	-
Reclassification				
- tax recoverable and others	**14,328**	19,803	**32**	-
- deferred tax	**-**	(4,701)	**-**	-
- liabilities directly associated with assets classified as held for sale	**(73)**	(4,245)	**-**	-
At 31 December	**505,479**	358,802	**39,651**	29,155

30. Earnings per ordinary share

	Group			
	2021 $'000		2020 $'000	
	Basic	**Diluted**	Basic	Diluted
Net profit/(loss) attributable to shareholders of the company	**1,022,651**	**1,022,651**	(505,860)	(505,860)
	Number of Shares '000		Number of Shares '000	
Weighted average number of ordinary shares (excluding treasury shares)	**1,820,424**	**1,820,424**	1,818,398	1,818,398
Adjustment for dilutive potential ordinary shares	**-**	**10,447**	-	9,267
Weighted average number of ordinary shares used to compute earnings per share (excluding treasury shares)	**1,820,424**	**1,830,871**	1,818,398	1,827,665
Earnings per ordinary share	**56.2 cts**	**55.9 cts**	(27.8) cts	(27.7) cts

31. Dividends

A final cash dividend of 21.0 cents per share tax exempt one-tier (2020: final cash dividend of 7.0 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2021 has been proposed for approval by shareholders at the next annual general meeting to be convened.

Together with the interim cash dividend of 12.0 cents per share tax exempt one-tier (2020: interim cash dividend of 3.0 cents per share tax exempt one-tier), total distributions paid and proposed in respect of the financial year ended 31 December 2021 will be 33.0 cents per share (2020: 10.0 cents per share).

During the financial year, the following distributions were made:

	$'000
A final cash dividend of 7.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the previous financial year	127,402
An interim cash dividend of 12.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the current financial year	218,350
	345,752

In the prior year, total distributions of $273,078,000 were made.

32. Commitments

(a) Capital commitments

	Group	
	2021 $'000	2020 $'000
Capital expenditure/commitments not provided for in the financial statements:		
In respect of contracts placed:		
- for purchase and construction of investment properties	**484,512**	179,635
- for purchase of fixed assets	**252,960**	6,426
- for purchase/subscription of shares	**548,066**	165,437
- for commitments to associated companies and joint ventures	**955,074**	1,011,055
- for commitments to private funds	**60,553**	77,939
Amounts approved by Directors in addition to contracts placed:		
- for purchase and construction of investment properties	**717,065**	931,732
- for purchase of fixed assets	**261,849**	265,833
- for purchase/subscription of shares mainly in property development companies	**32,015**	58,450
	3,312,094	2,696,507
Less: Non-controlling shareholders' share	**(118,362)**	(36,962)
	3,193,732	2,659,545

There was no significant future capital expenditure/commitment for the Company.

(b) Lessee's lease commitments

The Group has adopted SFRS(I) 16 *Leases* on 1 January 2019. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised on balance sheet. The right-of-use assets and lease liabilities are disclosed in Note 9.

33. Contingent liabilities and guarantees

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Guarantees in respect of banks and other loans granted to subsidiaries, associated companies and joint ventures	**561,896**	730,002	**655,005**	823,419
Bank guarantees	**348,074**	299,082	**-**	-
Share of lease rental guarantees granted by associated companies and joint ventures	**147,775**	172,518	**-**	-
	1,057,745	1,201,602	**655,005**	823,419

See Note 2.28(b)(vi) for further disclosures relating to the Group's claims and litigations.

Included in the above guarantees is a bilateral agreement between the Group and financial institutions which guaranteed a revolving credit facility granted to Floatel International Limited, an associated company, amounting to $119,386,000 (2020: $nil). The guarantee is secured on the assets of Floatel International Limited. See further details in Note 11(e).

In the prior year, the above guarantees included a bilateral agreement between the Group and a bank which guaranteed a bank loan granted to KrisEnergy Limited, an associated company, amounting to $247,340,000. The guarantee was secured on the assets of KrisEnergy Limited.

The financial effects of SFRS(I) 9 relating to financial guarantee contracts issued by the Company are not material to the financial statements of the Company and therefore are not recognised.

34. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group has significant related party transactions as follows:

	Group	
	2021 $'000	2020 $'000
Sales of goods, services and/or fixed assets to		
- associated companies	**138,885**	151,134
- joint ventures	**592,784**	36,574
- other related parties	**143,829**	77,721
	875,498	265,429
Purchase of goods and/or services from		
- associated companies	**266,007**	248,820
- joint ventures	**14,331**	6,527
- other related parties	**177,859**	130,038
	458,197	385,385
Treasury transactions with		
- associated companies	**1,401**	15,074
- joint ventures	**7,349**	7,294
	8,750	22,368

35. Financial risk management

The Group operates internationally and is exposed to a variety of financial risks, comprising market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Financial risk management is carried out by the Keppel Group Treasury Department in accordance with established policies and guidelines. These policies and guidelines are established by the Group Central Finance Committee and are updated to take into account changes in the operating environment. This committee is chaired by the Chief Financial Officer of the Company and includes Chief Financial Officers of the Group's key operating companies and Head Office specialists.

(a) Market Risk

(i) Derivative financial instruments

	Group			
		Fair Value		
	Contract notional amount $'000	**Asset $'000**	**Liability $'000**	**Notional amount directly impacted by IBOR reform $'000**
2021				
Cashflow hedges				
- Forward foreign currency contracts	**5,329,496**	**47,386**	**21,652**	**n.a.**
- Cross currency swaps	**1,200,775**	**387**	**55,955**	**-**
- Interest rate swaps	**3,912,772**	**26,343**	**32,094**	**2,140,817**
- HSFO forward contracts	**400,325**	**113,369**	**1,710**	**n.a.**
- Dated Brent forward contracts	**6,951**	**24**	**224**	**n.a.**
- Electricity futures contracts	**94,691**	**27**	**237,763**	**n.a.**

	Group		
		Fair Value	
	Contract notional amount $'000	**Asset $'000**	**Liability $'000**
2020			
Cashflow hedges			
- Forward foreign currency contracts	4,704,600	76,769	36,897
- Cross currency swaps	930,757	15,870	48,822
- Interest rate swaps	3,750,209	583	176,444
- HSFO forward contracts	476,200	70,890	17,517
- Dated Brent forward contracts	37,602	7,253	2,182
- Electricity futures contracts	43,492	1,763	1,950

The fair value of forward foreign currency contracts is determined using forward exchange market rates at the balance sheet date. The fair value of High Sulphur Fuel Oil ("HSFO") and Dated Brent forward contracts is determined using forward HSFO and Dated Brent prices provided by the Group's key counterparty. The fair value of electricity future contracts is determined based on the Uniform Singapore Energy Price quarterly base load electricity futures prices quoted on the Singapore Exchange. The fair value of interest rate caps and interest rate swaps are based on valuations provided by the Group's bankers.

(ii) **Currency risk**

The Group has receivables and payables denominated in foreign currencies via US Dollars, Renminbi and other currencies. The Group's foreign currency exposures arise mainly from the exchange rate movement of these foreign currencies against the functional currencies of the respective Group entities. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts, cross currency swap agreements and other foreign currency hedging instruments to hedge the Group's exposure to specific currency risks relating to investments, receivables, payables and other commitments. Group Treasury Department monitors the current and projected foreign currency cash flow of the Group and aims to reduce the exposure of the net position in each currency by borrowing in foreign currency and other currency contracts where appropriate.

As at the end of the financial year, the Group has outstanding forward foreign exchange contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the forward foreign exchange contracts. These fair value amounts are recognised as derivative assets and derivative liabilities. As at the end of the financial year, the Company has outstanding forward foreign exchange contracts with notional amounts totalling $4,956,170,000 (2020: $4,704,600,000). The net positive fair value of forward foreign exchange contracts is $22,105,000 (2020: net positive fair value of $39,872,000) comprising assets of $43,757,000 (2020: $76,769,000) and liabilities of $21,652,000 (2020: $36,897,000). These fair value amounts are recognised as derivative assets and derivative liabilities.

As at the end of the financial year, the Group has outstanding cross currency swap agreements. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the cross currency swap agreements. These fair value amounts are recognised as derivative assets and derivative liabilities.

Other than the above hedged foreign currency contracts, the unhedged currency exposure of financial assets and financial liabilities denominated in currencies other than the respective entities' functional currencies are as follows:

	2021				2020			
	USD $'000	RMB $'000	BRL $'000	Others $'000	USD $'000	RMB $'000	BRL $'000	Others $'000
Group								
Financial Assets								
Debtors	53,890	64,300	189	4,402	40,209	759	312,242	137,781
Investments	720,956	-	-	125,455	410,654	-	-	197,823
Bank balances, deposits & cash	567,102	408,536	34	210,797	490,693	613	37	121,781
	1,341,948	472,836	223	340,654	941,556	1,372	312,279	457,385
Financial Liabilities								
Creditors	111,854	603	13,903	8,189	40,885	1,105	19,538	11,381
Term loans	2,610,015	-	-	130,674	1,787,903	-	-	148,939
Lease liabilities	-	322	-	1,729	-	157	-	-
	2,721,869	925	13,903	140,592	1,828,788	1,262	19,538	160,320

	2021			2020		
	USD $'000	RMB $'000	Others $'000	USD $'000	RMB $'000	Others $'000
Company						
Financial Assets						
Debtors	1,071	58	-	1,274	71	-
Bank balances, deposits & cash	411,516	-	193,760	-	163	6
	412,587	58	193,760	1,274	234	6
Financial Liabilities						
Creditors	6,053	122	107	4,454	163	75
Term loans	2,610,015	-	130,674	1,784,895	-	97,662
Lease liabilities	-	322	-	-	157	-
	2,616,068	444	130,781	1,789,349	320	97,737

35. Financial risk management (continued)

Sensitivity analysis for currency risk
If the relevant foreign currency change against SGD by 5% (2020: 5%) with all other variables held constant, the effects will be as follows:

	Profit before tax		Equity	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Group				
USD against SGD				
- Strengthened	**(77,487)**	(72,729)	**8,315**	8,161
- Weakened	**77,487**	72,729	**(8,315)**	(8,161)
RMB against SGD				
- Strengthened	**23,596**	6	**-**	-
- Weakened	**(23,596)**	(6)	**-**	-
BRL against SGD				
- Strengthened	**(568)**	12,149	**-**	-
- Weakened	**568**	(12,149)	**-**	-
Company				
USD against SGD				
- Strengthened	**(89,827)**	(89,604)	**-**	-
- Weakened	**89,827**	89,604	**-**	-
RMB against SGD				
- Strengthened	**(19)**	(4)	**-**	-
- Weakened	**19**	4	**-**	-

(iii) Interest rate risk
The Group is exposed to interest rate risk for changes in interest rates primarily for debt obligations, placements in the money market and investments in bonds. The Group policy is to maintain a mix of fixed and variable rate debt instruments with varying maturities. Where necessary, the Group uses derivative financial instruments to hedge interest rate risks.

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from its Singapore dollar and US dollar variable rate term loans (Note 23). As at the end of the financial year, the Group has interest rate swap agreements. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the interest rate swap agreements for the Group. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group receives variable rates equal to Singapore Swap Offer Rate ("SOR"), Singapore Overnight Rate Average ("SORA") and the United States Dollar London Inter-bank Offer Rate ("USD LIBOR") (2020: SOR and LIBOR) and pays fixed rates of between 0.19% and 3.62% (2020: 0.19% and 3.62%) on the notional amount. These interest rate swap agreements are held for hedging interest rate risk arising from variable rate borrowings, with interest rates ranging from SOR, SORA and USD LIBOR. This amounts to 30% (2020: 26%) of the Group's total amount of borrowings excluding notional amounts of $470,419,000 (2020: $667,720,000) relating to highly probable future borrowings.

During the year, there was a loss of $23,065,000 (2020: $nil) on hedge ineffectiveness in the Energy & Environment segment.

Sensitivity analysis for interest rate risk
If interest rates increase/decrease by 0.5% (2020: 0.5%) with all other variables held constant, the Group's profit before tax would have been lower/higher by $17,560,000 (2020: $22,950,000) as a result of higher/lower interest expense on floating rate loans.

(iv) Price risk
The Group hedges against fluctuations arising on the purchase of natural gas that affect cost. Exposure to price fluctuations is managed via fuel oil forward contracts, whereby the price of natural gas is indexed to benchmark fuel price indices, HSFO 180-CST and Dated Brent. As at the end of the financial year, the Group has outstanding HSFO and Dated Brent forward contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the HSFO and Dated Brent forward contracts for the Group. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group hedges against fluctuations in electricity prices via its daily sales of electricity. Exposure to price fluctuations is managed via electricity futures contracts. As at the end of the financial year, the Group has outstanding electricity futures contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the electricity futures contracts. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group is exposed to equity securities price risk arising from equity investments classified as investments at fair value through profit or loss and investments at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis for price risk
If prices for HSFO and Dated Brent increase/decrease by 5% (2020: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been higher/lower by $25,601,000 (2020: $26,479,000) and $338,000 (2020: $2,118,000) respectively as a result of fair value changes on cash flow hedges.

If prices for electricity futures contracts increase/decrease by 5% (2020: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been lower/higher by $16,623,000 (2020: $2,154,000) as a result of fair value changes on cash flow hedges.

If prices for quoted investments increase/decrease by 5% (2020: 5%) with all other variables held constant, the Group's profit before tax would have been higher/lower by $3,579,000 (2020: $7,226,000) as a result of higher/lower fair value gains on investments at fair value through profit or loss, and the Group's fair value reserve in other comprehensive income would have been higher/lower by $26,458,000 (2020: $27,021,000) as a result of higher/lower fair value gains on investments at fair value through other comprehensive income.

The various sensitivity rates used in the sensitivity analysis for currency, interest rate and price risks represent rates generally used internally by management when assessing the various risks.

(v) Cash flow and fair value interest rate risk
The Group is exposed mainly to the Singapore Swap Offer Rate ("SOR") and the United States Dollar London Inter-bank Offer Rate ("USD LIBOR"). The greatest change will be amendments to the contractual terms of the SOR-referenced floating-rate loans and the associated swaps, the contractual terms of the USD LIBOR-referenced floating-rate loans and the associated swaps and the corresponding update of the relevant hedge designations. Amendments will also be made to the contractual terms of certain receivables that are IBOR-referenced. There is currently uncertainty around the timing and precise nature of these changes.

Hedging relationships for which 'Phase 1' amendments apply
The 'Phase 1' amendments provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly impacted by IBOR reform. The temporary reliefs would end when the uncertainty arising from IBOR reform is no longer present.

The Group has ascertained that IBOR uncertainty is still present with respect to its cash flow hedge of most SOR-linked borrowings and all USD LIBOR-linked borrowings with interest rate fixing dates falling after 30 June 2023, because the hedging instrument and the hedged item have not yet been transitioned to SORA and SOFR respectively.

The following Phase 1 reliefs are applied to the cash flow hedges linked to SOR and USD LIBOR:

- When considering the 'highly probable' requirement, the Group has assumed that the SOR interest rate and USD LIBOR interest rate on which the Group's respective hedged debts are based do not change as a result of IBOR reform;
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the SOR and USD LIBOR interest rates, on which the cash flows of the hedged debts and interest rate swaps that hedges these debts are based, are not altered by the IBOR reform; and
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

Hedging relationships for which 'Phase 2' amendments apply
The Group has judged that IBOR uncertainty is no longer present with respect to its cash flow hedge of S$200 million SOR-linked borrowings with interest rate fixing dates falling after 30 June 2023, once both the hedging instrument and the hedged item have been amended to the alternative benchmark rate with fixed adjustment spreads.

In the current year, the Group has applied the following hedge accounting reliefs provided by the Phase 2 amendments for its hedging relationships that have already transitioned from SOR to SORA:

- Hedge designation: When the Phase 1 amendments cease to apply, the Group has amended its hedge designation to reflect the following changes which are required by IBOR reform:
  - designating SORA as a hedged risk;
  - the contractual benchmark rate of the hedged SGD borrowing has been amended from SOR to SORA plus an adjustment spread; and
  - the variable rate of the hedging interest rate swap has been amended from SOR to SORA plus an adjustment spread.

  These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group amended its hedge designation for changes to its SOR borrowing that is required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve was deemed to be based on SORA. The amount is reclassified to profit or loss in the same periods during which the hedged SORA cash flows affect profit or loss.

35. Financial risk management (continued)

(b) Credit Risk

Credit risk refers to the risk that debtors will default on their obligation to repay the amount owing to the Group. A substantial portion of the Group's revenue is on credit terms that are consistent with market practice. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The credit policy spells out clearly the guidelines on extending credit terms to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered. The Group's policy does not permit non-secured credit risk to be significantly centralised in one customer or a group of customers.

The Group assesses on a forward-looking basis the ECLs associated with its financial assets which are mainly debtors, amounts due from associated companies and joint ventures and bank balances, deposits and cash.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. These events include probability of insolvency, significant financial difficulties of the debtor and default or significant delay in payments.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group uses a provision matrix to measure the ECLs. In measuring the ECLs, assets are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

The Group's credit risk exposure in relation to debtors under SFRS(I) 9 as at 31 December 2021 and 2020 that have not been assessed on a contract-by-contract basis are set out in the provision matrix as follows:

		Trade receivables				
	Contract assets $'000	Current $'000	1 to 3 months $'000	3 to 6 months $'000	> 6 months $'000	Total $'000
2021						
Energy & Environment						
Expected loss rate	-	1.8%	16.0%	8.7%	17.7%	
Gross carrying amount	-	99,065	10,442	2,862	13,669	126,038
Loss allowance	-	1,801	1,666	249	2,416	6,132
Connectivity						
Expected loss rate	1.7%	0.4%	2.7%	12.0%	35.5%	
Gross carrying amount	145,297	155,142	60,841	8,102	31,636	401,018
Loss allowance	2,402	684	1,664	970	11,245	16,965
2020						
Energy & Environment						
Expected loss rate	-	2.3%	10.0%	21.6%	30.5%	
Gross carrying amount	-	85,649	20,470	1,583	5,893	113,595
Loss allowance	-	1,932	2,052	342	1,798	6,124
Connectivity						
Expected loss rate	1.4%	0.4%	2.7%	19.7%	29.3%	
Gross carrying amount	177,642	123,005	42,643	14,665	24,851	382,806
Loss allowance	2,402	543	1,165	2,894	7,281	14,285

For the remaining subsidiaries which transact with low volume of customers and customers are monitored individually for credit loss assessment, the receivables (including concession service receivable and contract assets) are assessed individually for lifetime expected credit losses at each reporting date. In calculating the expected credit loss, the Group uses a probability-weighted amount that is determined by evaluating a range of possible outcomes. The possible outcomes include an unbiased estimate of the possibility that a credit loss occurs and the possibility that no credit loss occurs even if the most likely outcome is no credit loss.

Individual customer will be evaluated periodically for its credit risk and the credit risk assessment is based on historical, current and forward-looking information such as:

- Historical financial and default rate of the customer
- Any publicly available information on the customer
- Any macroeconomic or geopolitical information relevant to the customer
- Any other objectively supportable information on the quality and abilities of the customer's management relevant for its performance

Urban Development
For investment properties, the Group manages credit risks arising from tenants defaulting on their rental by requiring the tenants to furnish cash deposits, and/or banker's guarantees. The Group also has a policy of regular review of debt collection and rental contracts are entered into with customers with an appropriate credit history.

In measuring the ECL, trade debtors and contract assets are grouped based on shared credit risk characteristics and days past due. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors and contract assets are written off when there is no reasonable expectation of recovery.

Debtors and amounts due from associated companies and joint ventures that are neither past due nor impaired are substantially companies with good collection track record with the Group or have strong financial capacity.

As at 31 December 2021 and 31 December 2020, there was no significant concentration of credit risks.

Asset Management
The Group minimises credit risk by dealing with companies with good payment track record and by placing cash balances with financial institutions.

In respect of credit exposure to the associated companies and joint ventures, the Group minimises credit risk through regular monitoring of the associated companies and joint ventures' financial standing.

As at 31 December 2021 and 2020, there are no significant financial assets that are past due and/or impaired.

35. Financial risk management (continued)

(c) Liquidity Risk

Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, internally generated cash flows, and the availability of funding resources through an adequate amount of committed credit facilities. Group Treasury Department also maintains a mix of short-term money market borrowings and medium/long term loans to fund working capital requirements and capital expenditures/investments. Due to the dynamic nature of business, the Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time.

Information relating to the maturity profile of loans is given in Note 23. The following table details the liquidity analysis for derivative financial instruments and borrowings of the Group and the Company based on contractual undiscounted cash inflows/ (outflows).

	Within one year $'000	Within one to two years $'000	Within two to five years $'000	After five years $'000
Group				
2021				
Gross-settled forward foreign exchange contracts				
- Receipts	**4,734,239**	**309,972**	**318,068**	**-**
- Payments	**(4,683,873)**	**(306,151)**	**(311,080)**	**-**
Gross-settled cross currency swaps				
- Receipts	**16,035**	**17,960**	**26,006**	**959**
- Payments	**(26,676)**	**(25,890)**	**(31,473)**	**(2,345)**
Net-settled interest rate swaps				
- Receipts	**3,248**	**10,945**	**25,618**	**220**
- Payments	**(37,930)**	**(12,300)**	**(18,119)**	**(22,517)**
Net-settled HSFO forward contracts				
- Receipts	**98,110**	**14,978**	**281**	**-**
- Payments	**(1,424)**	**(286)**	**-**	**-**
Net-settled Dated Brent forward contracts				
- Receipts	**1**	**23**	**-**	**-**
- Payments	**(101)**	**(77)**	**(46)**	**-**
Net-settled electricity futures contracts				
- Receipts	**27**	**-**	**-**	**-**
- Payments	**(213,941)**	**(23,822)**	**-**	**-**
Borrowings	**(4,840,394)**	**(1,800,142)**	**(4,182,515)**	**(1,575,900)**
2020				
Gross-settled forward foreign exchange contracts				
- Receipts	2,609,428	2,029,812	122,527	-
- Payments	(2,604,977)	(1,990,822)	(116,080)	-
Gross-settled cross currency swaps				
- Receipts	12,415	12,399	29,355	-
- Payments	(20,846)	(20,686)	(40,678)	-
Net-settled interest rate swaps				
- Receipts	1,970	960	6,341	142
- Payments	(50,178)	(35,181)	(44,385)	(61,031)
Net-settled HSFO forward contracts				
- Receipts	61,533	9,035	322	-
- Payments	(13,667)	(3,840)	(10)	-
Net-settled Dated Brent forward contracts				
- Receipts	7,253	-	-	-
- Payments	(2,182)	-	-	-
Net-settled electricity futures contracts				
- Receipts	1,685	78	-	-
- Payments	(1,851)	(99)	-	-
Borrowings	(4,664,730)	(2,218,566)	(4,351,381)	(1,924,124)

	Within one year $'000	Within one to two years $'000	Within two to five years $'000	After five years $'000
Company				
2021				
Gross-settled forward foreign exchange contracts				
- Receipts	**4,330,930**	**309,972**	**318,068**	**-**
- Payments	**(4,310,546)**	**(306,151)**	**(311,080)**	**-**
Gross-settled cross currency swaps				
- Receipts	**16,035**	**17,960**	**26,006**	**959**
- Payments	**(26,676)**	**(25,890)**	**(31,473)**	**(2,345)**
Net-settled interest rate swaps				
- Receipts	**2,238**	**10,290**	**22,338**	**220**
- Payments	**(24,908)**	**(8,305)**	**(10,703)**	**-**
Borrowings	**(3,418,745)**	**(968,075)**	**(2,618,595)**	**(966,128)**
2020				
Gross-settled forward foreign exchange contracts				
- Receipts	2,609,428	2,029,812	122,527	-
- Payments	(2,604,977)	(1,990,822)	(116,080)	-
Gross-settled cross currency swaps				
- Receipts	12,415	12,399	29,355	-
- Payments	(20,846)	(20,686)	(40,678)	-
Net-settled interest rate swaps				
- Receipts	212	292	4,922	142
- Payments	(28,850)	(25,705)	(29,764)	(1,791)
Borrowings	(3,538,694)	(1,106,646)	(2,586,867)	(1,412,822)

In addition to the above, creditors (Note 21) of the Group and the Company have a maturity profile of within one year from the balance sheet date.

(d) Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The Group's current strategy remains unchanged from the previous financial year. The Group and the Company are in compliance with externally imposed capital undertakings for the financial year ended 31 December 2021. Externally imposed capital undertakings are mainly debt covenants included in certain loans of the Group and the Company requiring the Group or certain subsidiaries of the Company to maintain net gearing to total equity not exceeding ratios ranging from 2.00 to 3.00 times.

Management monitors capital risk based on the Group's net gearing. Net gearing is calculated as net debt divided by total equity. Net debt is calculated as total term loans (Note 23) and total lease liabilities (Note 9) less bank balances, deposits & cash (Note 20).

	Group	
	2021 $'000	2020 $'000
Net debt	**8,400,306**	10,123,385
Total equity	**12,441,361**	11,155,904
Net gearing ratio	**0.68x**	0.91x

35. Financial risk management (continued)

(e) Fair Value of Financial Instruments and Investment Properties

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair value is determined by reference to the net tangible assets of the investments.

The following table presents the assets and liabilities measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2021				
Financial assets				
Derivative financial instruments	**-**	**186,294**	**-**	**186,294**
Call option	**-**	**-**	**171,520**	**171,520**
Investments				
- Investments at fair value through other comprehensive income	**502,310**	**-**	**226,052**	**728,362**
- Investments at fair value through profit or loss	**71,314**	**20,791**	**627,197**	**719,302**
Short term investments				
- Investments at fair value through other comprehensive income	**26,834**	**-**	**-**	**26,834**
- Investments at fair value through profit or loss	**269**	**-**	**-**	**269**
	600,727	**207,085**	**1,024,769**	**1,832,581**
Financial liabilities				
Derivative financial instruments	**-**	**348,112**	**-**	**348,112**
Non-financial assets				
Investment Properties				
- Commercial and residential, completed	**-**	**-**	**1,495,780**	**1,495,780**
- Commercial, under construction	**-**	**-**	**2,760,648**	**2,760,648**
- Associates at fair value through profit or loss	**-**	**-**	**142,238**	**142,238**
	-	**-**	**4,398,666**	**4,398,666**
Group				
2020				
Financial assets				
Derivative financial instruments	-	173,270	-	173,270
Call option	-	-	156,643	156,643
Investments				
- Investments at fair value through other comprehensive income	504,611	-	317,680	822,291
- Investments at fair value through profit or loss	66,014	102,749	238,438	407,201
Short term investments				
- Investments at fair value through other comprehensive income	35,802	-	-	35,802
- Investments at fair value through profit or loss	78,492	20,340	-	98,832
	684,919	296,359	712,761	1,694,039
Financial liabilities				
Derivative financial instruments	-	283,805	-	283,805
Non-financial assets				
Investment Properties				
- Commercial and residential, completed	-	-	1,166,637	1,166,637
- Commercial, under construction	-	-	2,507,438	2,507,438
- Assets classified as held for sale	-	650,062	-	650,062
- Associates at fair value through profit or loss	-	-	148,529	148,529
	-	650,062	3,822,604	4,472,666

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
2021				
Financial assets				
Derivative financial instruments	**-**	**67,499**	**-**	**67,499**
Investments				
- Investments at fair value through other comprehensive income	**-**	**-**	**24,100**	**24,100**
	-	**67,499**	**24,100**	**91,599**
Financial liabilities				
Derivative financial instruments	**-**	**-**	**102,061**	**102,061**
2020				
Financial assets				
Derivative financial instruments	-	77,494	-	77,494
Investments				
- Investments at fair value through other comprehensive income	-	-	22,196	22,196
	-	77,494	22,196	99,690
Financial liabilities				
Derivative financial instruments	-	158,950	-	158,950

During the year, the fair value measurement of certain investments amounting to $82,443,000 were transferred from Level 2 to Level 3 due to use of inputs not based on market observable data in the valuation techniques. In 2020, the fair values of these investments were categorised under Level 2 as they were based on actual transacted prices.

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
At 1 January	**712,761**	656,877	**22,196**	19,230
Purchases	**41,002**	73,091	**-**	-
Sales	**(47,625)**	(19,224)	**-**	-
Fair value (loss)/gain recognised in other comprehensive income	**(97,219)**	60,350	**1,904**	2,966
Fair value gain/(loss) recognised in profit or loss	**316,867**	(36,852)	**-**	-
Reclassification				
- Associates/Joint Ventures	**14,139**	(44,750)	**-**	-
- Transfer to Level 3	**82,443**		**-**	
- Others	**235**	(559)	**-**	-
Exchange differences	**2,399**	(978)	**-**	-
Distribution	**(193)**	(1,965)	**-**	-
Return on capital	**(40)**	(3,429)	**-**	-
Capitalisation of interest on advances extended to an investee	**-**	30,200	**-**	-
At 31 December	**1,024,769**	712,761	**24,100**	22,196

The following table presents the reconciliation of investment properties measured at fair value based on significant unobservable inputs (Level 3).

	Group	
	2021 $'000	2020 $'000
At 1 January	**3,674,075**	3,022,091
Development expenditure	**229,581**	266,219
Fair value gain	**238,458**	268,430
Reclassification		
- Assets held for sale (Note 37)	**-**	(650,062)
- Stocks (Note 15)	**3,544**	714,733
Exchange differences	**110,770**	52,664
At 31 December	**4,256,428**	3,674,075

The fair value of financial instruments categorised under Level 1 of the fair value hierarchy is based on published market bid prices at the balance sheet date.

The fair value of financial instruments categorised under Level 2 of the fair value hierarchy are fair valued under valuation techniques with market observable inputs. These include forward pricing and swap models utilising present value calculations using inputs such as observable foreign exchange rates (forward and spot rates), interest rate curves and forward rate curves and discount rates that reflects the credit risks of various counterparties.

35. Financial risk management (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments and investment properties categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 31 December 2021 $'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments	853,249	Net asset value, discounted cash flow and binomial option pricing	Net asset value *	Not applicable
			Discount rate	9.00% - 20.00%
			Growth rate	4.26%
			Discount for lack of control	15.00% - 23.30%
Call option	171,520	Direct comparison method and investment method	Transacted price of comparable properties (psf)	S$1,586 - S$3,520
			Capitalisation rate	3.50%
Associates at fair value through profit or loss	142,238	Net asset value	Net asset value	Not applicable
Investment Properties				
- Commercial and hospitality, completed	1,495,780	Discounted cash flow method and/or direct comparison method;	Discount rate	9.50% to 14.50%
			Capitalisation rate	4.25% to 10.50%
		Income capitalisation method	Net initial yield	6.45%
			Transacted price of comparable properties (psm)	$4,690 to $7,504
			Transacted price of comparable properties (psf)	$724 to $3,004
			Terminal capitalisation rate	7.75%
- Commercial, under construction	2,760,648	Direct comparison method, discounted cash flow method, and/or residual value method	Transacted price of comparable land plots (psm)	$7,129 to $9,192
			Gross development value ($'million)	$239 to $2,099
			Discount rate	12.50% to 17.00%
			Capitalisation rate	4.00% to 10.00%
			Transacted price of comparable properties (psf)	$2,468 to $3,171

* Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value or assets measured using valuation techniques that take into account key inputs such as revenue multiples, long term growth rate and discount rate (see further details in Note 2.28(b)(x)).

Description	Fair value as at 31 December 2020 $'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments	556,118	Net asset value, discounted cash flow and binomial option pricing, market comparative	Net asset value *	Not applicable
			Discount rate	8.00%
			Growth rate	6.24%
			Cost of equity	15.85%
			Adjusted market multiple	1.4x
Call option	156,643	Direct comparison method and investment method	Transacted price of comparable properties (psf)	$1,600 to $3,721
			Capitalisation rate	3.50%
Associates at fair value through profit or loss	148,529	Net asset value	Net asset value	Not applicable
Investment Properties				
- Commercial and hospitality, completed	1,166,637	Investment method, discounted cash flow method and/or direct comparison method;	Discount rate	7.25% to 12.50%
			Capitalisation rate	4.25% to 10.50%
		Residual method;	Net initial yield	6.20%
		Capitalisation method	Transacted price of comparable properties (psm)	$4,914 to $6,615
			Transacted price of comparable properties (psf)	$2,835 to $3,046
			Terminal capitalisation rate	9.00%
- Commercial, under construction	2,507,438	Direct comparison method, discounted cash flow method, and/or residual value method	Transacted price of comparable land plots (psm)	$7,930 to $18,770
			Gross development value ($'million)	$527 to $2,042
			Discount rate	12.50% to 18.00%

* Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value or assets measured using valuation techniques that take into account key inputs such as revenue multiples, long term growth rate and discount rate.

The financial instruments and investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective asset/liability.

The total fair value on investments of $853,249,000 as at 31 December 2021 comprises $658,224,000 which are valued based on net asset value. A reasonably possible alternative assumption is when the net asset value of investments increase/decrease by 5%, which would lead to a $32,911,000 increase/decrease in fair valuation.

Valuation process of investment properties is described in Note 8.

36. Segment analysis

The Group is organised into business units based on their products and services, and has five main segments with six reportable operating segments as follows:

(i) Energy & Environment
The Energy & Environment segment is focused on business areas relating to the safe and efficient harvesting of energy sources, serving the offshore & marine industry with an array of vessel solutions and services, renewables, and providing cities with power, as well as solutions for waste and water & wastewater treatment. The segment comprises two reportable operating segments, being Offshore & Marine and Infrastructure & Others.

Offshore & Marine - Principal activities include offshore production facilities and drilling rig design, construction, fabrication and repair, ship conversions and repair and specialised shipbuilding. The operating segment has operations in Brazil, China, Singapore, the United States and other countries. On 24 June 2021, the Company signed two non-binding MOUs; the first with Sembcorp Marine Ltd ("Sembcorp Marine") to enter into exclusive negotiations with a view to combining Keppel Offshore & Marine ("Keppel O&M") and Sembcorp Marine to form a Combined Entity, and the second, with Kyanite Investment Holdings Pte Ltd ("Kyanite"), a wholly owned subsidiary of Temasek, to sell Keppel O&M's legacy completed and uncompleted rigs and associated receivables to a separate Asset Co, which would be majority owned by external investors which Kyanite intends to procure. These two proposed transactions will be inter-conditional and pursued concurrently.

Infrastructure & Others - Principal activities include power generation, renewables, environmental engineering and infrastructure operation and maintenance. The operating segment has operations in China, Singapore, Switzerland, the United Kingdom, and other countries.

(ii) Urban Development
Principal activities include property development and investment, as well as master development. The segment has operations in China, India, Indonesia, Singapore, Vietnam and other countries.

(iii) Connectivity
Principal activities include the provision of telecommunications services, retail sales of telecommunications equipment and accessories, development and operation of data centres and provision of logistics solutions. The segment has operations in China, Singapore and other countries. Keppel Logistics ("KLOG") contributed about 1% and 2% of the Group's total revenue and net profit respectively for the financial year ended 31 December 2021. KLOG accounted for about 1% of the Group's total assets and total liabilities as at 31 December 2021.

(iv) Asset Management
Principal activities include management of private funds and listed real estate investment and business trusts. The segment operates mainly in Singapore.

(v) Corporate & Others
The Corporate & Others segment consists mainly of treasury operations, research & development, investment holdings and provision of management and other support services.

Management monitors the results of each of the above main segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss. Information regarding the Group's reportable operating segments is presented in the following table.

	Energy & Environment Offshore & Marine $'000	Energy & Environment Infrastructure & Others $'000	Subtotal $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
2021									
Revenue									
External sales	2,013,377	3,560,370	5,573,747	1,628,768	1,260,152	162,046	-	-	8,624,713
Inter-segment sales	(110)	13,986	13,876	3,789	6,046	9,868	74,072	(107,651)	-
Total	2,013,267	3,574,356	5,587,623	1,632,557	1,266,198	171,914	74,072	(107,651)	8,624,713
Segment Results									
Operating profit	(229,939)	(292,288)	(522,227)	992,963	86,488	112,880	222,950	4,737	897,791
Investment income	6,091	-	6,091	1,512	270	41,632	61,447	-	110,952
Interest income	23,395	59,064	82,459	36,797	304	147	366,147	(375,480)	110,374
Interest expenses	(178,626)	(9,025)	(187,651)	(52,342)	(19,094)	(30,752)	(331,925)	370,743	(251,021)
Share of results of associated companies and joint ventures	168,328	(15,743)	152,585	93,170	18,528	202,617	-	-	466,900
Profit before tax	(210,751)	(257,992)	(468,743)	1,072,100	86,496	326,524	318,619	-	1,334,996
Taxation	49,369	4,603	53,972	(331,263)	(18,567)	(26,188)	(2,938)	-	(324,984)
Profit for the year	(161,382)	(253,389)	(414,771)	740,837	67,929	300,336	315,681	-	1,010,012
Attributable to:									
Shareholders of Company	(160,394)	(253,451)	(413,845)	762,915	63,953	301,296	308,332	-	1,022,651
Perpetual securities holders	-	-	-	-	-	-	3,401	-	3,401
Non-controlling interests	(988)	62	(926)	(22,078)	3,976	(960)	3,948	-	(16,040)
	(161,382)	(253,389)	(414,771)	740,837	67,929	300,336	315,681	-	1,010,012
External revenue from contracts with customers									
- At a point in time	94,392	12,324	106,716	1,376,396	423,065	23,936	-	-	1,930,113
- Over time	1,918,985	3,548,046	5,467,031	181,183	833,360	138,110	-	-	6,619,684
	2,013,377	3,560,370	5,573,747	1,557,579	1,256,425	162,046	-	-	8,549,797
Other sources of revenue	-	-	-	71,189	3,727	-	-	-	74,916
Total	2,013,377	3,560,370	5,573,747	1,628,768	1,260,152	162,046	-	-	8,624,713
Other Information									
Segment assets	8,596,939	2,769,124	11,366,063	13,954,820	3,606,910	3,989,870	12,321,120	(12,915,856)	32,322,927
Segment liabilities	9,473,919	2,455,766	11,929,685	6,955,468	2,525,065	1,708,088	9,679,116	(12,915,856)	19,881,566
Net assets	(876,980)	313,358	(563,622)	6,999,352	1,081,845	2,281,782	2,642,004	-	12,441,361
Investment in associated companies and joint ventures	462,678	164,170	626,848	2,281,122	151,162	2,991,126	-	-	6,050,258
Additions to non-current assets	24,403	38,595	62,998	274,447	270,856	113,237	6,698	-	728,236
Depreciation and amortisation	115,104	31,364	146,468	42,564	201,430	2,796	13,144	-	406,402
Impairment loss on non-financial assets	33,831	58,294	92,125	53,051	1,586	-	-	-	146,762
Allowance for expected credit loss and bad debt written-off	66,325	115,867	182,192	1,346	11,781	-	(132)	-	195,187
Loss on a financial guarantee on a loan granted to an associated company	-	146,024	146,024	-	-	-	-	-	146,024

Geographical information

	Singapore $'000	China/ Hong Kong $'000	Brazil $'000	Other Far East & ASEAN countries $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	6,458,200	1,543,465	73,795	222,502	326,751	-	8,624,713
Non-current assets	7,928,820	3,922,600	160,951	1,803,975	653,202	-	14,469,548

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2021.

Information about a major customer

Revenue of $1,600,705,000 is derived from a single external customer and is attributable to the Energy & Environment segment for the financial year ended 31 December 2021.

Note: Pricing of inter-segment goods and services is at fair market value.

	Energy & Environment Offshore & Marine $'000	Energy & Environment Infrastructure & Others $'000	Subtotal $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
2020									
Revenue									
External sales	1,573,455	2,369,889	3,943,344	1,275,473	1,220,011	134,784	730	-	6,574,342
Inter-segment sales	526	10,335	10,861	9,407	5,280	295	76,422	(102,265)	-
Total	1,573,981	2,380,224	3,954,205	1,284,880	1,225,291	135,079	77,152	(102,265)	6,574,342
Segment Results									
Operating profit	(909,633)	87,263	(822,370)	605,488	46,010	273,601	(93,891)	(437)	8,401
Investment income	3,449	-	3,449	1,035	175	23,273	1,414	-	29,346
Interest income	60,429	61,414	121,843	39,518	1,972	6,001	393,668	(400,949)	162,053
Interest expenses	(196,885)	(9,859)	(206,744)	(56,055)	(33,224)	(39,700)	(357,929)	401,386	(292,266)
Share of results of associated companies and joint ventures	(330,421)	(16,594)	(347,015)	129,917	13,689	40,476	712	-	(162,221)
Profit before tax	(1,373,061)	122,224	(1,250,837)	719,903	28,622	303,651	(56,026)	-	(254,687)
Taxation	93,667	(28,262)	65,405	(278,745)	(13,917)	(26,169)	19	-	(253,407)
Profit for the year	(1,279,394)	93,962	(1,185,432)	441,158	14,705	277,482	(56,007)	-	(508,094)
Attributable to:									
Shareholders of Company	(1,274,847)	94,178	(1,180,669)	437,796	13,244	279,525	(55,756)	-	(505,860)
Non-controlling interests	(4,547)	(216)	(4,763)	3,362	1,461	(2,043)	(251)	-	(2,234)
	(1,279,394)	93,962	(1,185,432)	441,158	14,705	277,482	(56,007)	-	(508,094)
External revenue from contracts with customers									
- At a point in time	112,699	10,644	123,343	1,032,449	380,812	12,388	100	-	1,549,092
- Over time	1,460,756	2,359,245	3,820,001	159,962	829,570	122,396	-	-	4,931,929
	1,573,455	2,369,889	3,943,344	1,192,411	1,210,382	134,784	100	-	6,481,021
Other sources of revenue	-	-	-	83,062	9,629	-	630	-	93,321
Total	1,573,455	2,369,889	3,943,344	1,275,473	1,220,011	134,784	730	-	6,574,342
Other Information									
Segment assets	8,777,983	2,484,217	11,262,200	14,516,978	4,020,059	3,974,802	11,359,061	(13,027,221)	32,105,879
Segment liabilities	9,436,503	1,960,318	11,396,821	7,956,375	2,819,371	1,868,694	9,935,935	(13,027,221)	20,949,975
Net assets	(658,520)	523,899	(134,621)	6,560,603	1,200,688	2,106,108	1,423,126	-	11,155,904
Investment in associated companies and joint ventures	360,838	205,170	566,008	2,300,945	203,330	2,920,330	-	-	5,990,613
Additions to non-current assets	61,835	91,090	152,925	537,537	156,757	384,483	1,397	-	1,233,099
Depreciation and amortisation	119,566	31,312	150,878	39,461	213,461	2,655	7,051	-	413,506
Impairment loss/(write-back of impairment loss) on non-financial assets	521,411	42,225	563,636	9,184	27,853	(8,487)	(81)	-	592,105
Allowance for expected credit loss and bad debt written-off	186,818	1,385	188,203	22,902	9,153	-	(18)	-	220,240

Geographical information

	Singapore $'000	China/ Hong Kong $'000	Brazil $'000	Other Far East & ASEAN countries $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	4,563,849	1,161,182	47,252	258,109	543,950	-	6,574,342
Non-current assets	8,400,031	3,660,816	240,893	1,878,137	392,094	-	14,571,971

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2020.

Information about a major customer

No single external customer accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2020.

Note: Pricing of inter-segment goods and services is at fair market value.

37. Assets classified as held for sale and liabilities directly associated with assets classified as held for sale

(i) Keppel Smit Towage Private Limited ("KST") and Maju Maritime Pte Ltd ("Maju")

On 15 November 2021, the Company announced that its indirect wholly-owned subsidiary, KS Investments Pte. Ltd., is divesting its entire 51% shareholding interest in each of KST and Maju to Rimorchiatori Mediterranei Spa. Completion of the divestments, which is expected to take place in the first half of 2022, is conditional upon the receipt of approval from regulatory authorities in Singapore.

(ii) Subsidiary of Keppel Infrastructure Holdings Pte Ltd ("Keppel Infrastructure's subsidiary")

The Company's wholly-owned subsidiary, Keppel Infrastructure, has commenced non-binding negotiation with an interested buyer relating to Keppel Infrastructure's controlling interest in a subsidiary. The completion of the sale is subject to execution of definitive documentation for the transaction and other conditions, including regulatory approval, being fulfilled.

(iii) Keppel Offshore and Marine Ltd's properties ("Keppel O&M's properties")

The Company's wholly-owned subsidiary, Keppel Offshore and Marine Ltd ("Keppel O&M"), is committed to sell five properties (including its plant and equipment) in Singapore. The sale is expected to be completed within one year. The disposals are part of Keppel O&M's strategic review to streamline and dispose its non-core assets.

In accordance to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities of Keppel Infrastructure's subsidiary and Keppel O&M's properties have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale", and the investments in KST and Maju that are accounted for as associated companies and joint ventures have been presented as "assets classified as held for sale" in the condensed consolidated balance sheet as at 31 December 2021. Details of the assets classified as held for sale and liabilities directly associated with assets classified as held for sale are as follows:

	As at 31 December 2021 $'000
Assets classified as held for sale	
Fixed assets	**74,765**
Associated companies and joint ventures	**60,798**
Right-of-use assets	**32,871**
Long term assets	**353,039**
Debtors	**6,407**
	527,880
Liabilities directly associated with assets classified as held for sale	
Creditors	**3,402**
Derivative liabilities	**34,855**
Taxation	**73**
	38,330

The assets and liabilities classified as held for sale pertaining to KST, Maju, Keppel Infrastructure's subsidiary and Keppel O&M's properties are included in Energy & Environment for the purpose of segmental reporting.

38. New accounting standards and interpretations

At the date of authorisation of these financial statements, the following new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s that are relevant to the Group and the Company were issued but not effective:

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment - Proceeds before Intended Use* (effective for annual periods beginning on or after 1 January 2022)

  The amendment to SFRS(I) 1-16 *Property, Plant and Equipment* (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

  Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract* (effective for annual periods beginning on or after 1 January 2022)

  An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current* (effective for annual periods beginning on or after 1 January 2023)

  The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

  The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The management anticipates that the adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

39. Subsequent events

On 27 January 2022, the Company established a $500 million Share Buyback Programme, pursuant to the Share Purchase Mandate granted by its shareholders at the Company's Annual General Meeting. The Share Buyback Programme allows the Company to purchase its shares when such shares may be undervalued due to market conditions. Shares repurchased will be held as treasury shares which will be used in part for the annual vesting of employee share plans, and as possible currency for future merger and acquisition (M&A) activities under Vision 2030.

The Company's Share Purchase Mandate, as approved by shareholders at the last Annual General Meeting in April 2021, allows the purchase of up to a maximum of 2% of its issued shares for the duration of the mandate. The duration required to complete the $500 million Share Buyback Programme will depend on the annual review and parameters of the Share Purchase Mandate as approved by shareholders, and the prices at which the shares are purchased.

40. Significant subsidiaries, associated companies and joint ventures

Information relating to significant subsidiaries consolidated in these financial statements and significant associated companies and joint ventures whose results are equity accounted for is given in the following pages.

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
ENERGY & ENVIRONMENT							
Offshore & Marine							
Subsidiaries							
Keppel Offshore and Marine Ltd	100	100	100	801,720	801,720	Singapore	Investment holding
Keppel FELS Ltd	100	100	100	#	#	Singapore	Construction, fabrication and repair of offshore production facilities and drilling rigs, power barges, specialised vessels and other offshore production facilities
Angra Propriedades & Administracao Ltda[1]	100	100	100	#	#	Brazil	Holding of long-term investments and property management
Estaleiro BrasFELS Ltda[1]	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas sector, shipyard works and other general business activities
FELS Offshore Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Fernvale Pte Ltd	100	100	100	#	#	Singapore	Construction, fabrication and repair of drilling rigs and offshore production facilities
FSTP Brasil Ltda[1]	75	75	75	#	#	Brazil	Procurement of equipment and materials for the construction of offshore production facilities
FSTP Pte Ltd	75	75	75	#	#	Singapore	Project management, engineering and procurement
Guanabara Navegacao LTDA[1]	100	100	100	#	#	Brazil	Ship owning
Keppel AmFELS, Inc[1]	100	100	100	#	#	USA	Construction and repair of offshore drilling rigs and offshore production facilities
Keppel FELS Brasil SA[1]	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas industry
Keppel Letourneau USA, Inc[1]	100	100	100	#	#	USA	Design and license of various offshore rigs and platforms
Keppel Offshore & Marine USA Inc[1]	100	100	100	#	#	USA	Offshore and marine-related services
KV Enterprises BV[2]	100	100	100	#	#	Netherlands	Holding of long-term investments
KVE Adminstradora de Bens Imoveis Ltda[1]	100	100	100	#	#	Brazil	Holding of long-term investments and property management
PT Bintan Offshore[2]	99	60	60	#	#	Indonesia	Offshore engineering and construction
Bintan Offshore Fabricators[1]	60	60	60	#	#	Singapore	Offshore engineering and construction business
Offshore Partners Pte Ltd	100	100	100	#	#	Singapore	Arrange, syndicate and/or provide financing to customers of Keppel Group
Regency Steel Japan Ltd[1]	51	51	51	#	#	Japan	Sourcing, fabricating and supply of specialised steel components
FELS Asset Co Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 2 Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
Offshore Partners 2 Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
Lenity Pioneer Pte Ltd	100	100	100	#	#	Singapore	Service activities related to oil and gas extraction

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Keppel Shipyard Ltd	100	100	100	#	#	Singapore	Ship repairing, shipbuilding and conversions
Keppel Philippines Marine Inc[(1)]	99	99	98	#	#	Philippines	Shipbuilding and repairing
Keppel Nantong Heavy Industry Co Ltd[(1)]	100	100	100	#	#	China	Engineering and construction of specialised vessels
Keppel Nantong Shipyard Company Ltd[(1)]	100	100	100	#	#	China	Engineering and construction of specialised vessels
Keppel Subic Shipyard Inc[(1)]	87[+]	86[+]	86[+]	3,020	3,020	Philippines	Shipbuilding and repairing
KS Investments Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Associated Companies and Joint Ventures							
Asian Lift Pte Ltd	50	50	50	#	#	Singapore	Provision of heavy-lift equipment and related services
Floatel International Ltd[(1)]	50	50	50	#	#	Bermuda	Operating accommodation and construction support vessels (floatels) for the offshore oil and gas industry
Blue Tern Holding AS[(2)]	49	49	49	#	#	Norway	Owning and leasing of multi-purpose self-elevating platforms
Arab Heavy Industries PJSC[(2)]	33	33	33	#	#	UAE	Shipbuilding and repairing
Nakilat - Keppel Offshore & Marine Ltd[(2)]	20	20	20	#	#	Qatar	Ship repairing
PV Keez Pte Ltd[(2)]	20	20	20	#	#	Singapore	Chartering of ships, barges and boats with crew
Keppel Smit Towage Pte Ltd	51	51	51	#	#	Singapore	Provision of towage services
Maju Maritime Pte Ltd	51	51	51	#	#	Singapore	Provision of towage services
FueLNG Pte Ltd[(2)]	50	50	50	#	#	Singapore	Provide end-to-end LNG bunkering supply solution
Infrastructure & Others							
Subsidiaries							
Keppel Infrastructure Holdings Pte Ltd	100	100	100	445,892	445,892	Singapore	Investment holding
Keppel Energy Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Electric Pte Ltd	100	100	100	#	#	Singapore	Electricity, energy and power supply and general wholesale trade
Keppel Gas Pte Ltd	100	100	100	#	#	Singapore	Purchase and sale of gaseous fuels
Keppel DHCS Pte Ltd	100	100	100	#	#	Singapore	Development of district heating and cooling system for the purpose of air cooling and other utility services
Keppel Seghers Pte Ltd	100	100	100	#	#	Singapore	Provision of environmental, technologies, engineering works & construction activities
Keppel Seghers Holdings BV[(3)]	100	100	100	#	#	Netherlands	Investment holding
Keppel Seghers Belgium NV[(1)]	100	100	100	#	#	Belgium	Provider of services and solutions to the environmental industry related to solid waste treatment
Keppel Seghers Hong Kong Ltd[(1)]	100	100	100	#	#	Hong Kong	Investment holding
Keppel Seghers UK Ltd[(2)]	100	100	100	#	#	United Kingdom	Design and construction of waste-to-energy plants
Marina East Water Pte Ltd	100	100	100	#	#	Singapore	Design and construction of desalination plant

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Keppel Seghers Engineering Singapore Pte Ltd	100	100	100	#	#	Singapore	Engineering works, construction and O&M of plants and facilities
Keppel Integrated Engineering Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel New Energy Pte. Ltd. (formerly known as XTE Investments Pte. Ltd.)	100	100	100	#	#	Singapore	Investment holding
Kepinvest Holdings Pte Ltd	100	100	100	10	10	Singapore	Investment holding
Kepinvest Singapore Pte Ltd	100	100	100	18,425	18,425	Singapore	Investment holding
Associated Companies and Joint Ventures							
Keppel Merlimau Cogen Pte Ltd(2)	49	49	49	#	#	Singapore	Commercial power generation
MET Holding AG(1)	20	20	20	#	#	Switzerland	Integrated energy company
Tianjin Eco-City Energy Investment & Construction Co Ltd(2)	20	20	20	#	#	China	Investment and implementation of energy and utilities related infrastructure
URBAN DEVELOPMENT							
Subsidiaries							
Keppel Land Ltd	100	100	100	4,793,367	4,793,367	Singapore	Holding, management and investment company
Keppel Land China Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Land Estate Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Bay Pte Ltd	100	100	100	#	#	Singapore	Property development
Keppel Philippines Properties Inc(1)	87+	87+	87+	493	493	Philippines	Property development
Bellenden Investments Ltd(3)	67	67	67	#	#	BVI	Investment holding
Broad Elite Investments Ltd(3)	100	100	100	#	#	BVI	Investment holding
Cesario Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Changzhou Fushi Housing Development Pte Ltd(1)	100	100	100	#	#	China	Property development
Chengdu Hillstreet Development Co Ltd(1)	100	100	100	#	#	China	Property development
Corredance Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Dattson Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Davinelle Ltd(3)	67	67	67	#	#	BVI	Investment holding
DC REIT Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Domenico Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Double Peak Holdings Ltd(3)	100	100	100	#	#	BVI	Investment holding
Estella JV Co Ltd(1)	98	98	98	#	#	Vietnam	Property development and investment
Eternal Commercial Ltd(1)	100	100	100	#	#	HK	Investment holding
Elaenia Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Evergro Properties Ltd	100	100	100	#	#	Singapore	Property investment and development
Floraville Estate Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Greenfield Development Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Hillwest Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Harvestland Development Pte Ltd	100	100	100	#	#	Singapore	Property development

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Straits Properties Ltd	100	100	100	#	#	Singapore	Property development
Keppel Point Pte Ltd	100+	100+	100+	122,785	122,785	Singapore	Investment holding
Jencity Ltd(3)	100	100	100	#	#	BVI	Investment holding
K-Commercial Pte Ltd	100	100	100	#	#	Singapore	Property development/ investment
Katong Retail Trust	100	100	100	#	#	Singapore	Investment trust
Kapler Pte Ltd	100	100	100	#	#	Singapore	Investment holding
KeplandeHub Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Heights (Wuxi) Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
Keppel Hong Xiang Management Consultancy (Shanghai) Co Ltd(1)	100	100	100	#	#	China	Property services
Keppel Lakefront (Wuxi) Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
Keppel Land (Saigon Centre) Ltd(1)	100	100	100	#	#	HK	Investment holding
Keppel Land (Singapore) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Land Financial Services Pte Ltd	100	100	100	#	#	Singapore	Financial services
Keppel Puravankara Dev Pvt Ltd(2)	51	51	51	#	#	India	Property development
Keppel Land International (Management) Pte Ltd	100	100	100	#	#	Singapore	Property services
Keppel Land Watco IV Co Ltd(1)	84	84	84	#	#	Vietnam	Property development
Keppel Land Watco V Co Ltd(1)	84	84	84	#	#	Vietnam	Property development
Keppel Land Vietnam Co Ltd(1)	100	100	100	#	#	Vietnam	Property services
Keppel Seasons Residences Property Development (Wuxi) Co., Ltd(1)	100	100	100	#	#	China	Property development
Keppel Tianjin Eco-City Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Three Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Two Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Tosalco Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Krystal Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Joysville Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Main Full Ltd(1)	100	100	100	#	#	HK	Investment holding
Mansfield Developments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Merryfield Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Oceansky Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Ocean & Capital Properties Pte Ltd	100	100	100	#	#	Singapore	Investment holding

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
OIL (Asia) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Oscario Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Parksville Development Pte Ltd	100	100	100	#	#	Singapore	Property development
Pasir Panjang Realty Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Peplamo Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Pembury Properties Ltd(3)	100	100	100	#	#	BVI	Investment holding
Pisamir Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Portsville Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Pre-1 Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
PT Harapan Global Niaga(1)	100	100	100	#	#	Indonesia	Property development
PT Kepland Investama(1)	100	100	100	#	#	Indonesia	Property investment
PT Puri Land Development(1)	100	100	100	#	#	Indonesia	Property development
PT Sukses Manis Indonesia(1)	100	100	100	#	#	Indonesia	Property development
PT Sukses Manis Tangguh(1)	100	100	100	#	#	Indonesia	Property development
Primus I Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Primus II Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Riviera Point LLC(1)	100	100	75	#	#	Vietnam	Property development
Saigon Centre Investment Ltd(3)	100	100	100	#	#	BVI	Investment holding
Saigon Sports City Ltd(1)	100	100	100	#	#	Vietnam	Property development
Taicang Xinwu Business Consulting Co Ltd(1)	100	100	100	#	#	China	Investment holding
Beijing Changsheng Consultant Co Ltd(1)	100	100	100	#	#	China	Property investment
Beijing Changsheng Property Management Co Ltd(1)	100	100	100	#	#	China	Property investment
Shanghai Floraville Land Co Ltd(1)	99	99	99	#	#	China	Property investment
Shanghai Hongda Property Development Co Ltd(1)	100	99	99	#	#	China	Property development
Shanghai Ji Lu Land Co Ltd(1)	100	99	99	#	#	China	Property investment
Shanghai Ji Xiang Land Co Ltd(1)	100	100	100	#	#	China	Property development
Shanghai Jinju Real Estate Development Co Ltd(1)	100	99	99	#	#	China	Property development
Shanghai Maowei Investment Consulting Co Ltd(1)	100	99	99	#	#	China	Investment holding
Shanghai Merryfield Land Co Ltd(1)	99	99	99	#	#	China	Property development
Shanghai Pasir Panjang Land Co Ltd(1)	99	99	99	#	#	China	Property development
Spring City Golf & Lake Resort Co Ltd(1)	80	69	69	#	#	China	Golf club operations and development and property development
Spring City Resort Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Straits Greenfield Ltd(2)	100	100	100	#	#	Myanmar	Hotel ownership and operations
Straits Property Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Group Eco-City Investments Pte Ltd	100+	100+	100+	126,744	126,744	Singapore	Investment holding
Singapore Tianjin Eco-City Investment Holdings Pte Ltd	90+	90+	90+	#	#	Singapore	Investment holding

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Substantial Enterprises Ltd[3]	100+	100+	100+	#	#	BVI	Investment holding
Tianjin Fulong Property Development Co Ltd[1]	100	100	100	#	#	China	Property development
China The9 Interactive (Shanghai) Ltd[1]	100	100	100	#	#	China	Property investment
The9 Computer Technology Consulting (Shanghai) Ltd[1]	100	100	100	#	#	China	Property investment
Associated Companies and Joint Ventures							
Chengdu Taixin Real Estate Development Co Ltd[2]	35	35	35	#	#	China	Property development
Chengdu Wanji Real Estate Development Co Ltd[2]	30	30	30	#	#	China	Property development
City Square Office Co Ltd[2]	40	40	40	#	#	Myanmar	Property development
Empire City LLC[2]	40	40	40	#	#	Vietnam	Property development
EM Services Pte Ltd	25	25	25	#	#	Singapore	Property management
Garden Development Pte Ltd	60	60	60	#	#	Singapore	Property development
Kapstone Construction Private Limited[1]	49	49	49	#	#	India	Real estate construction and development
Keppel Land Watco I Co Ltd[1]	61	61	61	#	#	Vietnam	Property investment and development
Keppel Land Watco II Co Ltd[1]	61	61	61	#	#	Vietnam	Property investment and development
Keppel Land Watco III Co Ltd[1]	61	61	61	#	#	Vietnam	Property investment and development
Harbourfront Three Pte Ltd	39	39	39	#	#	Singapore	Property investment and development
Nam Long Investment Corporation[2]	8	8	10	#	#	Vietnam	Trading of development properties
Nanjing Zhijun Property Development Co Ltd[2]	25	25	25	#	#	China	Property development
Nha Be Real Estate JSC[1]	60	60	60	#	#	Vietnam	Property development
North Bund Pte Ltd[2]	30	30	30	#	#	Singapore	Investment holding
Raffles Quay Asset Management Pte Ltd[2]	33	33	33	#	#	Singapore	Property management
Renown Property Holdings (M) Sdn Bhd[1]	40	40	40	#	#	Malaysia	Property investment
Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd[1]	50	45	45	#	#	China	Property development
South Rach Chiec LLC[1]	42	42	42	#	#	Vietnam	Property development
Suzhou Property Development Pte Ltd[2]	25	25	25	#	#	Singapore	Investment holding
Taicang Zhuchong Business Consulting Co Ltd[2]	15	15	15	#	#	China	Investment holding
Vietcombank Tower 198 Ltd[2]	30	30	30	#	#	Vietnam	Property investment
Vision (III) Pte Ltd[2]	30	30	30	#	#	Singapore	Investment holding
Win Up Investment Ltd[2]	30	30	30	#	#	China	Investment holding

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
CONNECTIVITY							
Subsidiaries							
Keppel Telecommunications & Transportation Ltd	100	100	100	621,299	621,299	Singapore	Investment, management and holding company
Keppel Logistics Pte Ltd	100	100	100	#	#	Singapore	Integrated logistics services and supply chain solutions
Keppel Wanjiang International Coldchain Logistics Park (Anhui) Co Ltd[2]	60	60	60	#	#	China	Integrated logistics services, food trading hub, warehousing and distribution
Keppel Data Centres Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Data Centres Holding Pte Ltd	100+	100+	100+	#	#	Singapore	Investment holding and management services
Keppel Communications Pte Ltd	100	100	100	#	#	Singapore	Trading and provision of communications systems and accessories
Keppel Telecoms Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Konnect Pte Ltd	100	100	100	1	1	Singapore	Investment holding
Konnectivity Pte Ltd	80	80	80	#	#	Singapore	Investment holding
Apsilon Ventures Pte Ltd	100	100	100	#	#	Singapore	Investment holding
M1 Limited	100+	84+	84+	#	#	Singapore	Telecommunications services
M1 Net Ltd	100+	84+	84+	#	#	Singapore	Provision of fixed and other related telecommunication services
AsiaPac Technology Pte. Ltd.	100+	84+	84+	#	#	Singapore	ICT Solutions Provider
Associated Companies and Joint Ventures							
Asia Airfreight Terminal[2]	10	10	10	#	#	HK	Operation of an air cargo handling terminal
Computer Generated Solutions Inc[2]	21	21	21	#	#	USA	IT consulting and outsourcing provider
M1 Network Private Limited[n]	50+	42+	-	#	#	Singapore	Telecommunications services
SVOA Public Company Ltd[2]	32	32	32	#	#	Thailand	Distribution of IT products and telecommunications services
ASSET MANAGEMENT							
Subsidiaries							
Keppel Capital Holdings Pte Ltd	100	100	100	783,000	783,000	Singapore	Investment holding
Keppel Capital Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Alpha Investment Partners Ltd	100	100	100	#	#	Singapore	Fund management
Keppel DC REIT Management Pte Ltd	100+	100+	100+	#	#	Singapore	Real estate investment trust management and investment holding
Keppel Capital Three Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Capital US Holding Inc[3]	100	100	100	#	#	USA	Investment holding
Keppel REIT Management Ltd	100	100	100	#	#	Singapore	Investment advisory and property fund management
Aintree Assets Ltd[3]	100	100	100	#	#	BVI	Investment holding
Keppel REIT Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel DC Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Funds Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
	2021 %	2021 %	2020 %	2021 $'000	2020 $'000		
Associated Companies and Joint Ventures							
Keppel DC REIT	20	20	21	#	#	Singapore	Data centre facilities and colocation services
Keppel REIT	47+	47+	49+	#	#	Singapore	Real estate investment trust
Keppel Pacific Oak US REIT[(2)]	7	7	7	#	#	Singapore	Real estate investment trust
CORPORATE & OTHERS							
Subsidiaries							
Kephinance Investment Pte Ltd	100	100	100	90,000	90,000	Singapore	Investment holding
Keppel Capital One Pte Ltd	100	100	100	#	#	Singapore	To arrange, syndicate and/or provide financing to customers of Keppel Group
Keppel Investment Ltd	100	100	100	#	#	Singapore	Investment company
Keppel Ventures (Property) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Oil & Gas Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Kepventure Pte Ltd	100	100	100	594,922	594,922	Singapore	Investment holding
Total Subsidiaries				**8,401,678**	**8,401,678**		

Notes:

(i) All the companies are audited by PricewaterhouseCoopers LLP, Singapore except for the following:
- (1) Audited by PricewaterhouseCoopers firms outside Singapore;
- (2) Audited by other firms of auditors; and
- (3) Not required to be audited by law in the country of incorporation and companies disposed, liquidated and struck off.

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies and joint ventures does not compromise the standard and effectiveness of the audit of the Company.

(ii) + The shareholdings of these companies are held jointly with other subsidiaries.

(iii) # The shareholdings of these companies are held by subsidiaries of Keppel Corporation Limited.

(iv) (n) These companies were incorporated/acquired during the financial year.

(v) The subsidiaries' place of business is the same as its country of incorporation, unless otherwise specified.

(vii) Abbreviations:

British Virgin Islands (BVI)	United Arab Emirates (UAE)
Hong Kong (HK)	United States of America (USA)

(viii) The Company has 215 significant subsidiaries, associated companies and joint ventures as at 31 December 2021. Subsidiaries, associated companies and joint ventures are considered as significant (a) in accordance to Rule 718 of The Singapore Exchange Securities Trading Limited – Listing Rules, or (b) by reference to the significance of their economic activities.

APPENDIX II

REPRODUCTION OF THE PRESS RELEASE DATED 10 FEBRUARY 2022 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

The information set out below is a reproduction of the press release dated 10 February 2022 containing the Guarantor's consolidated financial results for the fourth quarter ended 31 December 2021.

SOCIETE GENERALE

RESULTS AT DECEMBER 31ST 2021

Press release
Paris, February 10th 2022

2021, RECORD GROUP NET INCOME

Substantial increase in underlying revenues of +16.1%(1) vs. 2020 (+17.2%(1)*), with a historically high level of Financing & Advisory and Financial Services activities, very solid Global Markets activities throughout the year, and a healthy momentum in Retail Banking

Underlying gross operating income of EUR 8.5 billion(1), up 51.0%(1) vs. 2020, with a significant positive jaws effect and costs under control, up +4.3%(1)

Still low cost of risk at 13 basis points

Underlying Group net income of EUR 5.3 billion(1) (EUR 5.6 billion on a reported basis)

Underlying profitability (ROTE) of 10.2%(1) (11.7% on a reported basis)

In Q4 21, underlying gross operating income of EUR 1.9 billion(1), +24.1% vs. Q4 20

Underlying Group net income of EUR 1.2 billion(1), +94.4% vs. Q4 20 (EUR 1.8 billion on a reported basis)

Underlying profitability (ROTE) of 9.2%(1) (16.6% on a reported basis)

ATTRACTIVE SHAREHOLDER DISTRIBUTION

Distribution equivalent to EUR 2.75 per share, or:

- **a dividend in cash,** proposed to the General Meeting, **of EUR 1.65 per share**
- **a share buyback programme,** for around EUR 915 million, **equivalent to EUR 1.1 per share**

Solid CET 1 ratio of 13.7%(2) at end-2021, around 470 basis points above the regulatory requirement

ACCELERATION IN STRATEGIC AND BUSINESS DEVELOPMENTS

Strengthening of our competitive position on mobility, announcement of the planned acquisition of LeasePlan by ALD with a view to creating a mobility leader

Client onboarding by Boursorama one year ahead of schedule, announcement of entry into exclusive discussions with the ING group with a view to offering ING's customers in France the best alternative banking solution

Good momentum of the retail banking networks in France in the context of **preparations for the merger**

Continued digitalisation initiatives and improvement of operational efficiency in International Retail Banking

Solid performance by Global Markets throughout the year, with the successful repositioning of structured products and a reduction in the risk profile

Record performance by Financing & Advisory, driven by strong market momentum and an increase in allocated capital

Fréderic Oudéa, the Group's Chief Executive Officer, commented:

"2021 marks a milestone for the Societe Generale Group, which achieved the best financial results in its history, enabling it to generate a good level of profitability and offer its shareholders an attractive return. All the businesses have contributed to this excellent performance. The Group also had a very robust balance sheet at the end of the year, with a very good quality loan portfolio and high capital ratios. In addition, the Group was able, firstly, to successfully continue advancing on major projects such as the merger of the two retail banking networks Societe Generale and Crédit du Nord and secondly, achieve two strategic transactions strengthening two differentiating assets, with the entry into exclusive discussions for the acquisition of Leaseplan by ALD and with ING concerning its retail banking activities in France. The Group is therefore entering 2022 with confidence, with the priority objective of the disciplined execution of this high value-creating roadmap and the finalisation of its outlines by accelerating the transformations around ESG issues and new technologies."

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(1) Underlying data (see methodology note section 10.5 for the transition from accounting data to underlying data)
(2) Phased-in ratio (fully-loaded ratio of 13.6%) after distribution provision
*The footnote * in this document corresponds to data adjusted for changes in Group Structure and at constant exchange rates*

1. GROUP CONSOLIDATED RESULTS

In EURm	Q4 21	Q4 20	Change		2021	2020	Change	
Net banking income	6,620	5,838	+13.4%	+11.7%*	25,798	22,113	+16.7%	+17.7%*
Underlying net banking income(1)	6,503	5,838	+11.4%	+9.8%*	25,681	22,113	+4.3%	+17.2%*
Operating expenses	(4,565)	(4,351)	+4.9%	+3.6%*	(17,590)	(16,714)	+5.2%	+5.8%*
Underlying operating expenses(1)	*(4,617)*	*(4,318)*	*+6.9%*	*+5.6%**	*(17,211)*	*(16,504)*	*+4.3%*	*+4.9%**
Gross operating income	2,055	1,487	+38.2%	+35.3%*	8,208	5,399	+52.0%	+55.1%*
Underlying gross operating income(1)	*1,886*	*1,520*	*+24.1%*	*+21.4%**	*8,470*	*5,609*	*+51.0%*	*+53.9%**
Net cost of risk	(86)	(689)	-87.5%	-87.7%*	(700)	(3,306)	-78.8%	-78.6%*
Operating income	1,969	798	x 2.5	x 2.4	7,508	2,093	x 3.6	x 3.7*
Underlying operating income(1)	*1,800*	*851*	*x 2.1*	*x 2.1*	*7,770*	*2,323*	*x 3.3*	*x 3.4**
Net profits or losses from other assets	449	(94)	n/s	n/s	635	(12)	n/s	n/s*
Impairment losses on goodwill	(114)	0	n/s	n/s	(114)	(684)	n/s	n/s
Income tax	(311)	(125)	x 2.5	x 2.4	(1,697)	(1,204)	+41.0%	+43.2%*
Net income	1,995	582	x 3.4	x 3.3	6,338	196	x 32.3	x 43.8
O.w. non-controlling interests	208	112	+85.7%	+81.2%*	697	454	+53.5%	+53.6%*
Reported Group net income	1,787	470	x 3.8	x 3.7	5,641	(258)	n/s	n/s
Underlying Group net income(1)	*1,226*	*631*	*+94.4%*	*+90.4%**	*5,264*	*1,435*	*x 3.7*	*x 3.8**
ROE	12.1%	2.4%			9.6%	-1.7%		
ROTE	16.6%	2.7%			11.7%	-0.4%		
Underlying ROTE(1)	*9.2%*	*4.1%*			*10.2%*	*1.7%*		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Societe Generale's Board of Directors, which met on February 9th, 2022 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q4 and full-year 2021.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

Net banking income was substantially higher in 2021, up +16.7% (+17.7%*) vs. 2020, and +16.1% (+17.2%*) vs. 2020 on an underlying basis, with a very strong momentum in all the businesses.

French Retail Banking posted a solid performance in 2021. As a result, net banking income (excluding PEL/CEL provision) increased by +4.8% vs. 2020, driven by the recovery in net interest income and buoyant commissions, particularly financial commissions.

International Retail Banking & Financial Services enjoyed strong revenue growth (+9.9%* vs. 2020), underpinned by the excellent momentum in Financial Services to Corporates (+32.0%* vs. 2020) and Insurance (+8.6%* vs. 2020). International Retail Banking benefited from a rebound in its activities (+2.8%* vs. 2020).

Global Banking & Investor Solutions delivered a remarkable performance, with revenues up +25.2% (+26.1%*) vs. 2020. Financing & Advisory enjoyed a record performance, with growth of +14.8% (+15.8%*) vs. 2020, while the revenues of Global Markets & Investor Services were substantially higher (+35.6%, +36.9%*) than in 2020.

In Q4 21, the Group continued to enjoy a strong revenue growth momentum (+13.4%, +11.7%*) vs. Q4 20, with a positive and evenly balanced contribution from all the businesses.

Operating expenses

In 2021, operating expenses totalled EUR 17,590 million on a reported basis and EUR 17,211 million on an underlying basis (restated for transformation costs), an increase of +4.3% vs. 2020.
This increase can be explained primarily by the rise in variable costs linked to the growth in revenues (EUR +701 million) and the increase in the contribution to the Single Resolution Fund (EUR +116 million). The other operating expenses declined by EUR 70 million, excluding structure effect.

Driven by a very positive jaws effect, underlying gross operating income grew substantially (+51.0%) to EUR 8,470 million and the underlying cost to income ratio improved by nearly 8 points (67.0% vs. 74.6% in 2020).

In **Q4 21**, operating expenses totalled EUR 4,565 million on a reported basis and EUR 4,617 million on an underlying basis (restated for the linearisation of IFRIC 21 and transformation costs), representing an increase of +6.9% vs. Q4 20.

Excluding the contribution to the Single Resolution Fund, the underlying cost to income ratio is expected to be between 66% and 68% in 2022 and improving onwards. This aggregate, excluding the contribution to the SRF, amounts to 64.7% in 2021, it being specified that the contribution to the Single Resolution Fund is EUR 586 million in 2021.

There is expected to be an increase in the contribution to the Single Resolution Fund until 2023 included.

The Group's radical transformations as announced in 2021 have led to changes in 2023 cost outlook. The various initiatives in progress will contribute to a decline in the Group's underlying cost to income ratio beyond 2022 excluding the contribution to the Single Resolution Fund year after year.

Cost of risk

In 2021, the cost of risk stood at a low level of 13 basis points, lower than in 2020 (64 basis points), or EUR 700 million (vs. EUR 3,306 million in 2020). It breaks down into a provision on non-performing loans of EUR 949 million and a provision write-back on performing loans of EUR 249 million.

The Group's provisions on performing loans amounted to EUR 3,355 million at end-2021.

In Q4 21, **the cost of risk stood at 6 basis points,** lower than in Q4 20 (54 basis points), or EUR 86 million and lower than in Q3 21 (15 basis points). It breaks down into a provision on non-performing loans of EUR 218 million and a provision write-back on performing loans of EUR 132 million.

In order to support its customers during the crisis, the Group granted State Guaranteed Loans. At December 31st 2021, the residual amount of State Guaranteed Loans represented around EUR 17 billion. In France, the total amount of State Guaranteed Loans ("PGE") amounts to around EUR 14 billion and net exposure is around EUR 1.5 billion.

The gross doubtful outstandings ratio amounted to 2.9%[(1)] at December 31st 2021, lower than at end-September 2021 (3.1%). The Group's gross coverage ratio for doubtful outstandings amounted to 51%[(2)] at December 31st 2021.

The cost of risk is expected to be below 30 basis points in 2022.

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(1) *NPL ratio calculated according to the EBA methodology published on July 16th, 2019*

(2) *Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings*

Group net income

In EURm	Q4 21	Q4 20	2021	2020
Reported Group net income	1,787	470	5,641	(258)
Underlying Group net income (1)	1,226	631	5,264	1,435

In EURm	Q4 21	Q4 20	2021	2020
Reported Group net income	16.6%	2.7%	11.7%	-0.4%
Underlying Group net income (1)	9.2%	4.1%	10.2%	1.7%

(1) Adjusted for exceptional items and linearisation of IFRIC21

Earnings per share amounts to EUR 5.97 in 2021 (EUR -1.02 in 2020). Underlying earnings per share amounts to EUR 5.52 over the same period (EUR 0.97 in 2020).

Distribution to shareholders

The Board of Directors has established its distribution policy at 50% of underlying Group net income[2], which is equivalent to EUR 2.75 per share.

A dividend in cash of EUR 1.65 per share will therefore be proposed to the Combined General Meeting of Shareholders on May 17th 2022. The dividend will be detached on May 25th 2022 and paid on May 27th 2022.

Furthermore, the Group plans to launch a share buyback programme for a total amount of around EUR 915 million, or the equivalent of EUR 1.1 per share. This programme is subject to the customary authorisation of the ECB and the General Meeting for its implementation.

[2] *After deducting interest on deeply subordinated notes and undated subordinated notes*

2. THE GROUP'S FINANCIAL STRUCTURE

Group shareholders' equity totalled EUR 65.1 billion at December 31st, 2021 (EUR 61.7 billion at December 31st, 2020). Net asset value per share was EUR 68.7 and tangible net asset value per share was EUR 61.1.

The consolidated balance sheet totalled EUR 1,464 billion at December 31st, 2021 (EUR 1,444 billion(1) at December 31st, 2020). The net amount of customer loan outstandings at December 31st, 2021, including lease financing, was EUR 488 billion (EUR 440 billion at December 31st, 2020) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 502 billion, vs. EUR 451 billion at December 31st, 2020 (excluding assets and securities sold under repurchase agreements).

At December 31st, 2021, the parent company had issued EUR 35.3 billion of medium/long-term debt, having an average maturity of 5.1 years and an average spread of 33 basis points (vs. the 6-month mid-swap, excluding subordinated debt). The subsidiaries had issued EUR 3.8 billion. In total, the Group had issued EUR 39.1 billion of medium/long-term debt.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 129% at end-December 2021 (131% on average in Q4), vs. 149% at end-December 2020. At the same time, the NSFR (Net Stable Funding Ratio) was at a level of 110% at end-December 2021.

The Group's **risk-weighted assets** (RWA) amounted to EUR 363.4 billion at December 31st, 2021 (vs. EUR 351.9 billion at end-December 2020) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 83.9% of the total, at EUR 304.9 billion, up 6.1% vs. December 31st, 2020.

At December 31st, 2021, the Group's **Common Equity Tier 1** ratio stood at 13.7%, or around 470 basis points above the regulatory requirement. The CET1 ratio at December 31st, 2021 includes an effect of +16 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 13.6%. The Tier 1 ratio stood at 15.9% at end-December 2021 (16% at end-December 2020) and the total capital ratio amounted to 18.8% (19.2% at end-December 2020).

The Group is aiming for a CET1 ratio between 200-250 basis points minimum above the regulatory requirement including after the entry into force of the regulation finalising the Basel III reform.

The **leverage ratio** stood at 4.9% at December 31st, 2021 (4.8% at end-December 2020).

With a level of 31.1% of RWA and 9.5% of leverage exposure at end-December 2021, the Group's TLAC ratio is above the Financial Stability Board's requirements for 2021 and 2022. At December 31st, 2021, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leverage exposure.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable rating, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

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(1) *Amounts restated compared with the financial statements published in 2020 (See Note1.7 of financial statements)*

3. FRENCH RETAIL BANKING

In EURm	Q4 21	Q4 20	Change	2021	2020	Change
Net banking income	2,048	1,845	+11.0%	7,777	7,315	+6.3%
Net banking income excl. PEL/CEL	*2,027*	*1,870*	*+8.4%*	*7,738*	*7,381*	*+4.8%*
Operating expenses	(1,534)	(1,443)	+6.3%	(5,635)	(5,418)	+4.0%
Underlying operating expenses(1)	*(1,573)*	*(1,476)*	*+6.6%*	*(5,635)*	*(5,418)*	*+4.0%*
Gross operating income	514	402	+27.9%	2,142	1,897	+12.9%
Underlying gross operating income(1)	*454*	*394*	*+15.3%*	*2,103*	*1,963*	*+7.1%*
Net cost of risk	20	(276)	n/s	(104)	(1,097)	-90.5%
Operating income	534	126	x 4.2	2,038	800	x 2.5
Net profits or losses from other assets	22	19	+15.8%	24	158	-84.8%
Reported Group net income	400	104	x 3.8	1,492	666	x 2.2
Underlying Group net income(1)	*356*	*99*	*x 3.6*	*1,463*	*712*	*x 2.1*
RONE	14.6%	3.7%		13.4%	5.8%	
Underlying RONE(1)	*13.0%*	*3.5%*		*13.1%*	*6.2%*	

(1) Adjusted for the linearisation of IFRIC 21 and PEL/CEL provision

Societe Generale and Crédit du Nord networks

Average loan outstandings were -1% lower than in Q4 20 at EUR 210 billion. They were 9% higher than in Q4 19. Average outstanding loans to individuals were up +2%, bolstered by the growth in home loan production (+33% vs. Q4 20). The production of medium/long-term loans to corporate and professional customers climbed +45% excluding State Guaranteed Loans vs. Q4 20.

Average outstanding balance sheet deposits increased by +7% vs. Q4 20 to EUR 241 billion (+22% vs. Q4 19), still driven by sight deposits.

As a result, the average loan/deposit ratio stood at 87% in Q4 21 vs. 94% in Q4 20.

Insurance assets under management totalled EUR 93 billion at end-December 2021, up +6% year-on-year. Gross life insurance inflow amounted to EUR 1.9 billion in Q4 21, with the unit-linked share accounting for 36%.

Private Banking's assets under management totalled EUR 78 billion at end-December 2021. Net inflow was buoyant at EUR 4.1 billion in 2021, an increase of 68% vs. 2020.

Property/casualty insurance premiums were up +5% vs. Q4 20, while personal protection insurance premiums were up +4% vs. Q4 20. The penetration rate for our customer base has improved both for property/casualty insurance and personal protection insurance.

Boursorama

The bank consolidated its position as the leading online bank in France, with more than 3.3 million clients at end-December 2021, thanks to the onboarding of 266,000 new clients in Q4 21 (+38% vs. Q4 20). Boursorama is aiming to have more than 4 million clients at end-2022, one year ahead of schedule relative to its plan.

This quarter, Boursorama distinguished itself by obtaining the highest NPS score among French banks in 2021 in the classification established by Bain & Company in December 2021. Moreover, Boursorama was ranked No. 1 in the classification best bank for Customer Experience Excellence in France in 2021 awarded by KPMG in November 2021. The bank also obtained the highest rating scores for its App among French banks with 4.8 on iOS (App Store) and 4.9 on Android (Google Play Store). In addition, Boursorama was voted the least expensive bank for the 14th consecutive year by Le Monde and Meilleurebanque.com in December 2021.

Average outstanding loans rose +28% vs. Q4 20 to EUR 14 billion. Home loan outstandings were up +30% vs. Q4 20.

Average outstanding savings including deposits and financial savings were 25% higher than in Q4 20 at EUR 35 billion, while outstanding deposits were up +25% vs. Q4 20. Life insurance outstandings were 13% higher than in Q4 20 while assets under management in UCITS increased by +16% vs. Q4 20. Brokerage volumes were stable in 2021 compared to 2020 at a record level (x3 compared to 2019).

Net banking income excluding PEL/CEL

2021: revenues (excluding PEL/CEL) totalled EUR 7,738 million, up +4.8% vs. 2020. Net interest income (excluding PEL/CEL) was up +2.1% vs. 2020, underpinned by catch-up effects related to the TLTRO allowance and to State Guaranteed Loans. Commissions enjoyed a healthy momentum (+5.1% vs. 2020) against the backdrop of a recovery in activity following the lockdowns in 2020.

Q4 21: revenues (excluding PEL/CEL) totalled EUR 2,027 million, up +8.4% vs. Q4 20. Net interest income (excluding PEL/CEL) was up +6.7% vs. Q4 20. Commissions were 5.0% higher than in Q4 20.

Operating expenses

2021: operating expenses totalled EUR 5,635 million (+4.0% vs. 2020). The cost to income ratio (restated for the PEL/CEL provision) stood at 72.8%, an improvement of 0.6 points vs. 2020.

Q4 21: operating expenses amounted to EUR 1,534 million (+6.3% vs. Q4 20) and EUR 1,573 million on an underlying basis. The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 77.6%, an improvement of 1.3 points vs. Q4 20.

Cost of risk

2021: the cost of risk amounted to EUR 104 million or 5 basis points, a substantial decline compared to 2020 (52 basis points) which was marked by an environment of uncertainty linked to the pandemic.

Q4 21: the cost of risk represented a write-back of EUR 20 million or -4 basis points, a significant improvement vs. Q4 20 (50 basis points) and Q3 21 (write-back of 1 basis point).

Contribution to Group net income

2021: the contribution to Group net income was EUR 1,492 million (x2.2 vs. 2020 impacted by the pandemic). RONE (restated for the PEL/CEL provision) stood at 13.1% in 2021 (6.2% in 2020) and 14.4% excluding Boursorama.

Q4 21: the contribution to Group net income was EUR 400 million vs. EUR 104 million in Q4 20. RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 13.0% in Q4 21 (3.5% in Q4 20).

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q4 21	Q4 20	Change		2021	2020	Change	
Net banking income	2,159	1,919	*+12.5%*	*+10.3%**	8,117	7,524	*+7.9%*	*+9.9%**
Operating expenses	(1,088)	(1,018)	*+6.9%*	*+4.2%**	(4,203)	(4,142)	*+1.5%*	*+3.1%**
Underlying operating expenses(1)	(1,112)	(1,042)	*+6.7%*	*+4.1%**	(4,203)	(4,142)	*+1.5%*	*+3.1%**
Gross operating income	1,071	901	*+18.9%*	*+17.3%**	3,914	3,382	*+15.7%*	*+18.3%**
Underlying gross operating income(1)	1,047	877	*+19.4%*	*+17.8%**	3,914	3,382	*+15.7%*	*+18.3%**
Net cost of risk	(96)	(287)	*-66.6%*	*-67.2%**	(504)	(1,265)	*-60.2%*	*-59.4%**
Operating income	975	614	*+58.8%*	*+57.5%**	3,410	2,117	*+61.1%*	*+65.2%**
Net profits or losses from other assets	8	6	*+33.3%*	*+36.6%**	18	15	*+20.0%*	*+21.2%**
Reported Group net income	584	376	*+55.3%*	*+54.9%**	2,082	1,304	*+59.7%*	*+64.4%**
Underlying Group net income(1)	570	362	*+57.5%*	*+57.1%**	2,082	1,304	*+59.7%*	*+64.4%**
RONE	22.2%	14.9%			20.3%	12.4%		
Underlying RONE(1)	*21.7%*	*14.3%*			*20.3%*	*12.4%*		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's loan and deposit production provided confirmation in Q4 of its rebound in all geographical regions. Outstanding loans totalled EUR 93.6 billion. They rose +6.0%* vs. end-December 2020. Outstanding deposits were 8.5%* higher than in December 2020, at EUR 89.5 billion.

For the Europe scope, outstanding loans were up +6.6%* vs. December 2020 at EUR 59.9 billion, driven by all the regions: +6.5%* in the Czech Republic, +11.1%* in Romania, and +5.4%* in Western Europe. Outstanding deposits increased by +6.0%* to EUR 50.8 billion.

In Russia, outstanding loans rose +13.3%* vs. end-December 2020, with a robust commercial performance particularly in home loans (+15%* year-on-year) and in the corporate customers segment (+22%* year-on-year). There was a significant increase in outstanding deposits (+20.8%*).

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans rose +1.6%* year-on-year. Outstanding deposits continued to enjoy a healthy momentum, up +7.7%*.

In the Insurance business, the life insurance savings business saw outstandings increase +7%* at end-December 2021 vs. end-December 2020 to EUR 135 billion. The share of unit-linked products in outstandings was 37%, an increase of +4 points vs. December 2020.

Financial Services to Corporates also enjoyed a healthy momentum. Operational Vehicle Leasing and Fleet Management had 1.7 million contracts, including 1.4 million financed vehicles, an increase of +4.0% vs. end-December 2020. Equipment Finance's new leasing business was up +12.1%* vs. 2020, while outstanding loans rose +1.1% vs. end-December 2020, to EUR 14.7 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 8,117 million in 2021, up +9.9%* vs. 2020. Revenues amounted to EUR 2,159 million in Q4 21, up +10.3%* vs. Q4 20.

International Retail Banking's net banking income totalled EUR 5,000 million in 2021, an increase of +2.8%* vs. 2020. It was up +3.5%* in Q4 21 at EUR 1,311 million.

Thanks to a rise in interest rates, a healthy commercial momentum and an increase in commissions (+16%* vs. Q4 20), revenues in Europe were 10.7%* higher than in Q4 20. Activity in the individual customers segment remained particularly robust in specialised consumer finance, with revenues up +9%* vs. Q4 20.

In 2021, the revenues of SG Russia[(1)] were down -2.8%* (-7.0%* vs. Q4 20), adversely affected firstly, by a temporary squeeze on individual customer margins (part of the rise in rates not being passed on to individual customers) and secondly, by a non-recurring item affecting the recognition of commissions.

The Africa, Mediterranean Basin and French Overseas Territories scope posted revenues up +4.6%* vs. 2020 at EUR 1,770 million. Despite persistent supply chain pressures and the sharp decline in tourism, activity proved resilient in Q4 21, with a gradual improvement in the commercial momentum. As a result, revenues were slightly lower (-1.2%) at EUR 453 million, with strong growth in certain key countries of Sub-Saharan Africa (Cote d'Ivoire, Senegal and Madagascar) particularly in the corporate customers segment.

The Insurance business posted net banking income up +8.6%* vs. 2020, at EUR 963 million in 2021. The gross premiums of the life insurance savings business were 25%* higher in Q4 21 than in Q4 20, with an attractive share of unit-linked products (44%). Protection insurance saw an increase of +5%* vs. December 2020. Property/casualty premiums rose +9%* in Q4 21 (including +7%* in France and +10%* internationally) and +8%* in 2021, as did personal protection insurance (+3%* vs. 2020). The Insurance business' net banking income was 8.1%* higher in Q4 21 than in Q4 20 at EUR 243 million.

Financial Services to Corporates' net banking income was substantially higher (+32.0%*) than in 2020, at EUR 2,154 million. This performance was driven primarily by the activities of ALD which posted strong growth in its fleet and the used car sale result (EUR 1,422 per vehicle in 2021). Financial Services to Corporates' net banking income totalled EUR 605 million in Q4 21, up +30.6%* vs. Q4 20.

Operating expenses

Operating expenses totalled EUR 4,203 million, an increase of +3.1%* on a reported and underlying basis vs. 2020. Operating expenses amounted to EUR 1,088 million in Q4 21, up +4.2%* vs. Q4 20, in conjunction with the growth in revenue. As a result, the quarter generated a positive jaws effect. The cost to income ratio stood at 51.8% in 2021.

In International Retail Banking, operating expenses were slightly higher (+2.5%*) than in 2020. Operating expenses were 4.0%* higher than in Q4 20.

In the **Insurance** business, operating expenses were in line with the expansion ambitions and rose +4.8%* vs. 2020 and +6.6%* vs. Q4 20.

In **Financial Services to Corporates,** operating expenses increased by +4.4%* vs. 2020 and +4.7%* vs. Q4 20.

Cost of risk

Q4 21: the cost of risk amounted to 28 basis points (EUR 96 million), vs. 43 basis points in Q3 21 and 89 basis points in Q4 20.

2021: the cost of risk amounted to 38 basis points (EUR 504 million). It was 96 basis points in 2020.

Contribution to Group net income

The contribution to Group net income totalled EUR 2,082 million in 2021 (+64.4%* vs. 2020) and EUR 584 million in Q4 21 (+54.9%* vs. Q4 20).

Underlying RONE stood at 20.3% in 2021 (vs. 12.4% in 2020) and 21.7% in Q4 21 (14.3% in Q4 20), with RONE of 16% in International Retail Banking and 26% in Financial Services.

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(1) *SG Russia encompasses the entities Rosbank, Rosbank Insurance, ALD Automotive and their consolidated subsidiaries*

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q4 21	Q4 20	Variation		2021	2020	Variation	
Net banking income	2,320	2,072	+12.0%	+9.7%*	9,530	7,613	+25.2%	+26.1%*
Operating expenses	(1,556)	(1,688)	-7.8%	-9.3%*	(6,863)	(6,713)	+2.2%	+2.7%*
Underlying operating expenses(1)	*(1,681)*	*(1,638)*	*+2.6%*	*+0.9%**	*(6,863)*	*(6,556)*	*+4.7%*	*+5.1%**
Gross operating income	764	384	+99.0%	+91.5%*	2,667	900	x 3.0	x 3.0*
Underlying gross operating income(1)	*639*	*434*	*+47.3%*	*+42.4%**	*2,667*	*1,057*	*x 2.5*	*x 2.6*
Net cost of risk	(3)	(104)	-97.1%	-97.2%*	(86)	(922)	-90.7%	-90.5%*
Operating income	761	280	x 2.7	x 2.6	2,581	(22)	n/s	n/s
Reported Group net income	635	280	x 2.3	x 2.2	2,076	57	x 36.4	x 40.8
Underlying Group net income(1)	*539*	*320*	*+68.4%*	*+64.1%**	*2,076*	*183*	*x 11.4*	*x 11.8*
RONE	16.3%	7.8%			13.9%	0.4%		
Underlying RONE(1)	*13.8%*	*9.0%*			*13.9%*	*1.3%*		

(1) Adjusted for the linearisation of IFRIC 21

Net banking income

In 2021, Global Banking & Investor Solutions posted substantially higher revenues (+25.2%) than in 2020 at EUR 9,530 million, driven by a very strong momentum in all the businesses. Revenues rose +9.5% compared to 2019. This solid financial performance reflects the successful execution of the strategic plan presented in May 2021.
In Q4 21, revenues rose +12.0% vs. Q4 20, to EUR 2,320 million.

In Global Markets & Investor Services, net banking income totalled EUR 5,648 million in 2021 (+35.6% vs. 2020). It amounted to EUR 1,260 million in Q4 21 (+8.6% vs. Q4 20).

Global Markets turned in a very strong performance in 2021 (EUR 5,001 million), with an increase of +40.2% compared to 2020 which was heavily impacted by the health crisis. Market conditions were favourable in the Equity market and more complex in the fixed income markets in 2021. The reduction in the risk profile of structured products was completed in the first half of the year, ahead of schedule.
Q4 21 also delivered a solid performance (EUR 1,103 million), with an increase of +9.5% vs. Q4 20. The fourth quarter was marked by very buoyant commercial activity in most client segments.

The Equity activity enjoyed its best year since 2009 (EUR 3,150 million vs. EUR 1,275 million in 2020 and EUR 2,502 million in 2019), driven by good market conditions and the successful repositioning of the Investment Solutions product offering.
In Q4 21, the business was able to take advantage of still favourable market conditions on all products, and posted revenues of EUR 727 million, up +22.6% vs. Q4 20.

Fixed Income & Currency activities posted revenues of EUR 1,851 million in 2021, down -19.2% compared to 2020 which was marked by exceptional market conditions in the first half of the year.
Q4 21 delivered a resilient performance (-9.2% vs. Q4 20) in a more complex market, with higher revenues in emerging markets and financing.

There was a significant increase in Securities Services' revenues in 2021, with revenues up +8.4% vs. 2020, at EUR 647 million. They were 2.6% higher in Q4 21 than in Q4 20, at EUR 157 million.
Securities Services' assets under custody and assets under administration amounted to EUR 4,586 billion and EUR 697 billion respectively, up +6.3% and +9.2% in 2021.

Financing & Advisory delivered the best historical annual performance, with revenues of EUR 2,924 million, up +14.8% vs. 2020. Firstly, the business capitalised on the good market momentum, particularly in Investment Banking, by playing key roles in our clients' major transactions and secondly, it benefited from an additional capital allocation.

In Q4 21, the business again enjoyed record revenues of EUR 814 million, substantially higher (+19.5%) than in Q4 20.
Investment Banking enjoyed an excellent quarter, driven by the strong momentum of M&A, Leveraged Buyout and equity capital market activities. Revenues from Asset Finance, Natural Resources and Infrastructure activities and the Asset-Backed Products platform also showed a substantial increase.
Global Transaction and Payment Services continued to experience strong growth, up +25.2% vs. Q4 20.

Asset and Wealth Management's net banking income totalled EUR 958 million in 2021 (+6.1% vs. 2020). It was 6.5% higher in Q4 21 vs. Q4 20.

In 2021, Private Banking posted an increase in revenues of +3.1% vs. 2020, to EUR 699 million (when restated for an exceptional impact of EUR +29 million related to an insurance payout received in 2020, revenues are up +7.7%). The business benefited from strong commercial activity in all regions. Net inflow amounted to EUR +7.7 billion in 2021. Assets under management totalled EUR 130 billion. They rose +12% in 2021.
In Q4 21, net banking income amounted to EUR 171 million, up +5.6% vs. Q4 20.

In 2021, Lyxor's net banking income totalled EUR 239 million, an increase of +15.5% vs. 2020. Assets under management were up +27% in 2021, at EUR 178 billion.
In Q4 21, revenues were 10.9% higher than in Q4 20.

Operating expenses

2021: operating expenses totalled EUR 6,863 million, an increase of +2.2% vs. 2020 on a reported basis, and +4.7% on an underlying basis (operating expenses included a restructuring charge of EUR 157 million in Q4 20). This increase can be explained by the rise in variable costs related to the increase in earnings and IFRIC 21 charges. Thanks to a very positive jaws effect, there was a significant improvement in the cost to income ratio of 14 points (72% vs. 86% on an underlying basis in 2020).
Q4 21: operating expenses were up +2.6% on an underlying basis (at EUR 1,681 million).

Net cost of risk

2021: the cost of risk was at a low level of 5 basis points (or EUR 86 million), well below 2020 (57 basis points) which was adversely affected by the health crisis.
Q4 21: it amounted to 1 basis point (or EUR 3 million), vs. 28 basis points in Q4 20.

Contribution to Group net income

2021: the contribution to Group net income was EUR 2,076 million.
Q4 21: it was EUR 635 million on a reported basis and EUR 539 million on an underlying basis (+68.4% vs. Q4 20).

Global Banking & Investor Solutions posted a significant RONE of 13.9% in 2021 (16.1% when restated for the impact of the contribution to the Single Resolution Fund).
The underlying RONE was 13.8% in Q4 21.

6. CORPORATE CENTRE

In EURm	Q4 21	Q4 20	2021	2020
Net banking income	93	2	374	(339)
Underlying net banking income(1)	*(24)*	2	*257*	(339)
Operating expenses	(387)	(202)	(889)	(441)
Underlying operating expenses(1)	*(251)*	*(162)*	*(510)*	*(388)*
Gross operating income	(294)	(200)	(515)	(780)
Underlying gross operating income(1)	*(275)*	*(160)*	*(253)*	*(727)*
Net cost of risk	(7)	(22)	(6)	(22)
Net profits or losses from other assets	429	(105)	603	(185)
Impairment losses on goodwill	(114)	-	(114)	(684)
Income tax	193	52	187	(482)
Reported Group net income	168	(290)	(9)	(2,285)
Underlying Group net income(1)	*(255)*	*(133)*	*(386)*	*(718)*

(1) Adjusted for the linearisation of IFRIC 21

The Corporate Centre includes the property management of the Group's head office, the Group's equity portfolio, the Treasury activities for the Group, certain costs related to cross-functional projects as well as certain costs incurred by the Group not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR +374 million in 2021 vs. EUR -339 million in 2020 and EUR +93 million in Q4 21, including the positive impact of a revaluation of securities for EUR 117 million vs. EUR +2 million in Q4 20.

Operating expenses totalled EUR 889 million in 2021 vs. EUR 441 million in 2020. They include the Group's transformation costs for a total amount of EUR 379 million relating to the activities of French Retail Banking (EUR 194 million), Global Banking & Investor Solutions (EUR 99 million) and the Corporate Centre (EUR 86 million). Underlying costs came to EUR 510 million in 2021 compared to EUR 388 million in 2020.

Operating expenses totalled EUR 387 million in Q4 21 vs. EUR 202 million in Q4 20. They include the Group's transformation costs for a total amount of EUR 147 million relating to the activities of French Retail Banking (EUR 88 million), Global Banking & Investor Solutions (EUR 33 million) and the Corporate Centre (EUR 26 million). Underlying costs came to EUR 251 million in Q4 21 compared to EUR 162 million in Q4 20.

Gross operating income totalled EUR -515 million in 2021 vs. EUR -780 million in 2020 and EUR -294 million in Q4 21 vs. EUR -200 million in Q4 20. Underlying gross operating income came to EUR -253 million in 2021 vs. EUR -727 million in 2020.

Net profits or losses from other assets amounted to EUR +603 million in 2021 vs. EUR -185 million in 2020. In Q4 21, they totalled EUR +429 million including the proceeds of the disposal of Lyxor's asset management activities for EUR 439 million, vs. EUR -105 million in Q4 20 including EUR -101 million in respect of the disposal of SG Finans.

In Q4 21, the Group benefited from the recognition of EUR 130 million of deferred tax assets. Furthermore, the review of International Retail Banking's financial trajectory led to the impairment of goodwill for EUR 114 million in Q4 21.

The **Corporate Centre's contribution to Group net income was EUR -9 million** in 2021 vs. EUR -2,285 million in 2020 and EUR +168 million in Q4 21 vs. EUR -290 million in Q4 20. The Corporate Centre's contribution to Group net income on an underlying basis was EUR -255 million.

7. CONCLUSION

In 2021, the Group delivered the best annual performance in its history, with Group net income of EUR 5.6 billion and a strong contribution from all its businesses.

2021 was also marked by major progress in the execution of all our strategic initiatives and in the strategic reallocation of our capital in favour of businesses offering profitable growth. The Group therefore announced the planned acquisition of LeasePlan by ALD to create a mobility leader, as well as Boursorama's entry into exclusive discussions with ING with a view to offering ING's individual customers in France the best alternative banking solution.

At end-December 2021, the Group had a CET1 ratio of 13.7%(1), comfortably above its regulatory requirement.

The Board of Directors has established an attractive distribution of 2021 financial results to shareholders equivalent to EUR 2.75 per share. A dividend in cash of EUR 1.65 per share will be proposed to the General Meeting of Shareholders on May 17th.

Furthermore, the Group foresee a buyback programme for around EUR 915 million, or an amount equivalent to EUR 1.10 per share. Exceptionally, it has been retained a split of the distribution between 60% in cash and 40% through share buy-back.

In future, the Group intends to maintain a distribution policy of 50% of underlying Group net income(2) with up to 20% of the distribution in the form of a share buyback.

(1) *Phased-in (13.6% fully-loaded) post distribution provision*
(2) *After deducting interest on deeply subordinated notes and undated subordinated notes*

8. 2022 FINANCIAL CALENDAR

2022 Financial communication calendar

May 5th, 2022	First quarter 2022 results
May 17th, 2022	2022 General Meeting
August 3rd, 2022	Second quarter and first half 2022 results
November 4th, 2022	Third quarter and nine-month 2022 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.
These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:
- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences,
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French Autorité des Marchés Financiers (which is available on https://investors.societegenerale.com/en).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

9. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q4 21	Q4 20	Variation	2021	2020	Variation
French Retail Banking	400	104	x 3.8	1,492	666	x 2.2
International Retail Banking and Financial Services	584	376	+55.3%	2,082	1,304	+59.7%
Global Banking and Investor Solutions	635	280	x 2.3	2,076	57	x 36.4
Core Businesses	1,619	760	x 2.1	5,650	2,027	x 2.8
Corporate Centre	168	(290)	n/s	(9)	(2,285)	+99.6%
Group	1,787	470	x 3.8	5,641	(258)	n/s

CONSOLIDATED BALANCE SHEET

In EUR m	31.12.2021	31.12.2020
Cash, due from central banks	179,969	168,179
Financial assets at fair value through profit or loss *	342,714	411,916
Hedging derivatives	13,239	20,667
Financial assets at fair value through other comprehensive income	43,450	52,060
Securities at amortised cost	19,371	15,635
Due from banks at amortised cost	55,972	53,380
Customer loans at amortised cost	497,164	448,761
Revaluation differences on portfolios hedged against interest rate risk	131	378
Investments of insurance companies	178,898	166,854
Tax assets *	4,812	4,995
Other assets	92,898	67,341
Non-current assets held for sale	27	6
Investments accounted for using the equity method	95	100
Tangible and intangible fixed assets	31,968	30,088
Goodwill	3,741	4,044
Total *	**1,464,449**	**1,444,404**

In EUR m	31.12.2021	31.12.2020
Due to central banks	5,152	1,489
Financial liabilities at fair value through profit or loss *	307,563	372,705
Hedging derivatives	10,425	12,461
Debt securities issued	135,324	138,957
Due to banks	139,177	135,571
Customer deposits	509,133	456,059
Revaluation differences on portfolios hedged against interest rate risk	2,832	7,696
Tax liabilities *	1,577	1,227
Other liabilities	106,305	84,937
Non-current liabilities held for sale	1	-
Insurance contracts related liabilities	155,288	146,126
Provisions *	4,850	4,732
Subordinated debts	15,959	15,432
Total liabilities *	**1,393,586**	**1,377,392**
Shareholder's equity		
Shareholders' equity, Group share		
Issued common stocks and capital reserves	21,913	22,333
Other equity instruments	7,534	9,295
Retained earnings *	30,631	32,102
Net income	5,641	(258)
Sub-total *	**65,719**	**63,472**
Unrealised or deferred capital gains and losses	(652)	(1,762)
Sub-total equity, Group share *	**65,067**	**61,710**
Non-controlling interests *	5,796	5,302
Total equity *	**70,863**	**67,012**
Total *	**1,464,449**	**1,444,404**

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of financial statements)

10. APPENDIX 2: METHODOLOGY

1 –The financial information presented in respect of Q4 and 2021 was examined by the Board of Directors on February 9th, 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

2 - Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2021 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 - Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2020 (pages 466 et seq. of Societe Generale's 2021 Universal Registration Document). The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 41 of Societe Generale's 2021 Universal Registration Document.

4 - IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

The contributions to **Single Resolution Fund (« SRF »)** are part of IFRIC21 adjusted charges, they include contributions to national resolution funds within the EU.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

Q4 21 (in EURm)	Net Banking Income	Operating Expenses	Cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	6 620	(4 565)	(86)	449	(114)	(311)	1 787	
*(+) Revaluation gain**	*(117)*					*2*	*(115)*	*Corporate Center*
(+) IFRIC 21 linearisation		*(199)*				*46*	*(149)*	
*(+) Transformation charges**		*147*				*(39)*	*108*	*Corporate Center[(1)]*
*(+) Lyxor disposal**				*(439)*		*50*	*(389)*	*Corporate Center*
*(+) DTA recognition**						*(130)*	*(130)*	*Corporate Center*
*(+) Goodwill impairment**					*114*		*114*	*Corporate Center*
Underlying	6 503	(4 617)	(86)	10	0	(382)	1 226	

Q4 20 (in EURm)	Net Banking Income	Operating Expenses	Cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	5 838	(4 351)	(689)	(94)	0	(125)	470	
(+) IFRIC 21 linearisation		*(177)*				*52*	*(121)*	
*(+) Transformation charges**		*210*				*(63)*	*147*	*o/w GBIS (EUR -157m), Corporate Center (EUR -53m)*
*(+) Group refocusing plan**			*20*	*101*		*14*	*135*	*Corporate Center*
Underlying	5 838	(4 318)	(669)	7	0	(123)	631	

2021 (in EURm)	Net Banking Income	Operating Expenses	Cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	25 798	(17 590)	(700)	635	(114)	(1 697)	5 641	
*(+) Lyxor disposal**				*(439)*		*50*	*(389)*	*Corporate Center*
*(+) Transformation charges**		*379*				*(104)*	*275*	*Corporate Center[(2)]*
*(+) Capital gains on Haussmann office disposal**				*(185)*		*53*	*(132)*	*Corporate Center*
*(+) Revaluation gain**	*(117)*					*2*	*(115)*	*Corporate Center*
*(+) DTA recognition**						*(130)*	*(130)*	*Corporate Center*
*(+) Goodwill impairment**					*114*		*114*	*Corporate Center*
Underlying	25 681	(17 211)	(700)	11	0	(1 826)	5 264	

2020 (in EURm)	Net Banking Income	Operating Expenses	Cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	22 113	(16 714)	(3 306)	(12)	(684)	(1 204)	(258)	
*(+) Transformation charges**		*210*				*(63)*	*147*	*o/w GBIS (EUR -157m), Corporate Center (EUR -53m)*
*(+) Group refocusing plan**			*20*	*178*		*14*	*212*	*Corporate center*
*(+) Goodwill impairment**					*684*		*684*	*Corporate center*
*(+) DTA impairment **						*650*	*650*	*Corporate center*
Underlying	22 113	(16 504)	(3 286)	166	0	(603)	1 435	

(*) Exceptional item

(1) Transformation and/or restructuring charges in Q4 21 related to RBDF (EUR 88m), GBIS (EUR 33m) and Corporate Center (EUR 26m)

(2) Transformation and/or restructuring charges in 2021 related to RBDF (EUR 194m), GBIS (EUR 99m) and Corporate Center (EUR 86m)

6 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk is defined on pages 43 and 635 of Societe Generale's 2021 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

In EURm		Q4 21	Q4 20	2021	2020
French Retail Banking	Net Cost Of Risk	(20)	276	104	1,097
	Gross loan Outstandings	219,522	222,926	218,043	212,185
	Cost of Risk in bp	(4)	50	5	52
International Retail Banking and Financial Services	Net Cost Of Risk	96	287	504	1,265
	Gross loan Outstandings	137,018	128,965	133,321	132,082
	Cost of Risk in bp	28	89	38	96
Global Banking and Investor Solutions	Net Cost Of Risk	3	104	86	922
	Gross loan Outstandings	178,116	147,508	165,603	160,918
	Cost of Risk in bp	1	28	5	57
Corporate Centre	Net Cost Of Risk	7	22	6	22
	Gross loan Outstandings	14,574	14,044	13,835	11,611
	Cost of Risk in bp	16	62	4	20
Societe Generale Group	Net Cost Of Risk	86	689	700	3,306
	Gross loan Outstandings	549,229	513,443	530,801	516,797
	Cost of Risk in bp	6	54	13	64

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 and 44 of Societe Generale's 2021 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2021 Universal Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9). For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period	Q4 21	Q4 20	2021	2020
Shareholders' equity Group share*	65,067	61,710	65,067	61,710
Deeply subordinated notes	(8,003)	(8,830)	(8,003)	(8,830)
Undated subordinated notes		(264)		(264)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	20	19	20	19
OCI excluding conversion reserves	(489)	(942)	(489)	(942)
Dividend provision	(2,286)	(467)	(2,286)	(467)
ROE equity end-of-period*	54,310	51,227	54,310	51,227
Average ROE equity*	53,878	51,307	52,634	52,091
Average Goodwill	(3,776)	(3,928)	(3,890)	(4,172)
Average Intangible Assets	(2,687)	(2,477)	(2,584)	(2,432)
Average ROTE equity*	47,415	44,902	46,160	45,487
Group net Income (a)	1,787	470	5,641	(258)
Underlying Group net income (b)	1,226	631	5,264	1,435
Interest on deeply subordinated notes and undated subordinated notes (c)	(151)	(164)	(590)	(611)
Cancellation of goodwill impairment (d)	337	-	337	684
Ajusted Group net Income (e) = (a)+ (c)+(d)	1,973	306	5,388	(185)
Ajusted Underlying Group net Income (f)=(b)+(c)	1,075	467	4,674	824
Average ROTE equity (g)*	47,415	44,902	46,160	45,487
ROTE [quarter: (4*e/g), 12M: (2*e/g)]	16.6%	2.7%	11.7%	-0.4%
Average ROTE equity (underlying) (h)*	46,854	45,063	45,783	47,180
Underlying ROTE [quarter: (4*f/h), 12M: (2*f/h)]	9.2%	4.1%	10.2%	1.7%

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of the financial statements)

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EUR m	Q4 21	Q4 20	Change	2021	2020	Change
French Retail Banking	10,990	11,186	-1.8%	11,149	11,427	-2.4%
International Retail Banking and Financial Services	10,523	10,112	+4.1%	10,246	10,499	-2.4%
Global Banking and Investor Solutions	15,602	14,287	+9.2%	14,916	14,302	+4.3%
Core Businesses	37,115	35,585	+4.3%	36,310	36,228	+0.2%
Corporate Center	16,763	15,722	+6.7%	16,324	15,863	+2.9%
Group	53,878	51,307	+5.0%	52,634	52,091	+1.0%

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of the financial statements)

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2021 Universal Registration Document. The items used to calculate them are presented below:

End of period – in EUR m	2021	2020	2019
Shareholders' equity Group share*	65,067	61,710	63,527
Deeply subordinated notes	(8,003)	(8,830)	(9,501)
Undated subordinated notes		(264)	(283)
Interest, net of tax, payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	20	19	4
Bookvalue of own shares in trading portfolio	37	301	375
Net Asset Value*	57,121	52,936	54,122
Goodwill	(3,624)	(3,928)	(4,510)
Intangible Assets	(2,733)	(2,484)	(2,362)
Net Tangible Asset Value*	50,764	46,524	47,250
Number of shares used to calculate NAPS**	831,162	848,859	849,665
Net Asset Value per Share	68.7	62.4	63.7
Net Tangible Asset Value per Share	61.1	54.8	55.6

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of the financial statements)

(*) The number of shares considered is the number of ordinary shares outstanding as at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group.*

In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 45 of Societe Generale's 2021 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2021 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).
The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands) – in EUR m	2021	2020	2019
Existing shares	853,371	853,371	834,062
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	3,861	2,987	4,011
Other own shares and treasury shares	3,249		149
Number of shares used to calculate EPS**	846,261	850,385	829,902
Group net Income	5,641	(258)	3,248
Interest on deeply subordinated notes and undated subordinated notes	(590)	(611)	(715)
Capital gain net of tax on partial buybacks			
Adjusted Group net income	5,051	(869)	2,533
EPS (in EUR)	5.97	(1.02)	3.05
Underlying EPS* (in EUR)	5.52	0.97	4.03

(*) Calculated on the basis of underlying Group net income.

(**) The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

10 – The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules. The fully loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in following the same rationale as solvency ratios.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 133,000 members of staff in 61 countries and supports on a daily basis 30 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Credit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates,** with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions,** which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

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