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).

16,700,000 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 16 June 2023 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 16 June 2023 (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 18 July 2023.

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.

17 July 2023

[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 has not been and 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 31 to 36 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 (including the pre-opening session) 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 52 to 53 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 37 to 39 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, as amended, 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*).

In April 2023, the EU Commission released a proposal to amend, in particular, the BRRD according to which senior preferred debt instruments would no longer rank pari passu with any non covered non preferred deposits of the Issuer; instead, senior preferred debt instruments would rank junior in right of payment to the claims of all depositors.

This proposal will be discussed and amended by the European Parliament and the European Council before being final and applicable. If the Commission proposal was adopted as is, there may be an increased risk of an investor in senior preferred debt instruments losing all or some of their investment in the context of the exercise of the Bail-in Power. The proposal may also lead to a rating downgrade for senior preferred debt instruments.

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 Framework (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, and continues to be, 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).

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 BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

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 regime has evolved 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 were 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 (“**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 introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (“**FSB TLAC Term Sheet**”), by adapting, among other things, 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 has been 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 since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

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 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, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, 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 MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet 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 BRRD, as amended by 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 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, including Societe Generale).

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:	16,700,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Keppel Corporation Limited (the **"Underlying Stock"**)
ISIN:	LU2375060220
Company:	Keppel Corporation Limited (RIC: KPLM.SI)
Underlying Price[3] and Source:	S$6.84 (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:	11 July 2023
Closing Date:	17 July 2023

[3] These figures are calculated as at, and based on information available to the Issuer on or about 17 July 2023. 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 17 July 2023.
[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:	18 July 2023
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 9 July 2025
Expiry Date:	16 July 2025 (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:	15 July 2025 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 43 to 58 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 43 to 58 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 25 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 an 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 25 below and the "Description of Air Bag Mechanism" section on pages 49 to 51 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, Settlement Business Day and Exchange Business Day:	A "**Business Day**", a "**Settlement 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:

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

$\mathbf{FC_{t-1,t}}$ 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: 3.00%

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

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

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.

Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")

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 ($\mathrm{LSL}_{\mathrm{IRD}}$) should be computed as follows :

$$\mathrm{LSL}_{\mathrm{IRD}} = \mathrm{Max}\left[\mathrm{ILSL}_{\mathrm{IR(n)}} \times \left(1 + \mathrm{ILR}_{\mathrm{IR(n),IR(C)}} - \mathrm{IRC}_{\mathrm{IR(n),IR(C)}}\right), 0\right]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$\mathrm{LSL}_{\mathrm{IRD}} = \mathrm{Max}\left[\mathrm{ILSL}_{\mathrm{IR(n)}}, 0\right]$$

$\mathbf{ILSL}_{\mathbf{IR(k)}}$

means, in respect of IR(k), the Intraday Leverage Inverse Strategy Level in accordance with the following provisions :

(1) for k = 1 :

$$\mathrm{ILSL}_{\mathrm{IR(1)}} = \mathrm{Max}\left[\mathrm{LSL}_{\mathrm{IRD\text{-}1}} \times \left(1+\mathrm{ILR}_{\mathrm{IR(0),IR(1)}} - \mathrm{FC}_{\mathrm{IRD\text{-}1,IRD}} - \mathrm{SB}_{\mathrm{IRD\text{-}1,IRD}} - \mathrm{IRC}_{\mathrm{IR(0),IR(1)}}\right), 0\right]$$

(2) for k > 1 :

$$\mathrm{ILSL}_{\mathrm{IR(k)}} = \mathrm{Max}\left[\mathrm{ILSL}_{\mathrm{IR(k-1)}} \times \left(1 + \mathrm{ILR}_{\mathrm{IR(k-1),IR(k)}} - \mathrm{IRC}_{\mathrm{IR(k-1),IR(k)}}\right), 0\right]$$

$\mathbf{ILR}_{\mathbf{IR(k-1),IR(k)}}$

means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows :

$$\mathrm{ILR}_{\mathrm{IR(k-1),IR(k)}} = \mathrm{Leverage} \times \left(\frac{\mathrm{IS}_{\mathrm{IR(k)}}}{\mathrm{IS}_{\mathrm{IR(k-1)}}} - 1\right)$$

$\mathbf{IRC}_{\mathbf{IR(k-1),IR(k)}}$

means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :

$$\mathrm{IRC}_{\mathrm{IR(k\text{-}1),IR(k)}} = \mathrm{Leverage} \times (\mathrm{Leverage}\text{-}1) \times \left(\left|\frac{\mathrm{IS}_{\mathrm{IR(k)}}}{\mathrm{IS}_{\mathrm{IR(k\text{-}1)}}} - 1\right|\right) \times \mathrm{TC}$$

$\mathbf{IS}_{\mathbf{IR(k)}}$

means the Underlying Stock Price in respect of IR(k) computed as follows :

(1) for k=0

$$\mathrm{IS}_{\mathrm{IR(0)}} = \mathrm{S}_{\mathrm{IRD-1}} \times \mathrm{Rfactor}_{\mathrm{IRD}}$$

(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)

$$\mathrm{IS}_{\mathrm{IR(C)}} = \mathrm{S}_{\mathrm{IRD}}$$

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 (including pre-opening session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing means the scheduled closing time (including closing auction session) 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 16 June 2023, 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 "**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 Code;

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

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

(B) which are not *titres non structurés* as defined under Article R.613-28 of the 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 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, varied or otherwise modified in any way 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 Settlement Business Days (as defined in the relevant Supplemental Listing Document and subject to extension upon the occurrence of a Settlement Disruption Event (as defined below)) 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.

If the Issuer determines, in its sole discretion, that on any Settlement Business Day during the period of five Settlement Business Days following the Expiry Date a Settlement Disruption Event has occurred, such Settlement Business Day shall be postponed to the next Settlement Business Day on which the Issuer determines that the Settlement Disruption Event is no longer subsisting and such period shall be extended accordingly, provided that the Issuer and/or the Guarantor shall make their best endeavours to implement remedies as soon as reasonably practicable to eliminate the impact of the Settlement Disruption Event on its/their payment obligations under the Certificates and/or the Guarantee.

"**Settlement Disruption Event**" means the occurrence or existence of any malicious action or attempt initiated to steal, expose, alter, disable or destroy information through unauthorised access to, or maintenance or use of, the Computer Systems of the Issuer, the Guarantor, the Calculation Agent, their respective affiliates (the "**SG Group**"), their IT service providers, by (and without limitation) the use of malware, ransomware, phishing, denial or disruption of service or cryptojacking or any unauthorized entry, removal, reproduction, transmission, deletion, disclosure or modification preventing the Issuer, the Guarantor and/or the Calculation Agent to perform their obligations under the Certificates, and notwithstanding the implementation of processes, required, as the case may be, by the laws and regulations applicable to the Issuer, the Guarantor, the Calculation Agent and their affiliates, or their IT service providers to improve their resilience to these actions and attempts.

"**Computer System**" means all the computer resources including, in particular: hardware, software packages, software, databases and peripherals, equipment, networks, electronic installations for storing computer data, including Data. The Computer System shall be understood to be that which (i) belongs to the SG Group and/or (ii) is rented, operated or legally held by the SG Group under a contract with the holder of the rights to the said system and/or (iii) is operated on behalf of the SG Group by a third party within the scope of a contractual relationship and/or (iv) is made available to the SG Group under a contract within the framework of a shared system (in particular cloud computing).

"**Data**" means any digital information, stored or used by the Computer System, including confidential data.

(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) *Subdivision or Consolidation of the Certificates*. The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment 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) and subject to the approval of the SGX-ST.

(f) *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).

(g) *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 2001 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 2001 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:	16,700,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 16 June 2023 (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 18 July 2023.
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) For Certificate Holders who trade the Certificates intraday: 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) For Certificate Holders who hold the Certificates overnight: 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):

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

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

$$\text{HFF (1)} = 100\% \text{ x } 99.9989\% \text{ x } 99.9819\% \approx 99.9808\%$$

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

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

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

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

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

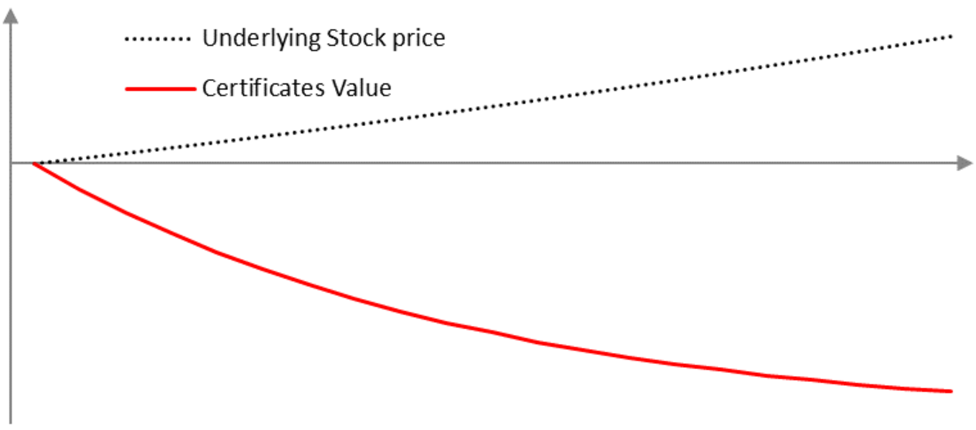
= 0.718 SGD

Illustration on how returns and losses can occur under different scenarios

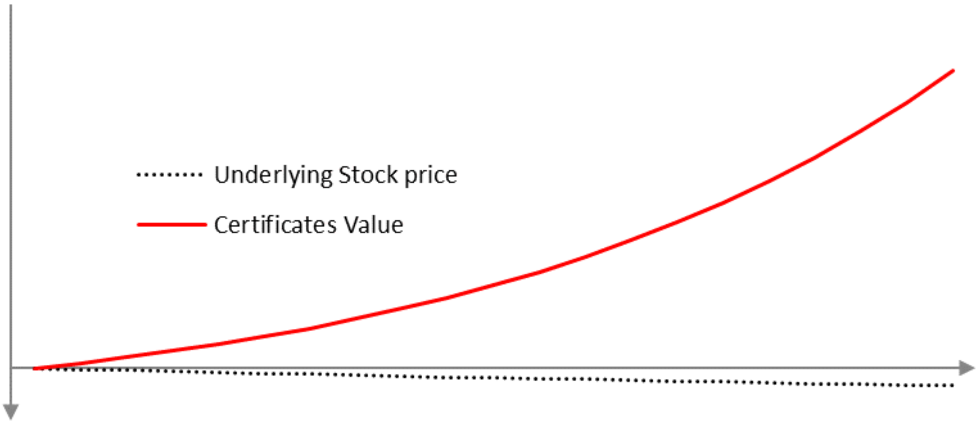
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

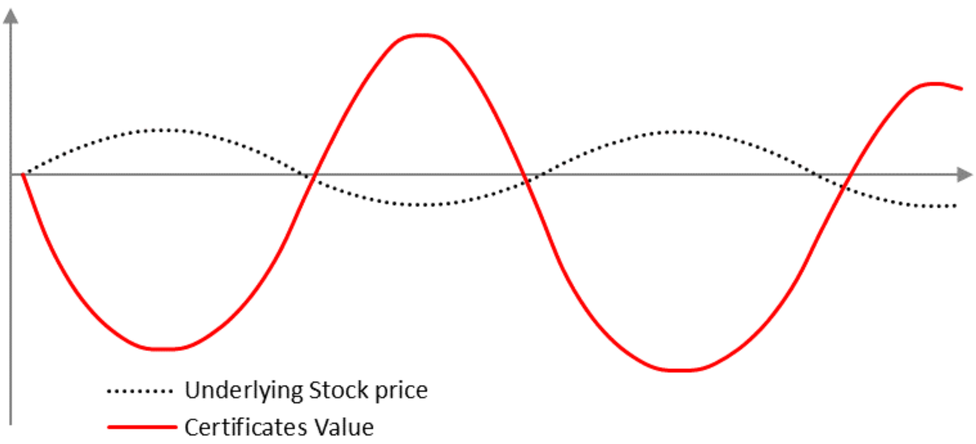
Scenario 1 – Upward Trend



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	0.60	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	0.60	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	0.60	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.

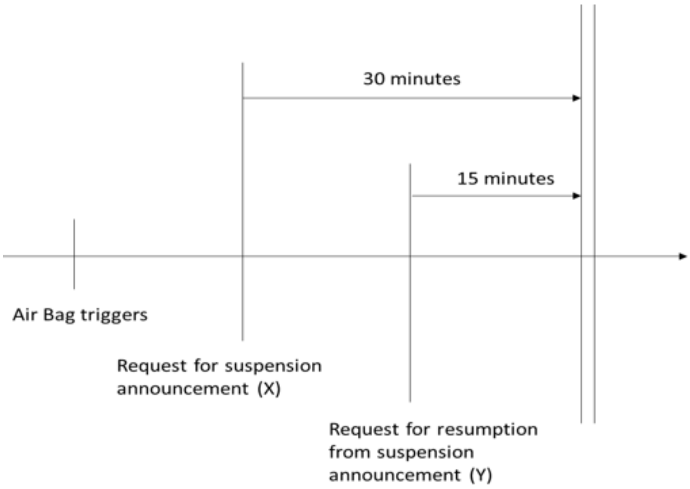
Air Bag Mechanism timeline

Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
Less than 45 minutes before Market Close and more than 15 minutes before Market Close		Next trading day at Market Open
15 minutes or less than 15 minutes before Market Close	From Air Bag Trigger to Market Close	

With **Market Close** defined as:

- Underlying Stock closing time with respect to the Observation Period

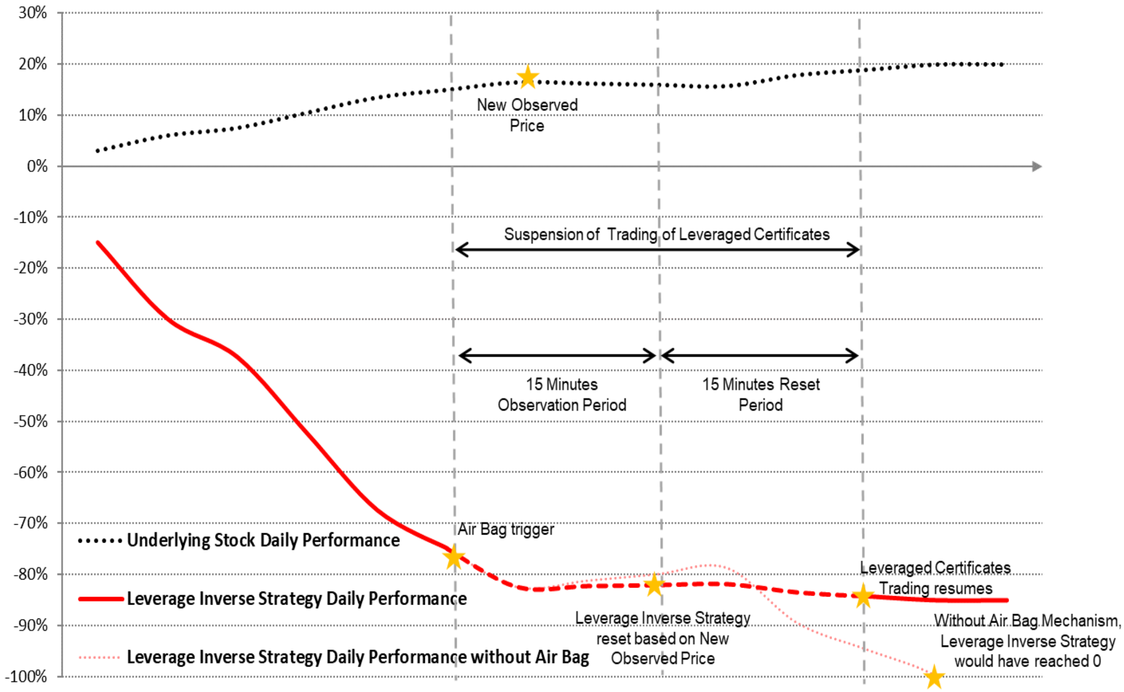
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



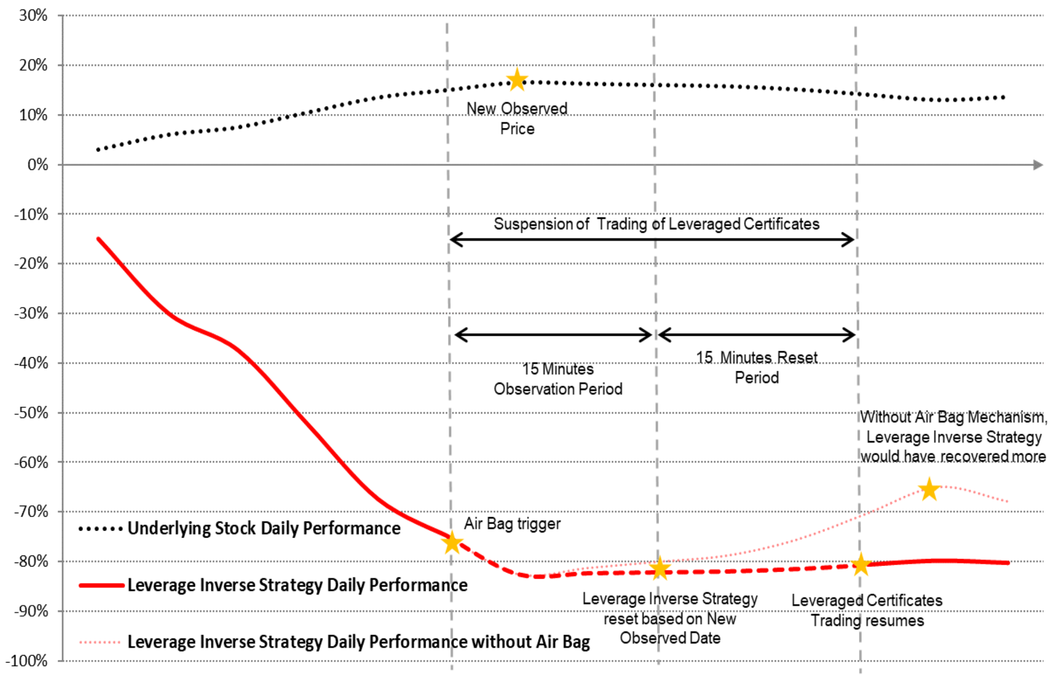
- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time 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



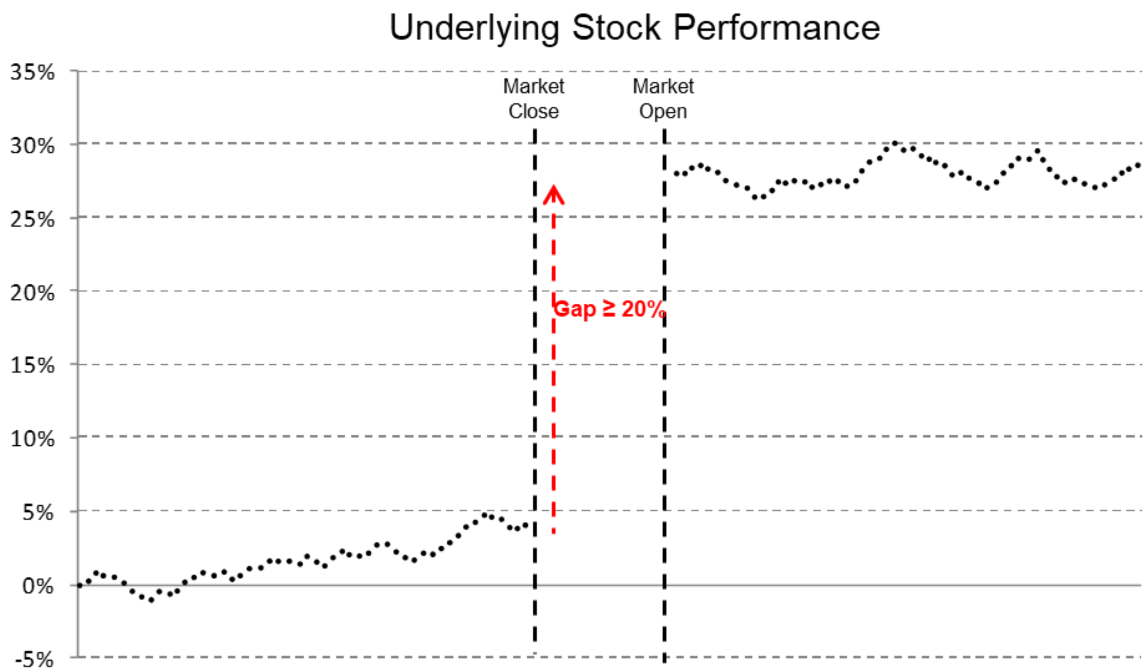
[9] The illustrative examples are not exhaustive.

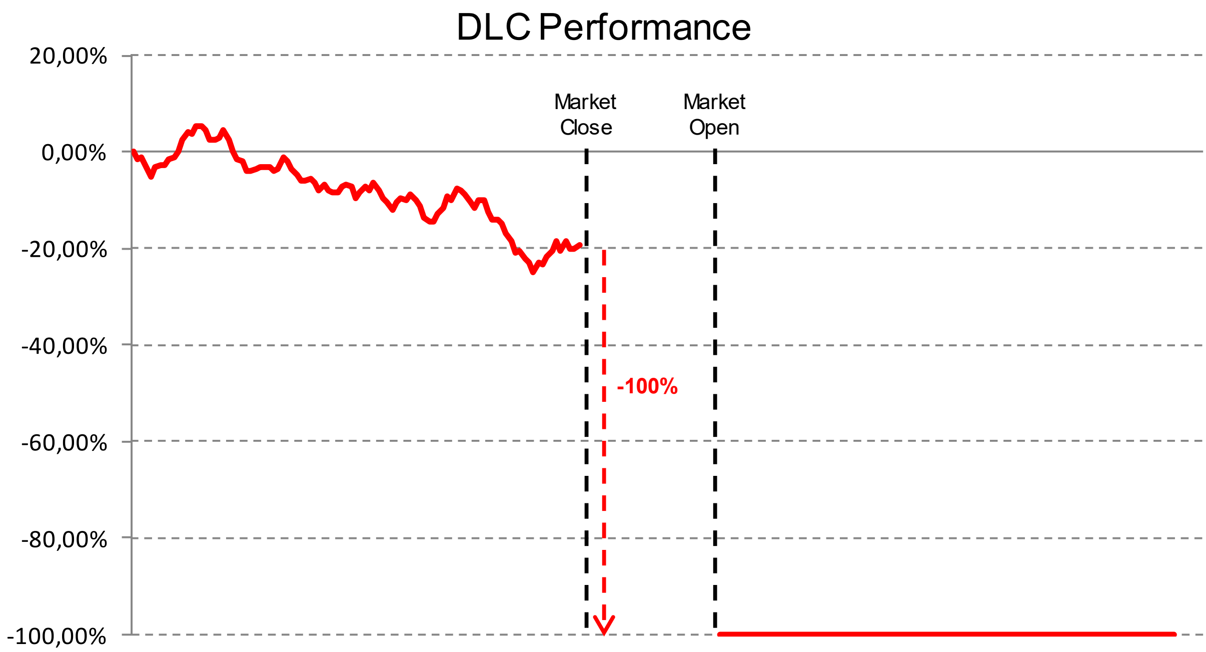
Scenarios where the investor may lose the entire value of the investment

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

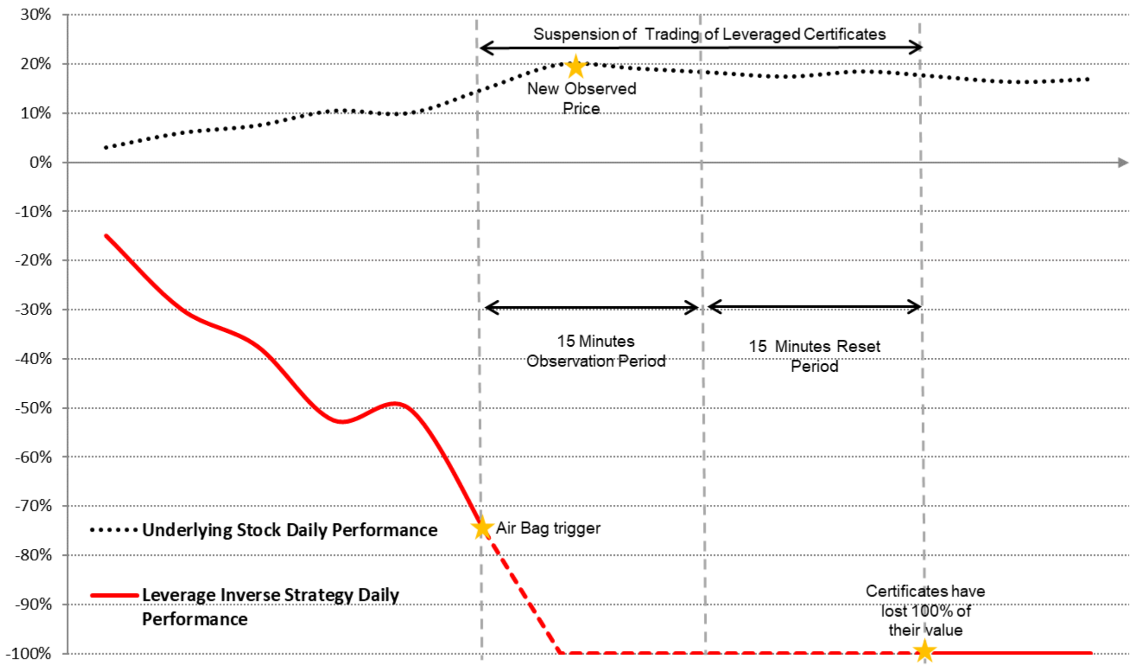
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens (including the pre-opening session) 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:

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

S_{t-1}	$\mathrm{S}_{t-1} \times Rfactor_t$	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. <u>Share Consolidation</u>

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

S_{t-1} = $100

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:

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

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. <u>Bonus Issues</u>

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:

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

S_{t-1}	$\mathrm{S}_{t-1} \times Rfactor_t$	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. <u>Extraordinary Dividend</u>

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.

Keppel Corporation Limited (the "**Keppel**" or the "**Company**") is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity. Through its quality investment platforms and asset portfolios, Keppel contributes to advancing sustainable development, the energy transition and the digital economy, while creating enduring value for stakeholders.

The information set out in the Appendix to this document relates to the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022 and has been extracted and reproduced from an announcement by the Company released on 30 March 2023 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 GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 108 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 2022 or the Guarantor since 31 March 2023, 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 reports of the Auditors of the Issuer and the Guarantor were 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 Base Listing Document;

   (e) this document; and

   (f) 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 2001 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 (EU) 2016/97 (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 has not been and 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 is not a U.S. Person, (ii) 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 (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or 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

REPRODUCTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 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 2022 and has been extracted and reproduced from an announcement by the Company released on 30 March 2023 in relation to the same.

Independent Auditor’s Report

to the Members of Keppel Corporation Limited
For the financial year ended 31 December 2022

Report on the audit of the financial statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Keppel Corporation Limited (“the Company”) and its subsidiaries (“the Group”) and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (“the Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022, the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and changes in equity of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the balance sheets of the Group and of the Company as at 31 December 2022;
- the consolidated profit or loss account of the Group for the financial year then ended;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Assessment of carrying amount of disposal group held for sale **a. Contracts with Sete Brasil ("Sete")** ***(Refer to Note 2.28 (b)(i)(a)(i) 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. Sete is to procure the release of the mortgage on the two uncompleted rigs placed with the ship registry. Management performed an assessment of the estimated recovery of the two rigs which Magni had bidded to purchase from Sete. Contract asset balances relating to these uncompleted rigs (net of loss provision recognised in prior years) as at 31 December 2022 amounted to $158 million. As at 31 December 2022, management estimated the net present value of the cash flows relating to the construction contract for these two rigs with Magni or another investor to replace Magni at similar terms. In addition, management performed an assessment to estimate the cost of discontinuance of related agreements with Sete, as well as the possible option of repossessing the rigs, complete the construction and charter out to extract value from the uncompleted rigs. Arising from the assessment, management concluded that loss provisions made in prior years were adequate. The assessment is made with the following key assumptions, taking into consideration the likelihood and expected financial impact of the various possible outcomes: • Petrobras will continue to require the rigs for execution of its business plans and will charter them at the dayrates and tenure previously agreed with Sete; • Magni or any other potential investor will be able to secure financing to complete the purchase of the rigs with Sete and complete the construction contract with the Group at the terms previously discussed with Magni; • If Magni or another investor is unable to purchase the rigs from Sete, KOM would regain possession of the rigs, complete the construction and charter them out. The recoverable amounts under this scenario are based on the Value-in-use ("VIU") of the rigs determined by management with the assistance of independent professional firms; and • The future cost of construction of the rigs are not materially different from management's current estimation. In addition to the independent professional firm responsible for estimating the VIU based on the DCF model, management also engaged a separate industry expert to provide a view of the market outlook, assumptions and industry parameters used as inputs to the DCF calculations. The most significant inputs to the DCF calculations included dayrates, cost assumptions, utilisation rates, discount rates and estimated commencement of deployment of the assets. Management had considered that a combination of reasonable change in the assumptions above could eliminate the headroom in the recoverable amount over the carrying amount and hence did not reverse previously recognised expected credit loss as at 31 December 2022. 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 management's assessment of the recoverable amount and the consideration of the likelihood and expected financial impact of the various possible outcomes. In the assessment of expected financial impact, we reviewed the term sheet with Magni and correspondences with Sete and its authorised representatives to validate the assumptions applied by management. We also reviewed the expected recoverable amount under the scenario that KOM would regain possession of the rigs, complete the construction and charter them out. In addition, we assessed the total cost of completing the construction of the rigs through discussions with project managers and corroborating the amounts to an approved budget plan. We obtained management's calculation of the discount rate used and evaluated its reasonableness based on our understanding. Based on our procedures, we found management's basis of assessment of the carrying amount of the assets relating to the Sete contracts to be reasonable, on the basis of the key assumptions made by management. In respect of the independent professional firm and the industry expert, we found that they possessed the requisite competency and experience to assist management in the assessment of the valuations. We noted management's judgement that a combination of reasonable change in the assumptions could eliminate the headroom in the recoverable amount over the carrying amount. 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
1. Assessment of carrying amount of disposal group held for sale (continued) **b. Other contract assets and receivables, stocks and fixed assets (uncompleted and completed rigs)** *(Refer to Note 2.28(b)(i)(a)(ii), 2.28(b)(i)(b) and 2.28(b)(i)(c) to the financial statements)*	
As at 31 December 2022, the Group has: (i) Contract assets relating to certain rig building contracts where the scheduled delivery dates of the rigs had been deferred and have higher counterparty risks, amounting to $572 million; (ii) Trade receivables amounting to $378 million where the rigs had been delivered but the receipt of construction revenue deferred under certain financing arrangements; (iii) Stocks under work-in-progress ("WIP") amounting to $1,549 million; and (iv) Fixed assets relating to rigs under bareboat charter contracts of $1,458 million (after the reversal of previously recognised impairment loss amounting to $293 million due to significant improvement in the demand for these rigs at higher day rates and that they are already on charter and in operation). We focused on this area because significant judgment and assumptions are required in: (i) Estimating the expected credit loss of the contract assets and trade receivables balance; (ii) Estimating the NRV of the WIP balance; and (iii) Estimating the recoverable amount of the fixed assets. For the above contract assets and trade receivables, in the event that the customers are unable to fulfil their contractual obligations, management had considered the most likely outcome for the rigs delivered or under construction is for the Group to take possession of the asset and charter it out to work with an operator. On this basis, the value of the rigs delivered or under construction, the NRV of the WIP balance and the recoverable amount of the fixed assets is their value-in-use ("VIU") estimated using the Discounted Cash Flow ("DCF") model. 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.	We reviewed management's estimation of the expected credit loss on contract assets on deferred delivery and trade receivables under certain financing arrangements, estimation of NRV of the WIP and estimation of the recoverable amount of the fixed assets relating to rigs under bareboat charter contracts. We assessed the most significant inputs to the DCF calculations of the NRV/VIU of the rigs and engaged our valuation expert to review the discount rates applied. We assessed the sensitivity of the cash flow projections with respect to the key assumptions including discount rate and dayrates, on the estimation of the VIU of the rigs. On the reversal of impairment on the fixed assets of $293 million, we reviewed management's basis and corroborated to internal and external information, including those provided by the industry expert engaged by management. Based on our procedures, we found management's key judgements and basis of estimation over the recovery of contract assets on deferred delivery and trade receivables under certain financing arrangements, NRV of the WIP and recoverable amount of the fixed assets to be appropriate. In respect of the independent professional firm and the industry expert, we found that they possessed the requisite competency and experience to assist management in the assessment of the valuations. 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
2. Revenue recognition based on measurement of progress towards performance obligation *(Refer to Notes 2.28(b)(iii), 22 and 25 to the financial statements)*	
During the financial year, the Group recognised $410 million of revenue from continuing operations and $2,648 million of revenue from discontinued operations relating to its rigbuilding, shipbuilding and repairs, and long-term engineering contracts ("construction contracts"). The Group recognises revenue over time by reference to the Group's progress towards completing the construction of the contract work. 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. When it is probable that the costs of a contract will exceed the contract revenue, the expected loss is recognised as an expense immediately. As at 31 December 2022, management assessed that for some projects, total contract costs of each project would exceed the total contract sum. Costs yet to be incurred for these projects as at 31 December 2022 had been included in provision for onerous contracts amounting to $54 million as presented in Note 22 and $92 million relating to discontinued operation presented within liabilities associated with disposal group held for sale. 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: • validated costs incurred by tracing to supplier invoices or sub-contractor progress billings; • reviewed management's estimates of cost-to-complete for projects that were in-progress at the year end, by agreeing the costs to quotations and contracts entered for subcontracting costs and reviewing the estimation of construction costs with reference to the remaining activities of the projects, including the consideration for the expectation of potential delays and cost escalations; and • reviewed claims from suppliers and subcontractors and traced to the recording of the costs. 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 and the estimation of total contract costs 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
3. Valuation of properties held for sale *(Refer to Notes 2.28(b)(viii) and 15 to the financial statements)*	
As at 31 December 2022, the Group has residential properties held for sale of $2,235 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 valuers and considered the valuation methodologies used against those applied by other valuers for similar property type. We tested the reliability of inputs used in the valuation and corroborated key inputs such as the discount rate and price of comparable plots and properties used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the inputs were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers. 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
4. Valuation of investment properties *(Refer to Notes 2.28(b)(vii), 8 and 35 to the financial statements)* As at 31 December 2022, the Group owns a portfolio of investment properties of $4,283 million comprising mainly office buildings, hotels, retail malls and mixed-use development projects, located primarily in China, Singapore, Indonesia and Vietnam. Investment properties are stated at their fair values determined by independent professional property valuers. 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, independent professional property valuers for certain investment properties had highlighted in their reports, the heightened uncertainty of the COVID-19 outbreak and material valuation uncertainty where a higher degree of caution should be attached to the valuation than would normally be the case. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions.	We evaluated the qualifications and competence of the independent professional property valuers. We found that the valuers engaged by management are members of recognised professional bodies for professional property valuers and they possessed the requisite competency and experience to assist management in the assessment of the valuations. We considered the valuation methodologies used against those applied by other valuers for similar property types, and how the impact of the COVID-19 pandemic and market uncertainty were considered by the valuers in determining the valuation of investment properties. We also considered other alternative valuation methods. We found the valuation methodologies used to be in line with generally accepted market practices and the key assumptions used were within the range of market data. 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. We found the disclosures in the financial statements to be adequate.
5. Impairment assessment of goodwill arising from acquisition of subsidiary – M1 Limited ("M1") *(Refer to Notes 2.28(b)(ii) and 14 to the financial statements)* In February 2019, the Group obtained controlling interest in M1 and recognised a goodwill of $988 million upon the acquisition. An annual impairment assessment has been performed on the goodwill where the recoverable amount of M1 as a Cash generating unit ("CGU") is estimated. Where the recoverable amount of M1 is determined to be less than the Group's carrying amount of the M1 CGU (including the goodwill), an impairment loss will be recognised. The recoverable value of the M1 CGU as at 31 December 2022 was determined on a VIU basis using a DCF model. The assessment of the VIU of M1 CGU as at 31 December 2022 required significant judgment in estimating the underlying assumptions including the revenue growth rate, long term growth rate and discount rate. Based on management's assessment, no impairment loss was recognised as the recoverable amount was estimated to be higher than the carrying value (including goodwill) of the M1 CGU.	We assessed the appropriateness of the underlying assumptions made by management in their cash flow projections, including the revenue growth rate, long term growth rate and discount rate based on the economic and industry conditions relevant to M1. We checked whether the cash flow projections were based on the approved business plan. We involved our valuation expert in evaluating the valuation methodology, the long term growth rate and the discount rate applied by management. We assessed the sensitivity of the cash flow projections and other key assumptions including discount rate and long term growth rate on the impairment assessment and the impact on the headroom over the carrying value. Based on our procedures, we were satisfied that management's estimates and assumptions used in the impairment assessment of the goodwill on acquisition of M1 were reasonable. We also considered the adequacy of the disclosures in the financial statements in respect of this matter. We found the disclosures in the financial statements to be adequate.

Independent Auditor's Report
to the Members of Keppel Corporation Limited

Other Information
Management is responsible for the other information. The other information comprises the "Directors' Statement" (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Keppel Corporation Limited Annual Report 2022 ("the Other Sections of the Annual Report"), which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 2 March 2023

Balance Sheets

As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Share capital	3	**1,305,668**	1,305,668	**1,305,668**	1,305,668
Treasury shares	3	**(456,015)**	(4,624)	**(456,015)**	(4,624)
Reserves	4	**10,328,606**	10,354,096	**9,578,146**	8,495,816
Share capital & reserves		**11,178,259**	11,655,140	**10,427,799**	9,796,860
Perpetual securities	6	**401,521**	401,521	**401,521**	401,521
Non-controlling interests	5	**333,560**	384,700	**-**	-
Total equity		**11,913,340**	12,441,361	**10,829,320**	10,198,381
Represented by:					
Fixed assets	7	**976,797**	2,044,374	**5,641**	8,462
Investment properties	8	**4,283,093**	4,256,428	**-**	-
Right-of-use assets	9	**241,052**	529,216	**11,659**	15,231
Subsidiaries	10	**-**	-	**7,188,393**	7,993,786
Associated companies and joint ventures	11	**6,791,862**	6,050,258	**-**	-
Investments	12	**1,482,719**	1,447,664	**19,430**	24,100
Deferred tax assets	24	**87,624**	212,679	**8,853**	9,313
Derivative assets		**203,200**	46,263	**163,978**	28,346
Contract assets	16	**86,411**	99,109	**-**	-
Long term assets	13	**498,536**	1,201,982	**70,252**	94,161
Intangibles	14	**1,564,714**	1,589,272	**-**	-
		16,216,008	17,477,245	**7,468,206**	8,173,399
Current assets					
Stocks	15	**2,300,950**	4,603,985	**-**	-
Contract assets	16	**255,900**	3,169,694	**-**	-
Amounts due from:					
- subsidiaries	17	**-**	-	**7,546,620**	9,852,909
- associated companies and joint ventures	17	**262,068**	569,666	**202**	32
Debtors	18	**1,239,298**	2,190,690	**58,911**	32,049
Derivative assets		**69,851**	140,031	**9,664**	39,153
Short term investments	19	**48,782**	27,103	**-**	-
Bank balances, deposits & cash	20	**1,142,344**	3,616,633	**1,232**	810
		5,319,193	14,317,802	**7,616,629**	9,924,953
Disposal group and assets classified as held for sale	37	**9,529,776**	527,880	**3,166,596**	-
		14,848,969	14,845,682	**10,783,225**	9,924,953
Current liabilities					
Creditors	21	**2,768,820**	4,937,786	**89,085**	92,523
Derivative liabilities		**156,355**	249,690	**49,048**	31,284
Contract liabilities	16	**209,770**	1,002,024	**-**	-
Provisions	22	**58,445**	66,763	**-**	-
Amounts due to:					
- subsidiaries	17	**-**	-	**273,063**	175,802
- associated companies and joint ventures	17	**69,863**	286,085	**900**	882
Term loans	23	**3,577,658**	4,659,308	**2,789,301**	3,326,730
Lease liabilities	9	**36,426**	89,677	**4,216**	4,175
Taxation	29	**258,990**	505,479	**43,513**	39,651
		7,136,327	11,796,812	**3,249,126**	3,671,047
Liabilities directly associated with disposal group and assets classified as held for sale	37	**4,224,003**	38,330	**-**	-
		11,360,330	11,835,142	**3,249,126**	3,671,047
Net current assets		**3,488,639**	3,010,540	**7,534,099**	6,253,906
Non-current liabilities					
Term loans	23	**6,603,186**	6,795,912	**4,043,984**	4,113,695
Lease liabilities	9	**162,703**	472,042	**8,467**	12,265
Deferred tax liabilities	24	**368,031**	426,891	**-**	-
Derivative liabilities		**99,849**	98,422	**91,306**	70,777
Other non-current liabilities	21	**557,538**	253,157	**29,228**	32,187
		7,791,307	8,046,424	**4,172,985**	4,228,924
Net assets		**11,913,340**	12,441,361	**10,829,320**	10,198,381

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

Consolidated Profit or Loss Account

For the financial year ended 31 December 2022

	Note	2022 $'000	2021# $'000
Continuing operations			
Revenue	25	**6,619,718**	6,611,336
Materials, subcontract and other costs		**(5,174,408)**	(5,082,017)
Staff costs	26	**(667,878)**	(665,169)
Depreciation and amortisation		**(206,558)**	(290,823)
Expected credit loss on financial assets, contract assets and financial guarantee	27	**(34,010)**	(299,480)
Other operating income - net		**28,343**	855,476
Operating profit	27	**565,207**	1,129,323
Investment income	28	**48,541**	104,861
Interest income	28	**91,348**	88,306
Interest expenses	28	**(146,187)**	(170,102)
Share of results of associated companies and joint ventures	11	**535,979**	458,765
Profit before tax		**1,094,888**	1,611,153
Taxation	29	**(245,149)**	(375,189)
Profit from continuing operations for the year		**849,739**	1,235,964
Discontinued operations	37		
Profit/(loss) from discontinued operations, net of tax		**83,066**	(225,952)
Profit for the year		**932,805**	1,010,012
Attributable to:			
Shareholders of the Company:			
- from continuing operations		**838,959**	1,247,468
- from discontinued operations		**87,658**	(224,817)
		926,617	1,022,651
Perpetual securities holders		**11,600**	3,401
Non-controlling interests	5	**(5,412)**	(16,040)
		932,805	1,010,012
Earnings per ordinary share	30		
- basic		**52.1 cts**	56.2 cts
- diluted		**51.6 cts**	55.9 cts
Earnings per ordinary share - Continuing operations:	30		
- basic		**47.2 cts**	68.5 cts
- diluted		**46.7 cts**	68.1 cts

Comparative information has been re-presented due to a discontinued operation (Note 37).

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2022

	2022 $'000	2021# $'000
Profit for the year	932,805	1,010,012
Items that may be reclassified subsequently to profit or loss account:		
Cash flow hedges		
- Fair value changes arising during the year, net of tax	155,771	(70,678)
- Realised and transferred to profit or loss account	195,578	74,573
Foreign exchange translation		
- Exchange differences arising during the year	(410,257)	187,852
- Realised and transferred to profit or loss account	(15,954)	17,595
Share of other comprehensive income of associated companies and joint ventures		
- Cash flow hedges	68,506	34,251
- Foreign exchange translation	(280,320)	96,000
	(286,676)	339,593
Items that will not be reclassified subsequently to profit or loss account:		
Financial assets, at FVOCI		
- Fair value changes arising during the year	(9,121)	(96,015)
Foreign exchange translation		
- Exchange differences arising during the year	(17,080)	4,217
Share of other comprehensive income of associated companies and joint ventures		
- Financial assets, at FVOCI	(662)	194
	(26,863)	(91,604)
Other comprehensive income for the year, net of tax	(313,539)	247,989
Total comprehensive income for the year	619,266	1,258,001
Attributable to:		
Shareholders of the Company		
- from continuing operations	523,603	1,497,622
- from discontinued operations	107,852	(233,944)
	631,455	1,263,678
Perpetual securities holders	11,600	3,401
Non-controlling interests	(23,789)	(9,078)
	619,266	1,258,001

Comparative information has been re-presented due to a discontinued operation (Note 37).

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

Financial Report

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2022

	Attributable to owners of the Company								
	Share Capital $'000	Treasury Shares $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Perpetual Securities $'000	Non-controlling Interests $'000	Total Equity $'000
Group									
2022									
As at 1 January 2022	1,305,668	(4,624)	129,619	10,365,733	(141,256)	11,655,140	401,521	384,700	12,441,361
Total comprehensive income for the year									
Profit for the year	-	-	-	926,617	-	926,617	11,600	(5,412)	932,805
Other comprehensive income*	-	-	411,369	-	(706,531)	(295,162)	-	(18,377)	(313,539)
Total comprehensive income for the year	-	-	411,369	926,617	(706,531)	631,455	11,600	(23,789)	619,266
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends paid (Note 31)	-	-	-	(643,233)	-	(643,233)	-	-	(643,233)
Share-based payment	-	-	45,096	-	-	45,096	-	-	45,096
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(33,033)	(33,033)
Purchase of treasury shares	-	(499,993)	-	-	-	(499,993)	-	-	(499,993)
Treasury shares reissued pursuant to share plans	-	48,602	(48,602)	-	-	-	-	-	-
Transfer of statutory, capital and other reserves from revenue reserves	-	-	17,659	(16,283)	(1,376)	-	-	-	-
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	2,916	2,916
Distribution paid to perpetual securities holders	-	-	-	-	-	-	(11,600)	-	(11,600)
Contributions to defined benefits plans	-	-	1,234	-	-	1,234	-	22	1,256
Total contributions by and distributions to owners	-	(451,391)	15,387	(659,516)	(1,376)	(1,096,896)	(11,600)	(30,095)	(1,138,591)
Changes in ownership interests in subsidiaries									
Acquisition of additional interest in subsidiaries	-	-	(11,466)	-	-	(11,466)	-	(13,138)	(24,604)
Disposal of interest in subsidiaries	-	-	-	26	-	26	-	(4,071)	(4,045)
Acquisition of a subsidiary	-	-	-	-	-	-	-	19,953	19,953
Total change in ownership interests in subsidiaries	-	-	(11,466)	26	-	(11,440)	-	2,744	(8,696)
Total transactions with owners	-	(451,391)	3,921	(659,490)	(1,376)	(1,108,336)	(11,600)	(27,351)	(1,147,287)
As at 31 December 2022	1,305,668	(456,015)	544,909	10,632,860	(849,163)	11,178,259	401,521	333,560	11,913,340

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

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	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.

	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							
2022							
As at 1 January 2022	**1,305,668**	**(4,624)**	**224,759**	**8,271,057**	**9,796,860**	**401,521**	**10,198,381**
Total comprehensive income for the year							
Profit for the year	**-**	**-**	**-**	**1,733,286**	**1,733,286**	**11,600**	**1,744,886**
Other comprehensive income	**-**	**-**	**(4,218)**	**-**	**(4,218)**	**-**	**(4,218)**
Total comprehensive income for the year	**-**	**-**	**(4,218)**	**1,733,286**	**1,729,068**	**11,600**	**1,740,668**
Transactions with owners, recognised directly in equity							
Dividends paid	**-**	**-**	**-**	**(643,233)**	**(643,233)**	**-**	**(643,233)**
Share-based payment	**-**	**-**	**45,097**	**-**	**45,097**	**-**	**45,097**
Purchase of treasury shares	**-**	**(499,993)**	**-**	**-**	**(499,993)**	**-**	**(499,993)**
Treasury shares reissued pursuant to share plans	**-**	**48,602**	**(48,602)**	**-**	**-**	**-**	**-**
Distribution paid to perpetual securities holders	**-**	**-**	**-**	**-**	**-**	**(11,600)**	**(11,600)**
Total transactions with owners	**-**	**(451,391)**	**(3,505)**	**(643,233)**	**(1,098,129)**	**(11,600)**	**(1,109,729)**
As at 31 December 2022	**1,305,668**	**(456,015)**	**217,036**	**9,361,110**	**10,427,799**	**401,521**	**10,829,320**
Company							
2021							
As at 1 January 2021	1,305,668	(13,690)	209,164	7,975,921	9,477,063	-	9,477,063
Total comprehensive income for the year							
Profit for the year	-	-	-	640,888	640,888	3,401	644,289
Other comprehensive income	-	-	3,363	-	3,363	-	3,363
Total comprehensive income for the year	-	-	3,363	640,888	644,251	3,401	647,652
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	(345,752)	(345,752)	-	(345,752)
Share-based payment	-	-	34,346	-	34,346	-	34,346
Purchase of treasury shares	-	(13,048)	-	-	(13,048)	-	(13,048)
Treasury shares reissued pursuant to share plans	-	22,114	(22,114)	-	-	-	-
Issue of perpetual securities, net of transaction costs	-	-	-	-	-	398,120	398,120
Total transactions with owners	-	9,066	12,232	(345,752)	(324,454)	398,120	73,666
As at 31 December 2021	1,305,668	(4,624)	224,759	8,271,057	9,796,860	401,521	10,198,381

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

	Note	2022 $'000	2021 $'000 (Reclassified)*
Operating activities			
Operating profit		726,891	897,791
Adjustments:			
Depreciation and amortisation		241,957	406,402
Share-based payment expenses		43,403	37,369
Gain on sale of fixed assets		(6,980)	(9,550)
Gain on disposal of subsidiaries		(22,498)	(241,054)
Gain on disposal of associated companies and joint ventures		(74,860)	(208,635)
Loss from sale of interests in associated companies		40,168	-
(Write-back)/provision of impairment		(291,867)	53,550
Impairment of associated companies		1,000	35,082
Fair value gain on investment properties		(131,711)	(238,458)
Gain from change in interest in associated companies		(10,933)	(8,516)
Fair value gain on investments and associated companies		(85,844)	(315,540)
Fair value gain on remeasurement of remaining interest in a joint venture		-	(69,469)
Gain on acquisition of subsidiaries		(6,795)	-
Unrealised foreign exchange differences		(100,380)	(10,841)
Operational cash flow before changes in working capital		321,551	328,131
Working capital changes:			
Stocks		708,305	58,278
Contract assets		(620,466)	(520,205)
Debtors		38,717	412,841
Creditors		274,318	876,307
Contract liabilities		3,297	(1,072,727)
Trade amount due to/from associated companies and joint ventures		99,741	(17,217)
		825,463	65,408
Interest received		107,306	93,950
Interest paid		(285,609)	(251,077)
Net income taxes paid		(387,573)	(259,964)
Net cash from/(used in) operating activities		259,587	(351,683)
Investing activities			
Acquisition of subsidiaries	A	(34,328)	-
Acquisition and further investment in associated companies and joint ventures		(885,728)	(156,783)
Acquisition of fixed assets, investment properties, intangible assets and investments		(696,211)	(614,872)
Disposal of subsidiaries	B	403,194	1,146,299
Proceeds from disposal of fixed assets, investment properties, and investments		83,413	751,944
Proceeds from disposal of associated companies and joint ventures and return of capital		341,797	668,040
(Advances to)/repayment from associated companies, joint ventures and joint venture partner		(210,364)	2,208
Dividends received from investments, associated companies and joint ventures		330,942	311,177
Net cash (used in)/from investing activities		(667,285)	2,108,013
Financing activities			
Acquisition of additional interest in subsidiaries		(28,600)	(28,385)
Proceeds from non-controlling shareholders of subsidiaries		2,916	-
Proceeds from term loans		2,933,615	1,709,321
Repayment of term loans		(3,270,039)	(2,308,566)
Principal element of lease payments		(82,641)	(68,573)
Proceeds from issuance of perpetual securities, net of transaction cost		-	398,120
Purchase of treasury shares		(499,993)	(13,048)
Dividend paid to shareholders of the Company		(643,233)	(345,752)
Dividend paid to non-controlling shareholders of subsidiaries		(33,033)	(11,251)
Net advances from/(repayment to) non-controlling shareholders of certain subsidiaries		111,023	(6,428)
Distribution to perpetual securities holders		(11,600)	-
Net cash used in financing activities		(1,521,585)	(674,562)
Net (decrease)/increase in cash and cash equivalents		(1,929,283)	1,081,768
Cash and cash equivalents as at beginning of year		3,543,642	2,408,473
Effects of exchange rate changes on the balance of cash held in foreign currencies		(169,586)	53,401
Cash and cash equivalents as at end of year	C	1,444,773	3,543,642

* For the financial year ended 31 December 2022, the Group reclassified certain comparatives in the consolidated statement of cash flows for financial year ended 31 December 2021 to align to the current consolidated statement of cash flows presentation.

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

Reconciliation of liabilities arising from financing activities

2022

	1 January 2022 $'000	Net proceeds/ (payment) of principal $'000	Non-cash changes				Foreign exchange movement $'000	Others $'000	Presented as liabilities directly associated with assets classified as held for sale (Note 37) $'000	31 December 2022 $'000
			Addition during the year $'000	Remeasure-ment of lease liabitities $'000	Disposal of subsidiaries $'000	Acquisition of subsidiaries $'000				
Term loans	11,455,220	(336,424)	-	-	(55,286)	43,909	(168,864)	-	(757,711)	10,180,844
Lease liabilities	561,719	(82,641)	43,084	20,864	(30,814)	-	1,631	-	(314,714)	199,129
Advances from non-controlling shareholders	163,815	111,023	-	-	-	-	(1,970)	842	-	273,710

2021

	1 January 2021 $'000	Net payment of principal $'000	Non-cash changes					31 December 2021 $'000
			Addition during the year $'000	Remeasure-ment of lease liabitities $'000	Disposal of subsidiaries $'000	Foreign exchange movement $'000	Others $'000	
Term loans	12,039,196	(599,245)	-	-	-	15,269	-	11,455,220
Lease liabilities	563,904	(68,573)	76,427	(4,536)	-	(5,503)	-	561,719
Advances from non-controlling shareholders	168,030	(6,428)	-	-	-	1,365	848	163,815

Notes to Consolidated Statement of Cash Flows

A. Acquisition of subsidiaries

During the financial year, net assets of subsidiaries acquired at their fair values were as follows:

	2022 $'000
Fixed assets and investment properties	**3,829**
Right-of-use assets	**226**
Intangible assets	**10,799**
Stocks	**9,174**
Debtors and other assets	**109,918**
Bank balances and cash	**21,056**
Creditors and other liabilities	**(19,578)**
Borrowings and lease liabilities	**(43,909)**
Current and deferred taxation	**(8,820)**
Total identifiable net assets at fair value	**82,695**
Non-controlling interests measured at fair value	**(20,694)**
Amount previously accounted for as an associated company	**178**
Gain on acquisition of subsidiaries	**(6,795)**
Total purchase consideration	**55,384**
Less: Bank balances and cash acquired	**(21,056)**
Cash outflow on acquisition	**34,328**

Acquisitions during 2022 relate to acquisition of 51% of equity interest in Glocomp Systems (M) Sdn Bhd over two tranches and acquisition of 100% equity interest in Juventas DC Pte. Ltd.. Fair value of the net identifiable assets is determined on a provisional basis.

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

B. Disposal of Subsidiaries

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

	2022 $'000	2021 $'000
Fixed assets and investment properties	(98,621)	(22)
Right-of-use assets	(33,480)	-
Intangible assets	(1,275)	-
Stocks	(233,405)	(311,921)
Debtors and other assets	(59,263)	(10,741)
Associated companies and joint ventures	(127,215)	(1,208)
Bank balances and cash	(15,769)	(3,145)
Assets classified as held for sale*	-	(875,971)
Amount due from associated companies and joint ventures	-	(4,731)
Creditors and other liabilities	35,301	110,586
Borrowings and lease liabilities	86,100	-
Liabilities directly associated with assets classified as held for sale*	-	156,412
Current and deferred taxation	33,911	6,201
Non-controlling interests deconsolidated	4,009	2,228
Net assets disposed of	(409,707)	(932,312)
Net gain on disposal	(22,498)	(241,054)
Amount accounted for as associated company	-	18,980
Realisation of foreign currency translation reserve	8,520	1,395
Sale proceeds	(423,685)	(1,152,991)
Less: Bank balances and cash disposed	15,769	6,692
Less: Proceeds receivable	4,722	-
Cash inflow on disposal	(403,194)	(1,146,299)

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

	2022 $'000	2021 $'000
Assets classified as held for sale		
Fixed assets	-	(53,358)
Investment properties	-	(648,430)
Right-of-use assets	-	(153,602)
Associated companies	-	(9,399)
Debtors	-	(7,635)
Bank balances, deposits & cash	-	(3,547)
	-	(875,971)
Liabilities directly associated with assets classified as held for sale		
Creditors	-	56,063
Term loans	-	91,327
Current and deferred taxation	-	9,022
	-	156,412

During the year, disposal of subsidiaries relates to Shanghai Fengwo Apartment Management Co Ltd, Shanghai Jinju Real Estate Development Co Ltd, Keppel Logistics Pte. Ltd. and Indo-Trans Keppel Logistics Vietnam Co Ltd.

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

C. Cash and Cash Equivalents

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

	2022 $'000	2021 $'000
Bank balances, deposits and cash	1,142,344	3,616,633
Disposal group classified as held for sale - bank balances, deposits & cash (Note 37)	381,179	-
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and other liabilities	(78,750)	(72,991)
	1,444,773	3,543,642

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

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

1. General

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

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

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

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

The financial statements of the Group for the financial year ended 31 December 2022 and the balance sheet and statement of changes in equity of the Company at 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 2 March 2023.

2. Significant accounting policies

2.1 Basis of Preparation

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

Interest Rate Benchmark Reform – Phase 2

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

Hedge relationships

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

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

- *Hedge designation*: When the 'Phase 1' amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- *Amounts accumulated in the cash flow hedge reserve*: When the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate.

Financial instruments measured at amortised cost and lease liabilities

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

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

2. Significant accounting policies (continued)

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

For the year ended 31 December 2022, the Group has applied the practical expedients provided under Phase 2 amendments to S$1,965 million of its long-term debt, as disclosed in Note 35.

Effect of IBOR reform

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

SOR will cease publication after 30 June 2023, and it is expected to be replaced by the Singapore Overnight Rate Average ("SORA"). The Group has S$200 million of remaining variable-rate SGD borrowing and S$28,931,000 variable-rate SGD receivables which references to SOR, with interest rate fixing date falling after 30 June 2023. The Group's communication with its debt counterparty and receivables counterparties respectively are still ongoing, as specific changes required by IBOR reform have not yet been finalised. As IBOR uncertainty is still present, the Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to SOR risk, and further information on the hedging relationship has been disclosed in Note 35. The expected transition from SOR to SORA had no effect on the amounts reported for the current and prior financial years.

USD LIBOR will cease publication after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR"). The Group has US$425 million (or S$581 million equivalent) of remaining variable-rate USD borrowings, S$410,119,000 variable-rate USD receivables and S$1,775,000 variable-rate USD payables which references to USD LIBOR, with interest rate fixing dates falling after 30 June 2023. The Group hedges the variability in cash flows of its borrowings using USD LIBOR-linked interest rate swaps. While most swaps have been restructured in view of IBOR reform, the Group's communication with its swap, debt, receivables and payables counterparties respectively are still ongoing, as specific changes required by IBOR reform have not yet been finalised. As IBOR uncertainty is still present, the Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to USD LIBOR risk, and further information on the hedging relationship has been disclosed in Note 35. The expected transition from USD LIBOR to SOFR had no effect on the amounts reported for the current and prior financial years.

Affected financial instruments are SOR or USD LIBOR-linked instruments, with interest rate fixing dates falling after 30 June 2023. The following table contains details of all the affected financial instruments that the Group and Company holds at 31 December 2022 which are referenced to SOR and have not started transitioning to new benchmark rates:

	SOR			
	Group		Company	
	Carrying Amount $'000	Of which: Not started transitioning to an alternative benchmark rate $'000	Carrying Amount $'000	Of which: Not started transitioning to an alternative benchmark rate $'000
31 December 2022				
Assets				
- Amounts due from an associated company	20,000	20,000	-	-
- Loan to a joint venture	8,931	8,931	-	-
Liabilities				
- Borrowings	199,825	199,825	-	-

The following table contains details of all the affected financial instruments that the Group and Company holds at 31 December 2022 which are referenced to USD LIBOR and have not started transitioning to new benchmark rates:

	USD LIBOR			
	Group		Company	
	Carrying Amount $'000	Of which: Not started transitioning to an alternative benchmark rate $'000	Carrying Amount $'000	Of which: Not started transitioning to an alternative benchmark rate $'000
31 December 2022				
Assets				
- Derivative Financial Instruments	17,026	17,026	17,026	17,026
- Trade Receivables	410,119	410,119	-	-
Liabilities				
- Borrowings	581,230	170,950	581,230	170,950
- Creditors	1,775	1,775	-	-

The above table excludes receivables from KrisEnergy of S$109,601,000 which are referenced to USD LIBOR as the carrying amount of these receivables are primarily measured based on the expected recoveries for the Group.

2.2 Adoption of New and Revised Standards

The Group adopted the new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s that are effective for annual periods beginning on or after 1 January 2022. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s.

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

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment - Proceeds before Intended Use* (effective for annual periods beginning on or after 1 January 2022)
- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract* (effective for annual periods beginning on or after 1 January 2022)

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

2.3 Basis of Consolidation

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

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

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

2.7 Associated Companies and Joint Ventures
An associated company is an entity, not being a subsidiary, over which the Group has significant influence, but not control.

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

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

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

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

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

2.8 Intangibles

Goodwill

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

Spectrum Rights

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

Brand

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

Customer Contracts and Customer Relationships

Customer contracts and customer relationships are identified and recognised separately from goodwill. The cost of customer contracts and relationships is at their fair value at the acquisition date and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred which are expected to generate future economic benefits are recognised as intangibles and amortised on a straight-line basis over their useful lives, ranging from 1 to 17 years.

Other Intangible Assets

Other intangible assets include development expenditure and internet protocol (IP) address, initially recognised at cost and subsequently carried at cost less accumulated amortisation. Costs incurred which are expected to generate future economic benefits are recognised as intangibles and amortised on a straight-line basis over their useful lives, ranging from 3 to 15 years.

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

2.9 Service Concession Arrangement

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

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

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

2. Significant accounting policies (continued)

2.10 Financial Assets

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

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

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

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

(i) Debt instruments

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

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

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

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

(ii) Equity investments

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

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

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

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

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

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

2.11 Derivative Financial Instruments and Hedge Accounting

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

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

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

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

For net investment hedges, the Group designates certain foreign currency borrowings as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges.

When foreign currency borrowings are designated as net investments hedges of foreign operations, the effective portion of currency translation differences is recognised in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion of the currency translation differences is recognised immediately in profit or loss. The amount recognised in other comprehensive income is reclassified to profit or loss on disposal of the foreign operation.

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

2.12 Investments

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

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

2.13 Stocks

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

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

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

2.14 Contract Assets and Contract Liabilities

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

2.15 Impairment of Assets

Financial Assets

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

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

2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at their fair values plus transaction costs in the balance sheet. Financial guarantees are subsequently amortised to the profit or loss account over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss account.

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

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

Provision for onerous contracts is recognised when a contract is onerous. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision for onerous contract represents the present value of the management's best estimate of the future outflow of economic benefits that the Group is presently obliged to make under its obligations.

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

2.18 Leases

When a Group company is the lessee

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

Right-of-use assets

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

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

Lease liabilities

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

Lease payments include the following:

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

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

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

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

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

Short term and low value leases

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

Variable lease payments

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

When a Group company is the lessor

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at fair values. Rental income (net of any incentive given to lessee) is recognised on a straight-line basis over the lease term.

Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in debtors and long-term receivables. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

2. Significant accounting policies (continued)

2.19 Assets (or disposal groups) classified as Held for Sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset (or disposal groups) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

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

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:
- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

2.20 Revenue

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

Revenue recognition

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

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

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

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

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

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

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

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

2.21 Government Grants

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

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

2.22 Borrowing Costs

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

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

2.23 Employee Benefits

Defined Contribution Plan

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

Employee Leave Entitlement

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

Share Plans Scheme

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

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

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

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

2.24 Income Taxes

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

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

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

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

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

2. Significant accounting policies (continued)

2.25 Foreign Currencies

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

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

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

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

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

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

2.26 Share Capital and Perpetual Securities

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

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

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

2.27 Segment Reporting

The Group has five main segments, namely Energy & Environment, Urban Development, Connectivity, Asset Management and Corporate & Others. Management monitors the results of each of the main segments for the purpose of making decisions on resource allocation and performance assessment.

2.28 Critical Accounting Judgments and Estimates

(a) Critical judgments in applying the Group's accounting policies

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

(i) Control over Keppel REIT

The Group has approximately 47% (2021: approximately 47%) gross ownership interest of units in Keppel REIT as at 31 December 2022. Keppel REIT is managed by Keppel REIT Management Limited ("KRML"), a wholly-owned subsidiary of the Group. The Group has provided an undertaking to the trustee of Keppel REIT to grant the other unitholders the right to endorse or re-endorse the appointment of directors of KRML at the annual general meetings of Keppel REIT. The Group has determined that it does not have control over Keppel REIT but continues to have significant influence over the investment.

(ii) Interest Rate Benchmark Reform – Phase 1

SOR

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

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

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

USD LIBOR

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

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

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

(b) Key sources of estimation uncertainty

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

(i) Assessment of carrying amount of disposal group held for sale

As disclosed in Note 37, the assets and liabilities related to Keppel O&M for the Proposed Combination, excluding the out-of-scope assets, had been presented in the balance sheet as "Disposal group classified as held for sale" following the definitive agreements for the proposed combination of Keppel O&M and Sembcorp Marine and for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity.

Specifically, the rigs under deferred delivery and secured trade receivables that are subject to the construction contracts, stocks under work-in-progress and fixed assets will be sold to the new and separate entity at its carrying value at the earlier of 30 June 2023 and date of completion of the proposed combination of Keppel O&M and Sembcorp Marine.

Whilst the assessment of the carrying amount of these assets is subjected to significant estimation uncertainty (as discussed below), the global economic environment has gradually recovered from COVID-19 and the oil and gas industry, in particular, has seen improvements in oil price recovery and increasing activities with more tenders awarded with higher dayrates contracted. The Group have been closely monitoring the market and industry developments relating to utilisation rates, dayrates, oil price outlook and other relevant information.

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

2. Significant accounting policies (continued)

Management has engaged independent professional firms to assist in their assessment on whether the VIU of the rigs exceed the carrying values of contract assets and trade receivables as at 31 December 2022. The VIU model used by the independent firm is consistent with prior years and is based on Discounted Cash Flow ("DCF") calculations that cover each class of rigs. In addition to the independent firm responsible for the valuation based on DCF calculations, management has also engaged a separate industry expert to independently provide a view of the market outlook, assumptions and parameters which are used in the estimation of VIU. Key inputs into the estimation of the VIU include dayrates, cost assumptions, utilisation rates, discount rates and estimated commencement of deployment of the assets. The valuation of the rigs would decrease if the expected income from operating the rigs decline, or discount rates were higher, or the estimated commencement of deployment were delayed.

a) Contract Assets and Receivables

i. *Contracts with Sete Brasil ("Sete")*

The Group had previously entered into contracts with Sete for the construction of six rigs for which progress payments from Sete had ceased since November 2014. In April 2016, Sete filed for bankruptcy protection and its authorised representatives had been in discussion with the Group on the eventual completion and delivery of some of the rigs. In October 2019, the Settlement Agreement as well as the winning bid proposal for Magni Partners (Bermuda) Ltd ("Magni") to purchase four Sete subsidiaries, two of which are special-purpose entities ("SPEs") for uncompleted rigs constructed by the Group, was approved and the Group had obtained full title to the remaining four uncompleted rigs, albeit two of which are still encumbered. Sete is to procure the release of the mortgage on the two encumbered rigs placed with the ship registry. Carrying amount of the equipment that the Group had salvaged from these four uncompleted rigs was approximately $109,974,000 as at 31 December 2022 (2021: $145,598,000). During the financial year, the Group had also successfully completed settlements with all vendors for related contract costs for the four uncompleted rigs with a total savings of $65,763,000. This amount has been written back in the profit or loss during the financial year and the remaining provision for settlement as at 31 December 2022 is $36,063,000.

The receivables the Group has with Sete of approximately US$260,000,000 shall be recognised as an undisputed debt and be recognised as part of the debt under the Judicial Reorganisation Plan. The outstanding amount will be paid to the Group proportionally and pari passu with other creditors of Sete as part of, and out of proceeds of, its Judicial Reorganisation Plan. Management estimated a possible payout from the Plan of approximately US$8,900,000.

Management performed an assessment of the estimated recovery of the two rigs which Magni had bidded to purchase from Sete. Carrying amount of these two rigs was approximately $157,574,000 (net of cumulative losses) as at 31 December 2022 (2021: $157,449,000).

Management estimated the net present value of the cashflows relating to the construction contract with Magni or another investor to replace Magni at similar terms. In addition, management performed an assessment to estimate the cost of discontinuance of related agreements of the EPC contracts with Sete, as well as the possible option of repossessing the rigs, complete the construction and charter out to extract value from the uncompleted rigs.

In estimating the charter rates, management have considered the assumptions provided by independent professional firms.

Arising from the above assessment, the loss allowance for trade debtors of $183,000,000 and the provision for related contract costs of $245,000,000 made in prior years remain adequate to the exposure relating to the EPC contracts with Sete. Total cumulative loss recognised in relation to these rig contracts amounted to $410,237,000 after the write-back of the provision as at 31 December 2022 (2021: $476,000,000).

The above assessment had been made with the following key assumptions, taking into consideration the likelihood and expected financial impact of the various possible outcomes:

(i) Petrobras will continue to require the rigs for execution of its business plans and will charter them at the dayrates and tenure previously agreed with Sete;
(ii) Magni or any other potential investor will be able to secure financing to complete the purchase of the rigs with Sete and complete the construction contract with the Group at the terms previously discussed with Magni;
(iii) If Magni or another investor is unable to purchase the rigs from Sete, KOM would regain possession of the rigs, complete the construction and charter them out. The recoverable amounts under this scenario are based on the VIU of the rigs determined by management with the assistance of the independent professional firms as detailed above; and
(iv) The future cost of construction of the rigs are not materially different from management's current estimation.

The Group has considered that a combination of reasonable change in the assumptions above could eliminate the headroom in the recoverable amount over the carrying amounts and hence has not reversed any of the previously recognised expected credit loss as at 31 December 2022.

ii. *Other contracts*

During the financial year, the Group formally terminated several construction contracts of rigs, of which some of these rigs have entered into bareboat charter contracts. As a result, these rigs were reclassified to stocks or fixed assets. Please see the following sections on the significant estimations on these stocks and fixed assets.

As at 31 December 2022, the Group had several rigs that were under construction for customers where customers had requested for deferral of delivery dates of the rigs in prior years and have higher counterparty risks, amounting to $572,179,000 (31 December 2021: $1,707,190,000).

The Group had also delivered rigs to customers where receipt of the construction revenue has been deferred under certain financing arrangements, amounting to $377,964,000 as at 31 December 2022 (2021: $791,952,000). These receivables are secured on the delivered rigs.

Management has performed an assessment of the expected credit loss on contract assets and trade receivables of deferred projects and of rigs delivered on financing arrangements to determine if a provision for expected loss is necessary as at 31 December 2022.

Based on the results of the assessments, the Group did not recognise any expected credit loss on contract assets and receivables during the financial year ended 31 December 2022 (2021: expected credit loss allowance of $75,952,000 on receivables).

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

- A discount rate of 9.0% has been used in the valuation as at 31 December 2022 (2021: 7.6%). An increase of 1% of the discount rate would not result in additional expected credit loss (2021: $7,000,000).
- A decrease in dayrates of US$5,000 per day across the entire asset useful life of 25 years would not result in additional expected credit loss (2021: $nil).

The Group has considered that a combination of reasonable change in the assumptions above could eliminate the headroom in the recoverable amount over the carrying amounts and hence have not reversed any of the previously recognised expected credit loss as at 31 December 2022.

b) Stocks at net realisable value

The net realisable value of stocks represents the estimated selling price for these stocks less all estimated cost of completion and costs necessary to make the sale.

As at 31 December 2022, the carrying value of stocks under work-in-progress amounted to $1,548,872,000. This balance includes the stocks that were transferred from contracts assets and receivables following the termination of the construction contracts in Note 2.28(b)(i)(a)(ii) above of $374,694,000 during 2022.

Based on the results of the VIU assessments, the Group did not recognise further impairment on stocks under work-in-progress for the financial year ended 31 December 2022 (2021: $nil).

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

- A discount rate of 9.0% has been used in the valuation as at 31 December 2022 (2021: 7.6%). An increase of 1% of the discount rate would not result in an impairment (2021: $46,500,000).
- A decrease in dayrates of US$5,000 per day across the entire asset life of 25 years would not result in an impairment (2021: $nil).
- A delay in charter start date of 12 months would not result in an impairment (2021: $24,200,000).

The Group has considered that a combination of reasonable change in the assumptions above could eliminate the headroom in the recoverable amount over the carrying amounts and hence have not reversed any of the previously recognised impairment as at 31 December 2022.

2. Significant accounting policies (continued)

c) Impairment of fixed assets
As noted in Note 2.28(b)(i)(a)(ii) above, the Group formally terminated several construction contracts, of which some of these rigs have entered into bareboat charter contracts. These rigs were reclassified to fixed assets and amounted to $1,164,887,000 (before the reversal of any impairment loss) during 2022.

Based on the results of the VIU assessment, the Group made a reversal of impairment previously recognised on these fixed assets due to significant improvements in the demand for these rigs and that they are already on charter and in operation. The reversal represented the excess of the recoverable amount as at 31 December 2022 over previously impaired carrying amount, and did not exceed the recoverable amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the rigs in prior years. The recoverable amount as at 31 December 2022 was determined based on VIU calculations. A higher pre-tax discount rate of 9.0% and higher forecasted dayrates provided by independent professional firms were used as compared to when the impairment was originally made in prior years. A reversal of impairment of $292,838,000 has been recognised in the profit or loss.

The valuations of these fixed assets based on estimated VIU were most sensitive to discount rates and dayrates.

- A discount rate of 9.0% has been used in the valuation as at 31 December 2022 (2021: 7.6%). An increase of 1% of the discount rate would reduce the impairment reversed by approximately $143,598,000.
- A decrease in dayrates of US$5,000 per day across the entire asset useful life of 25 years would reduce the impairment reversed by approximately $78,774,000.

(ii) Impairment of non-financial assets
Determining whether the carrying value of a non-financial asset is impaired requires an estimation of the value in use of the cash-generating units ("CGU"s). This requires the Group to estimate the future cash flows expected from the CGUs and an appropriate discount rate in order to calculate the present value of the future cash flows. Management performed impairment tests on fixed assets (Note 7), investments in subsidiaries (Note 10), investments in associated companies and joint ventures (Note 11), and intangibles (Note 14) as at 31 December 2022.

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

(iii) Revenue recognition and contract cost
The Group recognises contract revenue over time for rigbuilding contracts, and shipbuilding and repair contracts by reference to the estimation of the physical proportion of the contract work completed for the contracts with reference to engineers' estimates. The Group also recognises contract revenue over time for long term engineering contracts by reference to the proportion of contract costs incurred to-date to the estimated total contract costs. The stage of completion is measured in accordance with the accounting policy stated in Note 2.20. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

Significant assumptions are required in determining the stage of completion and significant judgment is required in the estimation of the physical proportion of the contract work completed for the contracts; and the estimation of total costs on the contracts, including contingencies that could arise from variations to original contract terms and claims. In making the assumption, the Group evaluates by relying on past experience, the work of engineers as well as quotations and references from other projects. These estimations are also made with due consideration of the circumstances and relevant events that were known to management at the date of these financial statements.

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

(i) estimation of the expected completion dates of each project, including expectations of any potential delays;
(ii) additional costs that will be required to complete the projects; and
(iii) impact of potential cost escalations.

As at 31 December 2022, management has assessed that for some projects, total contract costs for each project would exceed the total contract sum, resulting in the recognition of the expected loss as an expense immediately. Costs yet to be incurred for these projects as at 31 December 2022 have been included in provision for onerous contracts as detailed in Note 22 and $91,548,000 (2021: $18,831,000) relating to discontinued operations presented within liabilities directly associated with disposal group held for sale.

Revenue from construction contracts is disclosed in Note 25 and revenue from construction contracts in relation to the offshore & marine business amounting to $2,647,964,000 is disclosed within discontinued operations in Note 37.

(iv) Income taxes

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

(v) Claims, litigations and reviews

The Group entered into various contracts with third parties in its ordinary course of business and is exposed to the risk of claims, litigations, latent defects or review from the contractual parties and/or government agencies. These can arise for various reasons, including change in scope of work, delay and disputes, defective specifications or routine checks etc. The scope, enforceability and validity of any claim, litigation or review may be highly uncertain. In making its judgment as to whether it is probable that any such claim, litigation or review will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise. See Note 33 for further disclosures relating to the Group's claims and litigations.

(vi) Useful lives of network and related application systems

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

(vii) Revaluation of investment properties

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

For the purpose of the financial statements for the year ended 31 December 2022, valuations were obtained from the valuers for the Group's investment properties, and the resultant fair value changes were recognised in the profit or loss account.

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

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

(viii) Estimating net realisable value of stocks

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

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

2. Significant accounting policies (continued)

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

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

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

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

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

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

3. Share capital

	Group and Company			
	Number of Ordinary Shares ("Shares")			
	Issued Share Capital		Treasury Shares	
	2022	2021	**2022**	2021
Balance at 1 January	**1,820,557,767**	1,820,557,767	**(943,259)**	(3,051,474)
Treasury shares transferred pursuant to share plans	**-**	-	**8,209,410**	4,668,215
Treasury shares purchased	**-**	-	**(75,864,000)**	(2,560,000)
Balance at 31 December	**1,820,557,767**	1,820,557,767	**(68,597,849)**	(943,259)

	Amount ($'000)			
	Issued Share Capital		Treasury Shares	
	2022	2021	**2022**	2021
Balance at 1 January	**1,305,668**	1,305,668	**(4,624)**	(13,690)
Treasury shares transferred pursuant to share plans	**-**	-	**48,602**	22,114
Treasury shares purchased	**-**	-	**(499,993)**	(13,048)
Balance at 31 December	**1,305,668**	1,305,668	**(456,015)**	(4,624)

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

During the financial year, the Company transferred 8,209,410 (2021: 4,668,215) treasury shares to employees under vesting of Shares released under the KCL Share Plans. The Company also purchased 75,864,000 (2021: 2,560,000) treasury shares in the Company in the open market during the financial year. The total amount paid was $499,993,000 (2021: $13,048,000). Except for the transfer, there was no other sale, disposal, cancellation and/or use of treasury shares during the financial year.

KCL Share Plans

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

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

Till Bernhard Vestring (Chairman)
Danny Teoh
Jean-François Manzoni
Penny Goh (appointed on 1 June 2022)

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

During the financial year, 1,566,518 (2021: 2,955,417) Shares under the KCL Restricted Share Plan – Deferred Shares ("KCL RSP-Deferred Shares"), 3,802,557 (2021: 1,712,798) Shares under the KCL Restricted Share Plan 2020 – Deferred Shares ("KCL RSP 2020-Deferred Shares"), 495,600 (2021: nil) Shares under the KCL Performance Share Plan ("KCL PSP") and 2,344,735 (2021: nil) Shares under the KCL PSP – Transformation Incentive Plan ("KCL PSP-TIP") were vested.

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

	KCL RSP-Deferred Shares & KCL RSP 2020-Deferred Shares	**KCL PSP & KCL PSP 2020**	**KCL PSP-TIP**
Plan Description	Award of fully-paid ordinary shares of the Company	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year performance period	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a six-year performance period
Performance Conditions	-	PSP awards from Year 2019 to 2021 (a) Absolute Total Shareholder's Return (b) Return on Capital Employed (c) Net Profit PSP awards from Year 2022 onwards (a) Reduction in Carbon Emission (b) Net Profit (c) Return on Equity (d) Absolute Total Shareholder's Return	(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
Final Award	100% of the awards granted	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting Condition and Schedule	Awards will vest equally over three years subject to fulfilment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the three-year performance period subject to fulfilment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the six-year performance period subject to fulfilment of service requirements. Performance conditions may be subject to re-testing at the end of the six-year performance period

		KCL PSP-M1 TIP	**KCL PSP 2020-TIP**
Plan Description		Two separate awards of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year and six-year performance period respectively	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a five-year performance period
Performance Conditions		(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
Vesting Condition and Schedule		If pre-determined targets are achieved, the two separate awards will vest at the end of the three-year and six-year performance period subject to fulfilment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the five-year performance period subject to fulfilment of service requirements. Performance conditions may be subject to re-testing at the end of the five-year performance period

3. Share capital (continued)

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

	2022					
	KCL RSP 2020-Deferred Shares	KCL PSP	KCL PSP-TIP	KCL PSP-M1 TIP	KCL PSP 2020	KCL PSP 2020-TIP
Contingent awards/ Awards (KCL RSP 2020-Deferred Shares)						
Balance at 1 January	-	4,171,880	6,166,706	423,500	1,490,000	11,140,000
Granted	6,317,893	-	-	-	1,775,000	840,000
Adjustments upon released	(8,862)	(684,400)	(3,796,628)	-	-	-
Released	(6,309,031)	(495,600)	(2,344,735)	-	-	-
Cancelled	-	(150,000)	(25,343)	(43,600)	(150,000)	(760,000)
Balance at 31 December	-	2,841,880	-	379,900	3,115,000	11,220,000

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

At the end of the financial year, the number of contingent award of Shares granted but not released was:

- 2,841,880 (2021: 4,171,880) under the KCL PSP;
- nil (2021: 6,166,706) under the KCL PSP-TIP;
- 379,900 (2021: 423,500) under the KCL PSP-M1 TIP, out of which 115,100 (2021: 127,900) is to be vested in three years and 264,800 (2021: 295,600) is to be vested in six years;
- 3,115,000 (2021: 1,490,000) under the KCL PSP 2020; and
- 11,220,000 (2021: 11,140,000) under the KCL PSP 2020-TIP.

Depending on the achievement of pre-determined performance targets, the actual number of Shares to be released could range from zero to a maximum of 4,262,820 under the KCL PSP, zero to a maximum of 569,850 under the KCL PSP-M1 TIP, zero to a maximum of 4,672,500 under the KCL PSP 2020, and zero to a maximum of 16,830,000 under the KCL PSP 2020-TIP.

	2022		2021	
	KCL RSP-Deferred Shares	KCL RSP-2020 Deferred Shares	KCL RSP-Deferred Shares	KCL RSP-2020 Deferred Shares
Awards released but not vested:				
Balance at 1 January	1,576,649	3,231,494	4,669,070	-
Released	-	6,309,031	-	5,089,075
Vested	(1,566,518)	(3,802,557)	(2,955,417)	(1,712,798)
Cancelled	(10,131)	(483,620)	(133,989)	(144,783)
Other adjustments	-	-	(3,015)	-
Balance at 31 December	-	5,254,348	1,576,649	3,231,494

As at 31 December 2022, there were no awards released but not vested (2021: 1,576,649) under the KCL RSP-Deferred Shares and 5,254,348 (2021: 3,231,494) under the KCL RSP 2020-Deferred Shares.

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

On 15 February 2022, the Company granted awards of 6,317,893 Shares under the KCL RSP 2020-Deferred Shares and the estimated fair value of the Shares granted were $5.84. On 29 April 2022, the Company granted contingent awards of 1,775,000 Shares under the KCL PSP 2020 and the estimated fair value of the Shares granted was $6.07. On 29 April 2022, the Company granted contingent awards of 840,000 Shares under the KCL PSP 2020-TIP and the estimated fair value of the Shares granted was $3.53.

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

The significant inputs into the model are as follows:

	2022		
	KCL RSP 2020-Deferred Shares	**KCL PSP 2020**	**KCL PSP 2020-TIP**
Date of grant	**15.02.2022**	**29.04.2022**	**29.04.2022**
Prevailing share price at date of grant	**$6.05**	**$6.87**	**$6.87**
Expected volatility of the Company	**26.92%**	**26.05%**	**26.05%**
Expected term	**0.00 - 2.00 years**	**2.83 years**	**3.83 years**
Risk free rate	**0.90% - 1.26 %**	**2.17%**	**2.27%**
Expected dividend yield	*	*	*

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

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

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

4. Reserves

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Capital reserves				
Share option and share plans reserve	**205,342**	198,151	**205,342**	198,151
Fair value reserve	**(60,911)**	(49,653)	**19,430**	24,100
Hedging reserve	**239,457**	(180,398)	**-**	(452)
Bonus issue by subsidiaries	**40,000**	40,000	**-**	-
Others	**121,021**	121,519	**(7,736)**	2,960
	544,909	129,619	**217,036**	224,759
Revenue reserves	**10,632,860**	10,365,733	**9,361,110**	8,271,057
Foreign exchange translation account	**(849,163)**	(141,256)	**-**	-
	10,328,606	10,354,096	**9,578,146**	8,495,816

Exchange differences arises from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as from the translation of foreign currency loans that form part of the Group's net investment in foreign operations. The translation losses for 2022 arose largely from weakening of Renminbi against Singapore Dollar (2021: translation gains arose largely from strengthening of Renminbi against Singapore Dollar).

4. Reserves (continued)

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

Group	Foreign exchange risk $'000	Interest rate risk $'000	Price risk $'000	Total $'000
2022				
As at 1 January	**2,396**	**(33,943)**	**(148,851)**	**(180,398)**
Fair value changes arising during the year, net of tax	**(16,329)**	**224,247**	**(52,147)**	**155,771**
Realised and transferred to profit or loss account				
- Materials, subcontract and other costs	**(1,895)**	**-**	**117,432**	**115,537**
- Other operating income – net	**80,464**	**-**	**-**	**80,464**
- Interest expenses	**-**	**(3,253)**	**-**	**(3,253)**
- Other gains and losses	**-**	**2,830**	**-**	**2,830**
Share of associated companies and joint ventures' fair value changes	**1,882**	**66,624**	**-**	**68,506**
As at 31 December	**66,518**	**256,505**	**(83,566)**	**239,457**
2021				
As at 1 January	(48,621)	(205,610)	35,687	(218,544)
Fair value changes arising during the year, net of tax	(24,319)	85,466	(131,825)	(70,678)
Realised and transferred to profit or loss account				
- Materials, subcontract and other costs	16,021	-	(52,713)	(36,692)
- Other operating income – net	57,601	-	-	57,601
- Interest expenses	-	31,155	-	31,155
- Other gains and losses	(86)	22,595	-	22,509
Share of associated companies and joint ventures' fair value changes	1,800	32,451	-	34,251
As at 31 December	2,396	(33,943)	(148,851)	(180,398)

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

5. Non-controlling interests

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

	NCI percentage of ownership interest and voting interest		Carrying amount of NCI		Profit after tax allocated to NCI	
	2022	2021	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Konnectivity Pte. Ltd.	**20%**	20%	**280,725**	304,313	**10,041**	6,999
Other subsidiaries with immaterial NCI			**52,835**	80,387	**(15,453)**	(23,039)
Total			**333,560**	384,700	**(5,412)**	(16,040)

Summarised financial information before inter-group elimination

	Konnectivity Pte. Ltd.	
	2022 $'000	2021 $'000
Non-current assets	1,935,283	1,865,149
Current assets	459,086	641,450
Non-current liabilities	143,409	135,917
Current liabilities	489,427	485,153
Net assets	1,761,533	1,885,529
Less: NCI	(357,907)	(363,965)
	1,403,626	1,521,564
Revenue	1,182,413	1,096,177
Profit for the year	65,313	40,979
Total comprehensive income	56,091	45,841
Net cash generated from operations	155,663	273,921
Net cash (used in)/generated from investing activities	(148,946)	360,092
Net cash used in financing activities	(178,765)	(423,465)
Total comprehensive income allocated to NCI	12,629	7,396
Dividends paid to NCI	38,640	9,980

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

	2022 $'000	2021 $'000
Amounts paid on changes in ownership interest in subsidiaries	(28,600)	(31,307)
Amounts paid on acquisition of additional interest made in prior year	3,996	-
Non-controlling interest acquired	13,138	19,385
Total amount recognised in equity reserves	(11,466)	(11,922)

6. Perpetual Securities

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

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

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

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

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

As at 31 December 2022, the perpetual securities of $401,521,000 (2021: $401,521,000) recognised within equity represent the $398,120,000 (2021: $398,120,000) perpetual securities issued net of transaction costs, and include the accrued distributions for the perpetual securities.

7. Fixed assets

	Freehold Land & Buildings $'000	Buildings on Leasehold Land $'000	Vessels & Floating Docks $'000	Networks & Related Application Systems $'000	Plant, Machinery, Equipment & Others[(1)] $'000	Capital Work-in-Progress $'000	Total $'000
Group							
2022							
Cost							
At 1 January	83,916	1,883,539	455,186	80,825	2,231,360	160,344	4,895,170
Additions	321	1,237	6	73,200	104,601	100,048	279,413
Disposals	(267)	(159)	(13)	-	(43,443)	(5,396)	(49,278)
Write-off	-	-	-	-	(890)	(52)	(942)
Subsidiaries acquired	3,409	-	-	-	420	-	3,829
Subsidiaries disposed	-	(249,852)	-	-	(43,053)	(791)	(293,696)
Reclassification							
- ROU asset	-	(303)	-	-	-	-	(303)
- Contract assets	-	-	-	-	-	753,612	753,612
- Other fixed assets categories	38	5,450	(877)	-	24,184	(28,795)	-
- Disposal group and assets classified as held for sale (Note 37)	(40,124)	(1,078,608)	(448,773)	-	(1,232,094)	(810,811)	(3,610,410)
Exchange differences	(2,057)	(21,832)	(5,529)	-	(9,391)	1,585	(37,224)
At 31 December	45,236	539,472	-	154,025	1,031,694	169,744	1,940,171
Accumulated depreciation and impairment losses							
At 1 January	57,039	956,228	171,115	37,083	1,586,668	42,663	2,850,796
Depreciation charge							
- from continuing operations	919	17,516	-	13,208	84,560	-	116,203
- from discontinued operations	446	7,496	4,992	-	12,560	-	25,494
Disposals	(256)	(155)	(13)	-	(39,884)	-	(40,308)
Subsidiaries disposed	-	(157,231)	-	-	(37,844)	-	(195,075)
Reclassification							
- ROU asset	-	(155)	-	-	-	-	(155)
- Other fixed assets categories	-	(96)	-	-	96	-	-
- Disposal group and assets classified as held for sale (Note 37)	(24,308)	(568,868)	(172,040)	-	(985,456)	(19,555)	(1,770,227)
Exchange differences	(1,657)	(7,951)	(4,054)	-	(7,463)	(2,229)	(23,354)
At 31 December	32,183	246,784	-	50,291	613,237	20,879	963,374
Net Book Value	13,053	292,688	-	103,734	418,457	148,865	976,797

Included in freehold land & buildings are freehold land amounting to $2,655,000 (2021: $6,264,000). Certain fixed assets with carrying amount of $88,000 (2021: $116,755,000) are mortgaged to banks for loan facilities (Note 23).

Interest capitalised during the financial year amounted to $nil (2021: $nil).

	Freehold Land & Buildings $'000	Buildings on Leasehold Land $'000	Vessels & Floating Docks $'000	Networks & Related Application Systems $'000	Plant, Machinery, Equipment & Others[1] $'000	Capital Work-in-Progress $'000	Total $'000
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							
- from continuing operations	884	32,247	-	82,447	83,250	-	198,828
- from discontinued operations	1,496	17,651	22,201	-	43,163	-	84,511
Disposals	(1,356)	(2,326)	(2,066)	(200,350)	(20,730)	-	(226,828)
Impairment	-	35,969	-	-	-	866	36,835
Write-off	-	(6,002)	-	-	(1,732)	-	(7,734)
Subsidiaries disposed	-	-	-	-	(186)	-	(186)
Reclassification							
- ROU asset	-	12,124	-	-	-	-	12,124
- Stocks	-	(10,094)	-	-	-	-	(10,094)
- Other fixed assets categories	(13,506)	21,845	(12,138)	(84)	3,883	-	-
- Asset held for sale (Note 37)	(30)	(118,729)	(16,834)	-	(71,867)	-	(207,460)
Exchange differences	(835)	5,306	3,652	-	5,917	1,151	15,191
At 31 December	57,039	956,228	171,115	37,083	1,586,668	42,663	2,850,796
Net Book Value	26,877	927,311	284,071	43,742	644,692	117,681	2,044,374

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

In 2021, the Group recognised an impairment loss of $35,969,000 on buildings on leasehold land in the Urban Development segment, which was based on the difference between the recoverable amount and the carrying value of a fixed asset. The recoverable amount of $67,273,000 was based on an independent external valuation, which was determined using value-in-use model. Cashflows used to determine the recoverable amount were discounted at a discount rate of 14.5% per annum.

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

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

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

7. Fixed assets (continued)

	Freehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[2] $'000	Total $'000
Company			
2022			
Cost			
At 1 January	**1,233**	**23,661**	**24,894**
Additions	**-**	**146**	**146**
Disposals	**-**	**(663)**	**(663)**
At 31 December	**1,233**	**23,144**	**24,377**
Accumulated depreciation and impairment losses			
At 1 January	**1,233**	**15,199**	**16,432**
Depreciation charge	**-**	**2,582**	**2,582**
Disposals	**-**	**(278)**	**(278)**
At 31 December	**1,233**	**17,503**	**18,736**
Net Book Value	**-**	**5,641**	**5,641**
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

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

8. Investment properties

	Group 2022 $'000	Group 2021 $'000
At 1 January	**4,256,428**	3,674,075
Development expenditure	**216,799**	229,581
Fair value gain (Note 27)	**131,711**	238,458
Disposal	**(41,204)**	-
Reclassification		
- Stocks (Note 15)	**-**	3,544
Exchange differences	**(280,641)**	110,770
At 31 December	**4,283,093**	4,256,428

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

The Group's investment properties (including integral plant and machinery) are stated at management's assessments based on the following valuations (open market value basis) by independent professional valuers as at 31 December 2022:

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

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

Interest capitalised within development expenditure during the financial year amounted to $41,249,000 (2021: $42,027,000).

The Group has mortgaged certain investment properties of carrying value amounting to $1,913,364,000 as at 31 December 2022 (2021: $1,875,368,000) to banks for loan facilities (Note 23).

During the year, the Group reclassified $nil (2021: $3,544,000) from properties held for sale to investment properties upon change of use of the asset from property trading to holding for capital gain and/or rental yield.

9. Right-of-use assets (leases)

Leases

The Group as lessee

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

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

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

There are no externally imposed covenants on these lease arrangements.

Right-of-use assets

	Leasehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[1] $'000	Base Station Sites $'000	Total $'000
Group				
2022				
Net Book Value				
At 1 January	501,956	5,230	22,030	529,216
Additions	24,045	952	6,885	31,882
Subsidiaries acquired	226	-	-	226
Depreciation				
- from continuing operations	(35,806)	(2,057)	(4,234)	(42,097)
- from discontinued operations	(9,594)	(95)	-	(9,689)
Subsidiaries disposed	(32,753)	(727)	-	(33,480)
Write-off	(524)	-	-	(524)
Remeasurement	17,375	-	-	17,375
Reclassification				
- Fixed assets (Note 7)	148	-	-	148
- Disposal group and assets classified as held for sale (Note 37)	(253,063)	(57)	-	(253,120)
- Other right-of-use assets categories	408	6	(414)	-
Exchange differences	1,210	(95)	-	1,115
At 31 December	213,628	3,157	24,267	241,052

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

	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				
- from continuing operations	(33,880)	(2,291)	(3,584)	(39,755)
- from discontinued operations	(30,048)	(375)	-	(30,423)
Write-off	(271)	-	-	(271)
Remeasurement	(5,452)	(43)	-	(5,495)
Reclassification				
- Fixed assets (Note 7)	(24,282)	-	-	(24,282)
- Assets held for sale (Note 37)	(32,192)	-	-	(32,192)
- Other right-of-use assets categories	(27)	27	-	-
Exchange differences	3,567	(46)	(414)	3,107
At 31 December	501,956	5,230	22,030	529,216

[1] Others comprise furniture, fittings, office equipment and motor vehicles.

The right-of-use asset relating to the leasehold land presented under investment properties (Note 8) is stated at fair value and has a carrying amount at balance sheet date of $58,000 (2021: $4,742,000).

Total cash outflow for all the leases was $106,546,000 (2021: $99,894,000), comprising repayment of principal of $82,641,000 (2021: $68,573,000) and interest payment of $23,905,000 (2021: $31,321,000).

Certain right-of-use assets with carrying amount of $nil (2021: $10,520,000) are mortgaged to banks for loan facilities (Note 23).

	Leasehold Land & Buildings $'000	Plant, Machinery, Equipment & Others[2] $'000	Total $'000
Company			
2022			
Net Book Value			
At 1 January	**15,102**	**129**	**15,231**
Depreciation	**(3,669)**	**(72)**	**(3,741)**
Additions	**147**	**22**	**169**
At 31 December	**11,580**	**79**	**11,659**
2021			
Net Book Value			
At 1 January	11,031	173	11,204
Depreciation	(3,727)	(72)	(3,799)
Additions	338	28	366
Remeasurement	7,460	-	7,460
At 31 December	15,102	129	15,231

[2] Others comprise office equipment.

Total cash outflow for all the leases was $4,225,000 (2021: $4,211,000), comprising repayment of principal of $3,875,000 (2021: $3,885,000) and $350,000 interest payment (2021: $326,000).

	Group	
	2022 $'000	2021 $'000
Lease expense not capitalised in lease liabilities		
Short-term leases	**3,315**	10,247
Low-value leases	**212**	588
Variable lease payments which do not depend on an index or rate	**404**	666

As at 31 December 2022, future cash outflows to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities include variable lease payments, $24,890,000 (2021: $609,797,000) for extension options and $55,243,000 (2021: $57,086,000) for committed leases which have yet to commence.

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

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Within one year	**38,111**	99,392	**4,205**	4,181
Within one to two years	**33,085**	89,607	**4,031**	4,137
Within two to five years	**55,781**	205,571	**4,945**	8,941
After five years	**154,365**	366,435	**-**	-
Total	**281,342**	761,005	**13,181**	17,259

The Group as lessor

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

	Group	
	2022 $'000	2021 $'000
Within one year	**70,734**	75,685
In the second year	**62,569**	68,125
In the third year	**42,880**	54,012
In the fourth year	**24,002**	30,662
In the fifth year	**15,852**	20,885
After the fifth year	**47,388**	62,347
Total	**263,425**	311,716

The Group entered into leasing arrangement with customers for certain equipment as a manufacturer lessor and built-to-suit data centre for a customer. The lease is classified as finance lease as the customers have an option to purchase the underlying asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised.

The asset relating to the finance lease is derecognised and the net investment in the lease is recognised under lease receivables (Note 13).

The Group has 6 jack-up oil rigs within the disposal group held for sale which has entered into bareboat charter contracts for a period of three to five years with total undiscounted lease receivable of $268,460,000 (Note 37).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2022 $'000	2021 $'000
Within one year	**11,418**	375
In the second year	**11,602**	375
In the third year	**11,697**	375
In the fourth year	**76,797**	374
In the fifth year	**1,937**	374
After the fifth year	**15,106**	3,352
Total	**128,557**	5,225

10. Subsidiaries

	Company	
	2022 $'000	2021 $'000
Quoted shares, at cost		
Market value: $6,111,000 (2021: $5,750,000)	**493**	493
Unquoted shares, at cost	**7,633,512**	8,442,349
	7,634,005	8,442,842
Provision for impairment	**(445,612)**	(449,056)
	7,188,393	7,993,786

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

	Company	
	2022 $'000	2021 $'000
At 1 January	**449,056**	480,569
Charge to profit or loss	**-**	18,487
Disposal	**(3,000)**	-
Write-back	**(444)**	(50,000)
At 31 December	**445,612**	449,056

In 2018, Keppel FELS Limited and Keppel Shipyard Limited, both indirect wholly owned subsidiaries of the Company, issued fixed rate senior perpetual securities (the "perpetual securities") with an aggregate principal amount of $2,000,000,000 to Kepinvest Holdings Pte Ltd, a direct wholly owned subsidiary of the Company.

During the financial year ended 31 December 2022,
(a) the perpetual securities amounting to $2,364,876,000 have been novated from Kepinvest Holdings Pte Ltd to the Company and were classified as an investment in subsidiaries by the Company; and
(b) unquoted shares in Keppel Offshore & Marine Ltd ("KOM") amounting to $801,720,000 and perpetual securities relating to the KOM group as described above, amounting to a total of $3,166,596,000, have been reclassified to "Disposal group and assets classified as held for sale" on the balance sheet of the Company.

The above transactions were for the purposes of undertaking an internal restructuring of KOM (the "KOM Pre-Combination Restructuring") to effect the Proposed Combination as mentioned in Note 37.

Impairment of $18,487,000 made for the financial year ended 31 December 2021 mainly relates to an investment holding subsidiary that holds the loan receivable from KrisEnergy Limited. Based on the expected credit loss assessment as detailed in Note 13, an impairment provision on the loan receivable was recognised, resulting in the estimated recoverable amount of the subsidiary to be below the Company's cost of investment. The recoverable amount of $28,000 is based on fair value less costs of disposal which was determined using the net asset value of the subsidiaries. This is a Level 3 fair value measurement.

For the financial year ended 31 December 2021, provision of impairment amounting to $50,000,000 was written-back as a result of increase in the estimated recoverable amount of subsidiaries mainly attributable to fair value gains from investments held by subsidiaries. The recoverable amount of $194,354,000 is based on fair value less costs of disposal which was determined using the net asset value of the subsidiaries, which approximates fair value. This is a Level 3 fair value measurement.

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

11. Associated companies and joint ventures

	Group	
	2022 $'000	2021 $'000
Quoted shares, at cost Market value: $2,302,422,000 (2021: $2,981,536,000)	2,304,848	2,277,137
Unquoted shares, at cost	3,454,664	3,006,644
	5,759,512	5,283,781
Provision for impairment	(112,004)	(144,005)
	5,647,508	5,139,776
Share of reserves post acquisition	476,094	393,681
Carrying amount	6,123,602	5,533,457
Unquoted shares, at fair value through profit or loss	246,677	142,238
Notes issued by an associated company	245,000	245,000
Advances to associated companies and joint ventures	176,583	129,563
	6,791,862	6,050,258

Notes issued by an associated company of $245,000,000 are unsecured and will mature in 2040. Interest is charged at 17.5% (2021: 17.5%) per annum.

Advances to associated companies and joint ventures are unsecured and are not repayable within the next 12 months. Interest is charged at 3.0% to 11.0% (2021: 3.0%) per annum on interest-bearing advances.

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

	Group	
	2022 $'000	2021 $'000
At 1 January	144,005	152,509
Impairment loss	1,000	-
Disposal and liquidation	(26,900)	(674)
Reclassification to		
- Investments	-	(7,830)
- Disposal group and assets classified as held for sale	(6,101)	-
At 31 December	112,004	144,005

Impairment loss made during the current year mainly relates to the shortfall between the carrying amount of the costs of investment and the recoverable amount of an associated company.

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

		2022 $'000	2021 $'000
Keppel REIT	(a)	2,085,919	1,953,614
Keppel DC REIT	(b)	496,454	470,649
Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited	(c)	618,968	673,007
Floatel International Limited	(d)	254,503	262,146
Other associated companies and joint ventures		3,336,018	2,690,842
		6,791,862	6,050,258

11. Associated companies and joint ventures (continued)

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

(a) Keppel REIT

	2022 $'000	2021 $'000
Current assets	795,861	225,934
Non-current assets	8,085,514	8,261,750
Total assets	8,881,375	8,487,684
Current liabilities	714,266	273,276
Non-current liabilities	2,301,805	2,624,424
Total liabilities	3,016,071	2,897,700
Net assets	5,865,304	5,589,984
Less: Non-controlling interests	(746,388)	(723,796)
	5,118,916	4,866,188
Proportion of the Group's ownership	47%	47%
Group's share of net assets	2,390,022	2,264,724
Other adjustments	(304,103)	(311,110)
Carrying amount of equity interest	2,085,919	1,953,614
Revenue	219,286	216,606
Profit after tax	448,403	255,856
Other comprehensive income	18,690	23,459
Total comprehensive income	467,093	279,315
Fair value of ownership interest (if listed)**	1,590,158	1,943,429
Dividends received	101,123	98,865

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

As at 31 December 2022 and 31 December 2021, the fair value of Keppel REIT was below the carrying amount of the Group's effective ownership interest. Management is of the view that no impairment is required as it is held for long term and its recoverable amount approximates the carrying amount.

(b) Keppel DC REIT

	2022 $'000	2021 $'000
Current assets	262,606	262,188
Non-current assets	3,845,057	3,517,962
Total assets	4,107,663	3,780,150
Current liabilities	244,640	220,609
Non-current liabilities	1,406,105	1,223,865
Total liabilities	1,650,745	1,444,474
Net assets	2,456,918	2,335,676
Less: Non-controlling interests	(42,800)	(42,429)
	2,414,118	2,293,247
Proportion of the Group's ownership	20%	20%
Group's share of net assets	485,721	458,649
Other adjustments	10,733	12,000
Carrying amount of equity interest	496,454	470,649
Revenue	277,322	271,065
Profit after tax	234,174	321,573
Other comprehensive income	29,804	11,251
Total comprehensive income	263,978	332,824
Fair value of ownership interest (if listed)**	612,172	847,490
Dividends received	22,380	35,928

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

(c) Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited

	2022 $'000	2021 $'000
Current assets	1,243,193	1,317,280
Non-current assets	503,634	539,024
Total assets	1,746,827	1,856,304
Current liabilities	460,153	384,913
Non-current liabilities	17,747	67,848
Total liabilities	477,900	452,761
Net assets	1,268,927	1,403,543
Proportion of the Group's ownership	50%	50%
Group's share of net assets	634,464	701,772
Other adjustments	(15,496)	(28,765)
Carrying amount of equity interest	618,968	673,007
Revenue	32,077	369,357
Profit after tax	6,482	43,447
Other comprehensive income	-	-
Total comprehensive income	6,482	43,447
Dividends received	-	21,162

(d) Floatel International Limited

	2022 $'000	2021 $'000
Current assets	108,842	88,287
Non-current assets	828,485	878,785
Total assets	937,327	967,072
Current liabilities	54,965	52,381
Non-current liabilities	372,540	389,559
Total liabilities	427,505	441,940
Net assets	509,822	525,132
Proportion of the Group's ownership	50%	50%
Group's share of net assets	254,503	262,146
Carrying amount of equity interest	254,503	262,146
Revenue	230,772	127,016
Profit/(Loss) after tax	(15,122)	322,163
Other comprehensive loss	-	(3)
Total comprehensive income/(loss)	(15,122)	322,160
Dividends received	-	-

Apart from the equity interest in Floatel, the Group has exposure for a guarantee in relation to a bilateral agreement between the Group and financial institutions, on a revolving credit facility granted to Floatel, as disclosed in Note 33.

(e) Other associated companies and joint ventures

Aggregate information about the Group's investments in other associated companies and joint ventures are as follows:

	2022 $'000	2021 $'000
Share of results – continuing operations	290,426	106,139
Share of results – discontinued operations	4,420	8,135
Share of other comprehensive income/(loss)	(150,486)	72,324
Share of total comprehensive income	144,360	186,598

Information relating to significant associated companies and joint ventures, including information on principal activities, country of operation/incorporation and proportion of ownership interest, and whose results are included in the financial statements is given in Note 40.

12. Investments

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Investments at fair value through other comprehensive income ("OCI"):				
- Quoted equity units in a public infrastructure trust managed by a related company	**490,886**	495,432	**-**	-
- Quoted equity shares in other industries	**3,820**	6,878	**-**	-
- Unquoted equity shares in real estate industry	**78,561**	70,871	**19,430**	24,100
- Unquoted equity shares and funds in oil and gas industry	**-**	28,120	**-**	-
- Unquoted equity shares and funds in other industries	**109,381**	27,032	**-**	-
- Unquoted property funds managed by a related company	**90,746**	100,029	**-**	-
Total investments at fair value through OCI	**773,394**	728,362	**19,430**	24,100
Investments at fair value through profit or loss:				
- Quoted equity shares	**34,618**	71,314	**-**	-
- Unquoted equity shares and funds	**622,449**	547,849	**-**	-
- Unquoted bonds and debentures	**52,258**	100,139	**-**	-
Total investments at fair value through profit or loss	**709,325**	719,302	**-**	-
Total investments	**1,482,719**	1,447,664	**19,430**	24,100

In prior year, unquoted investments at fair value through profit or loss included a bond amounting to $20,791,000 bearing interest at 4% per annum which is maturing in 2027. For the financial year ended 31 December 2022, the balance has been reclassified to disposal group and assets classified as held for sale (Note 37).

Unquoted investments at fair value through profit or loss included compulsorily convertible debentures amounting to $46,821,000 (2021: $74,034,000). During the year, the Group has converted 5,035,464 of the compulsorily convertible debentures held into equity shares at a conversion rate of 1:1 amounting to INR 1,280 million (approximately $22.7 million). The remaining compulsorily convertible debentures bear interest at 10.0% per annum which is maturing in 2040.

13. Long term assets

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Call option	**192,522**	171,520	**-**	-
Finance lease receivables	**93,339**	3,473	**-**	-
Trade receivables	**-**	791,952	**-**	-
Other receivables	**212,675**	235,037	**70,252**	94,161
	498,536	1,201,982	**70,252**	94,161

The call option granted to the Group is in connection with the disposal of its 87.51% equity interest in Ocean Properties LLP (formerly known as Ocean Properties Private Limited) to Keppel REIT in 2011. The Group has an option to acquire the same shares exercisable at the price of $1 upon the expiry of 99 years from 14 December 2011 under the share purchase agreement. The call option may be exercised earlier upon the occurrence of certain specified events as stipulated in the call option deed. As at 31 December 2022, the fair value was determined by reference to the difference in valuations obtained from an independent professional valuer for the underlying investment property based on the remaining 839-year leasehold and 88-year leasehold (2021: based on the remaining 840-year leasehold and 89-year leasehold). The details of the valuation techniques and inputs used for the call option are disclosed in Note 35.

Trade receivables are related to financing arrangements for delivered rigs where the Group has retained title. As noted in Note 2.28(b)(i), the trade receivables have been presented in the balance sheet as "Disposal group classified as held for sale" following the definitive agreements for the proposed combination of Keppel O&M and Sembcorp Marine and for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity. In 2021, $377,660,000 is due from one customer and bears floating interest at LIBOR plus a margin, and repayable in 2024 and 2025. The remainder is due from another customer, bears fixed interest and repayable in February 2024, December 2029 and on demand. The customer has options for early repayment. In the prior year, the Group recognised an expected credit loss allowance of $75,952,000 on the trade receivables as detailed in Note 2.28(b)(i)(a)(ii). As at 1 January 2021, the Group's long term trade receivables amounted to $875,810,000.

Included in other receivables is a secured loan receivable due from KrisEnergy Asia Limited ("KAL"), a company under receivership. The Company had provided a guarantee, which was in relation to a bilateral agreement between the Company and a bank, on a revolving credit facility (RCF) granted to KAL. KAL defaulted on the repayment of the RCF on 30 June 2021, on which the Company had made payment to the bank and recorded a loan receivable (net of impairment provision) from KAL. As at 31 December 2022, the loan receivable under the RCF amounted to $109,601,000 (31 December 2021: $109,513,000). In addition, the Company had extended a short term interest free bridging facility to KAL (in receivership) for the purpose of its cash flow requirements and receivership expenses which amounted to $5,197,000 as at 31 December 2022 (31 December 2021: $5,876,000). The non-current portion of the loan receivable and advances amounted to $69,657,000 (31 December 2021: $93,311,000) while the current portion amounted to $45,141,000 (31 December 2021: $22,078,000) which is included under Debtors (Note 18).

The Group had a comprehensive first ranking security package over the assets of the KrisEnergy Limited group ("KrisEnergy") through the RCF. With KrisEnergy Limited in liquidation, the Group has implemented detailed recovery plans which were developed in consultation with its financial advisor, Borrelli Walsh (now "Kroll"), and legal advisor to preserve KrisEnergy's assets and to maximise recoveries for the Group. The Group had appointed Kroll in 2021 as receiver over the assets of a number of members of the KrisEnergy group under the security package.

In assessing expected credit loss, management had reviewed the cash flow projections prepared by Kroll, based on the estimated amount of cash available from producing assets to be held over the remaining lives of the concession period of 7.5 to 11 years (2021: 8.5 to 12 years) and expected proceeds from assets to be sold, taking into account the rights to these cash flows from the secured assets on a receivership basis. The cash flow estimates from producing assets were based on forecasted production volumes and oil prices, determined by taking reference from external information sources, ranging from US$80 to US$97 per barrel for 2023 to 2032 (December 2021: US$67 to US$73 from 2022 to 2033). The estimated recoverable amounts for assets to be sold are based on the binding bids received from external parties. The timing of the cash flows, estimated production volumes, oil prices and discount rates used in assessing recoverable amounts are subject to risk and uncertainty.

Based on the assessment, no additional expected credit loss provision was required for the year ended 31 December 2022. The assessment took into account the rights to the cash flows from the secured assets on a receivership basis.

In the financial year ended 31 December 2021, management had performed an assessment on the Group's exposure to KrisEnergy and an impairment provision of $317,999,000 was recognised. Taking into account the rights to the cash flows from the secured assets on a receivership basis as at 31 December 2021, the loss comprised expected credit loss of $282,915,000 on financial guarantee in relation to the bilateral agreement with the bank, receivables for production barge and CBA loan facility, and the full impairment of the Group's investment in the zero-coupon notes (previously presented as part of investment in associated companies) of $35,084,000.

Management had reviewed the cash flow projections prepared by Kroll and determined that the cash flow projections are most sensitive to oil prices for the financial year ended 31 December 2022. The headroom in the recoverable amount over the carrying amount would be eliminated if oil prices were to decrease by 9.1% across the forecasted period of 2023 to 2032, and any further decline in oil prices would result in an additional expected credit loss provision for the financial year ended 31 December 2022.

For the financial year ended 31 December 2021, the cash flow projections were most sensitive to the timing of trapped cash. The existing cash from one of the producing assets under the security package have been withheld as the operator of this asset is seeking clarity from the regulator on the estimated decommissioning security required to cover the decommissioning costs for the asset at the end of field life in 2031. A study on the estimated decommissioning costs had been completed and submitted to the regulator in 2022. If the release of the withheld cash were delayed by an additional year, this would lead to a decrease in estimated recoverable amount of $3,000,000 but not result in additional expected credit loss provision for the financial year ended 31 December 2021.

Included in other receivables is an unsecured, interest-free advance to an investee amounted to $19,804,000 (2021: $19,788,000), which matures on 31 December 2024.

Included in other receivables is claims receivable which represents claims from customer for long term contracts. During the year, the Group recognised $9,089,000 (2021: $1,170,000) of allowance for expected credit loss on claims receivable arising from the discounting effects due to changes in the expected timing of receipt.

The carrying amount of the long term assets approximates their fair value.

14. Intangibles

	Goodwill $'000	Development Expenditure $'000	Brand $'000	Spectrum Rights $'000	Customer Contracts and Relationships $'000	Others $'000	Total $'000
Group							
2022							
At 1 January	**1,047,558**	**13,685**	**251,349**	**132,176**	**122,253**	**22,251**	**1,589,272**
Additions	**-**	**424**	**-**	**26,252**	**-**	**-**	**26,676**
Acquisition of subsidiaries	**-**	**-**	**-**	**-**	**10,767**	**32**	**10,799**
Disposal of a subsidiary	**-**	**(1,275)**	**-**	**-**	**-**	**-**	**(1,275)**
Disposals	**-**	**(52)**	**-**	**-**	**-**	**-**	**(52)**
Amortisation							
- from continuing operations	**-**	**(777)**	**(9,252)**	**(15,686)**	**(22,143)**	**(400)**	**(48,258)**
- from discontinued operations	**-**	**(216)**	**-**	**-**	**-**	**-**	**(216)**
Reclassification							
- Disposal group and assets classified as held for sale	**(5,070)**	**(6,685)**	**-**	**-**	**-**	**-**	**(11,755)**
Exchange differences	**-**	**(96)**	**-**	**-**	**(380)**	**(1)**	**(477)**
At 31 December	**1,042,488**	**5,008**	**242,097**	**142,742**	**110,497**	**21,882**	**1,564,714**
Cost	**1,042,488**	**12,723**	**277,563**	**183,787**	**210,517**	**22,577**	**1,749,655**
Accumulated amortisation	**-**	**(7,715)**	**(35,466)**	**(41,045)**	**(100,020)**	**(695)**	**(184,941)**
	1,042,488	**5,008**	**242,097**	**142,742**	**110,497**	**21,882**	**1,564,714**
2021							
At 1 January	1,047,558	16,749	260,601	124,553	141,652	17,711	1,608,824
Additions	-	910	-	27,504	-	4,673	33,087
Amortisation							
- from continuing operations	-	(1,017)	(9,252)	(19,881)	(21,957)	(133)	(52,240)
- from discontinued operations	-	(645)	-	-	-	-	(645)
Reclassification	-	(2,558)	-	-	2,558	-	-
Exchange differences	-	246	-	-	-	-	246
At 31 December	1,047,558	13,685	251,349	132,176	122,253	22,251	1,589,272
Cost	1,047,558	39,511	277,563	157,535	228,241	22,546	1,772,954
Accumulated amortisation	-	(25,826)	(26,214)	(25,359)	(105,988)	(295)	(183,682)
	1,047,558	13,685	251,349	132,176	122,253	22,251	1,589,272

Impairment testing of goodwill

For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGU"s).

Out of the total goodwill of $1,042,488,000, goodwill allocated from the acquisition of M1 Limited amounted to $988,288,000.

The recoverable amount of M1 as a CGU was determined based on its value-in-use using a discounted cash flow model based on cash flow projections by management covering a 5-year period, and cash flows beyond the 5-year period were extrapolated using a terminal growth rate of 1.48% (2021: 1.48%), premised on the estimated long term growth rate for the country where the CGU operates. Cash flows were discounted using a discount rate of 7.9% (2021: 7%) per annum.

The recoverable amount was estimated to be higher than the carrying value of the M1 Limited CGU. Accordingly, no impairment of goodwill was recognised in 2022 and 2021. The calculation of value-in-use for the CGU is sensitive to the terminal growth rate and the discount rate applied. If the discount rate were to increase by 1.1%, the recoverable amount would decrease and equate the carrying amount, and any further increase in discount rate would result in impairment for the financial year ended 31 December 2022.

15. Stocks

		Group	
		2022 $'000	2021 $'000
Consumable materials and supplies (net of provision)		24,521	227,224
Finished products for sale (net of provision)		40,954	82,651
Work-in-progress (net of provision)		-	1,289,838
Properties held for sale	(a)	2,235,475	3,004,272
		2,300,950	4,603,985

For work-in-progress balances, the Group determines the estimated net realisable value based on arrangements to market the work-in-progress and discounted cash flow models. For the financial year ended 31 December 2022, the work-in-progress balance has been reclassified to disposal group and assets classified as held for sale (Note 37). The provision for stocks to write down its carrying value to its net realisable value at the end of the financial year was $12,080,000 (2021: $177,220,000).

(a) Properties held for sale

	Group	
	2022 $'000	2021 $'000
Properties under development		
Land cost	1,035,952	1,688,380
Development cost incurred to date	370,187	526,584
Related overhead expenditure	201,881	210,084
	1,608,020	2,425,048
Completed properties held for sale	646,795	600,140
	2,254,815	3,025,188
Provision for properties held for sale	(19,340)	(20,916)
	2,235,475	3,004,272

Movements in the provision for properties held for sale are as follows:

	Group	
	2022 $'000	2021 $'000
At 1 January	20,916	19,987
Charge to profit or loss account	76	583
Exchange differences	(1,823)	452
Amount written off	171	(106)
At 31 December	19,340	20,916

See Note 2.28(b)(viii) for further disclosures on estimating NRV of the Group's properties held for sale.

As at 31 December 2022, properties amounting to $248,990,000 (2021: $220,556,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings as referred to in Note 23.

Interest capitalised during the financial year amounted to $10,646,000 (2021: $17,499,000) at rates of 0.95% to 4.71% (2021: 0.79% to 0.95%) per annum for Singapore properties and 2.00% to 7.00% (2021: 1.50% to 7.00%) per annum for overseas properties.

In 2021, the Group reclassified $3,544,000 from properties held for sale to investment properties due to change of use of the assets from property trading to holding for capital gain and/or rental yield. The Group also reclassified $29,547,000 from fixed asset to properties held for sale due to change of use of the assets.

16. Contract assets/liabilities

	Group		
	31 December		1 January
	2022 $'000	2021 $'000	2021 $'000
Non-current	**86,411**	99,109	73,458
Current	**255,900**	3,169,694	2,657,231
Contract assets	**342,311**	3,268,803	2,730,689
Contract liabilities	**209,770**	1,002,024	2,072,303

Contract assets relating to certain rig-building contracts where the scheduled dates of the rigs have been deferred and have higher counter-party risks amounted to $572,179,000 (2021: $1,707,190,000) has been reclassified to disposal group and assets classified as held for sale.

Contract liabilities included proceeds received from sale of properties of $153,487,000 (2021: $535,334,000). Remaining contract liabilities of $56,283,000 (2021: $466,690,000) are recorded when receipts from customers exceed the value of work transferred where the customer is invoiced on a milestone payment schedule.

Revenue recognised during the financial year ended 31 December 2022 in relation to contract liability balance at 1 January 2022 was $882,597,000 (2021: $1,358,302,000).

The aggregate amount of the transaction price allocated to the remaining performance obligations is $1,001,841,000 (2021: $6,047,351,000) and the Group expects to recognise this revenue over the next 1 to 3 years (2021: 1 to 4 years).

Movements in the allowance for expected credit loss for contract assets are as follows:

	Group		
	31 December		1 January
	2022 $'000	2021 $'000	2021 $'000
At 1 January	**432,541**	432,541	21,000
Charge to profit or loss account (Note 27)			
- from continuing operations	**-**	23,225	-
- from discontinued operations	**-**	-	430,842
Amount utilised	**-**	(23,225)	-
Reclassification			
- Stocks - work-in-progress (Note 15)	**-**	-	(19,301)
- Disposal group and assets classified as held for sale	**(432,541)**	-	-
At 31 December	**-**	432,541	432,541

17. Amounts due from/to

	Company	
	2022 $'000	2021 $'000
Subsidiaries		
Amounts due from		
- trade	**143,837**	104,390
- advances	**7,543,926**	9,893,770
	7,687,763	9,998,160
Allowance for expected credit loss	**(141,143)**	(145,251)
	7,546,620	9,852,909
Amounts due to		
- trade	**3,555**	9,820
- advances	**269,508**	165,982
	273,063	175,802
Movements in the allowance for expected credit loss are as follows:		
At 1 January	**145,251**	6,600
Charge to profit or loss account	**279**	138,651
Write-off	**(4,387)**	-
At 31 December	**141,143**	145,251

Advances to and from subsidiaries are unsecured and are repayable on demand. Interest is charged at rates up to 5.84% (2021: up to 4.00%) per annum on interest-bearing advances.

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Associated Companies and Joint Ventures				
Amounts due from				
- trade	**39,037**	169,612	**202**	32
- advances	**239,254**	431,854	**-**	-
	278,291	601,466	**202**	32
Allowance for expected credit loss	**(16,223)**	(31,800)	**-**	-
	262,068	569,666	**202**	32
Amounts due to				
- trade	**33,692**	44,017	**900**	882
- advances	**36,171**	242,068	**-**	-
	69,863	286,085	**900**	882
Movements in the allowance for expected credit loss are as follows:				
At 1 January	**31,800**	16,888	**-**	-
Charge to profit or loss account	**1,506**	14,912	**-**	-
Reclassified to disposal group and assets classified as held for sale	**(17,083)**	-	**-**	-
At 31 December	**16,223**	31,800	**-**	-

Advances to and from associated companies and joint ventures are unsecured and are repayable on demand. Interest is charged at rates ranging from 3.00% to 8.00% (2021: 0.05% to 13.00%) per annum on interest-bearing advances.

As at 1 January 2021, the Group's amount due from associated companies and joint ventures relating to trade amounted to $160,987,000.

18. Debtors

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Trade debtors	**661,671**	1,218,664	**20**	26
Allowance for expected credit loss	**(29,163)**	(233,267)	**-**	-
	632,508	985,397	**20**	26
Sundry debtors	**119,694**	370,305	**45,795**	22,804
Prepayments	**78,428**	129,802	**12**	87
Tax recoverable	**1,237**	7,755	**-**	-
Value Added Tax receivable	**75,519**	103,382	**179**	32
Interest receivable	**1,712**	25,973	**-**	-
Deposits paid	**44,559**	251,307	**385**	382
Recoverable accounts	**36,542**	62,337	**4,849**	5,637
Accrued receivables	**357,787**	361,846	**7,671**	3,073
Advances to subcontractors	**604**	19,340	**-**	8
Advances to non-controlling shareholders of subsidiaries	**6,583**	4,375	**-**	-
	722,665	1,336,422	**58,891**	32,023
Allowance for expected credit loss	**(115,875)**	(131,129)	**-**	-
	606,790	1,205,293	**58,891**	32,023
Total	**1,239,298**	2,190,690	**58,911**	32,049
Movements in the allowance for expected credit loss are as follows:				
At 1 January	**364,396**	259,345	**-**	-
Charge to profit or loss account	**26,986**	113,379	**-**	-
Amount written off	**(10,998)**	(15,966)	**-**	-
Subsidiaries acquired	**1,265**	-	**-**	-
Subsidiaries disposed	**(1,801)**	-	**-**	-
Exchange differences	**810**	7,638	**-**	-
Reclassified to disposal group and assets classified as held for sale	**(235,620)**	-	**-**	-
Total	**145,038**	364,396	**-**	-

As at 1 January 2021, the Group's net trade debtors amounted to $1,564,398,000.

19. Short term investments

	Group	
	2022 $'000	2021 $'000
Investments at fair value through other comprehensive income:		
Quoted equity shares	**48,097**	26,834
Investments at fair value through profit or loss:		
Quoted equity shares	**685**	269
Total short term investments	**48,782**	27,103

Investments at fair value through other comprehensive income are mainly in the oil and gas industry listed in Singapore.

20. Bank balances, deposits and cash

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Bank balances and cash	**657,790**	1,976,981	**1,232**	810
Fixed deposits with banks	**369,653**	1,348,400	**-**	-
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost, claims and other liabilities	**6,290**	72,991	**-**	-
Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	**108,611**	218,261	**-**	-
	1,142,344	3,616,633	**1,232**	810

Fixed deposits with banks of the Group mature on varying periods, substantially between 1 day to 6 months (2021: 3 days to 6 months). This comprises Singapore Dollars fixed deposits of $81,303,000 (2021: $268,451,000) at interest rates substantially ranging from 2.61% to 3.93% (2021: 0.05% to 0.25%) per annum, and foreign currency fixed deposits of $288,350,000 (2021: $1,079,949,000) at interest rates substantially ranging from 0.32% to 9.2% (2021: 0.10% to 5.40%) per annum.

Cash and cash equivalents of $328,052,000 (2021: $1,013,296,000) held in the People's Republic of China are subject to local exchange control regulations. These regulations place restriction on the amount of currency being exported other than through dividends and capital repatriation upon liquidations.

21. Creditors and other non-current liabilities

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Trade creditors	**372,380**	763,233	**1,005**	1,643
Customers' advances and deposits	**104,535**	85,277	**-**	-
Sundry creditors	**322,887**	905,520	**4,273**	5,186
Accrued expenses	**1,787,731**	2,928,665	**60,654**	57,514
Advances from non-controlling shareholders	**17,735**	21,800	**-**	-
Retention monies	**122,092**	187,078	**-**	-
Interest payables	**41,460**	46,213	**23,153**	28,180
	2,768,820	4,937,786	**89,085**	92,523
Other non-current liabilities:				
Accrued expenses	**301,563**	111,142	**29,228**	32,187
Advances from non-controlling shareholders	**255,975**	142,015	**-**	-
	557,538	253,157	**29,228**	32,187

Advances from non-controlling shareholders of certain subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 1.65% to 5.24% (2021: 0.50% to 3.62%) per annum on interest-bearing advances.

The carrying amount of the non-current liabilities approximates their fair value.

22. Provisions

	Group					
	2022			2021		
	Warranties $'000	**Onerous Contract $'000**	**Total $'000**	Warranties $'000	Onerous Contract $'000	Total $'000
At 1 January	**28,932**	**37,831**	**66,763**	39,449	27,290	66,739
(Write-back)/Charge to profit or loss account	**(5,986)**	**63,457**	**57,471**	(9,866)	186,859	176,993
Amount utilised	**(6,871)**	**(27,887)**	**(34,758)**	(252)	(176,318)	(176,570)
Exchange differences	**(931)**	**(303)**	**(1,234)**	(399)	-	(399)
Reclassified to disposal group and liabilities classified as held for sale	**(10,966)**	**(18,831)**	**(29,797)**	-	-	-
At 31 December	**4,178**	**54,267**	**58,445**	28,932	37,831	66,763

23. Term loans

		2022		2021	
		Due within one year $'000	**Due after one year $'000**	Due within one year $'000	Due after one year $'000
Group					
Keppel Corporation Medium Term Notes	(a)	**200,000**	**1,817,864**	700,000	2,053,710
Keppel Land Medium Term Notes	(b)	**299,979**	**409,619**	199,978	709,403
Keppel Telecommunications & Transportation Medium Term Notes	(c)	**-**	**-**	-	100,000
Keppel Corporation Commercial Papers	(d)	**35,996**	**-**	128,000	-
Bank loans					
- secured	(e)	**127,393**	**554,291**	8,852	717,559
- unsecured	(f)	**2,914,290**	**3,821,412**	3,622,478	3,215,240
		3,577,658	**6,603,186**	4,659,308	6,795,912
Company					
Keppel Corporation Medium Term Notes	(a)	**200,000**	**1,817,864**	700,000	2,053,710
Keppel Corporation Commercial Papers	(d)	**35,996**	**-**	128,000	-
Unsecured bank loans	(f)	**2,553,305**	**2,226,120**	2,498,730	2,059,985
		2,789,301	**4,043,984**	3,326,730	4,113,695

(a) At the end of the financial year, notes issued under the US$5,000,000,000 Multi-Currency Medium Term Note Programme by the Company amounted to $2,017,864,000 (2021: $2,753,710,000). The notes denominated in Singapore Dollars, US Dollars and Japanese Yen, are unsecured and comprised fixed rate notes due from 2023 to 2042 (2021: from 2022 to 2042) with interest rates ranging from 0.88% to 4.00% (2021: 0.88% to 4.00%) per annum.

(b) At the end of the financial year, notes issued under the US$3,000,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited and its wholly-owned subsidiary, Keppel Land Financial Services Pte. Ltd. amounted to $579,672,000 (2021: $579,518,000). The notes denominated in Singapore Dollars, are unsecured and comprised fixed rate notes due from 2023 to 2026 (2021: 2023 to 2026), with interest rates ranging from 2.00% to 2.84% (2021: 2.00% to 2.84%) per annum.

At the end of the financial year, notes issued under the US$800,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited amounted to $129,926,000 (2021: $329,863,000). The notes denominated in Singapore Dollars, are unsecured and comprised fixed rate notes due in 2024 (2021: 2022 to 2024) with interest rates of 3.90% (2021: 3.80% to 3.90%) per annum.

(c) At the end of 2021 financial year, notes issued under the $500,000,000 Multi-Currency Medium Term Note Programme by Keppel Telecommunications & Transportation Ltd, amounted to $100,000,000. The fixed rate notes, due in 2024, are unsecured and carried an interest rate of 2.85% per annum from September 2017 to September 2022 and 3.85% per annum from September 2022 to September 2024. The MTN has since been fully redeemed and cancelled on 5 September 2022.

(d) At the end of the financial year, commercial papers issued under the US$1,000,000,000 Multi-Currency Euro Commercial Paper Programme by the Company amounted to $35,996,000 (2021: $128,000,000). The commercial papers, which are denominated in Singapore Dollars, are unsecured and comprised fixed rate commercial papers due in 2023 (2021: 2022) with interest rate of 0.90% (2021: 0.58% to 0.64%) per annum.

23. Term loans (continued)

(e) The secured bank loans consist of:

- A term loan of $39,615,000 drawn down by a subsidiary. The term loan is repayable in 2027 and is secured on certain assets of the subsidiary and bear interest at rate of 18.25% per annum.

- A term loan of $71,428,000 drawn down by a subsidiary. The term loan is repayable in 2023 and is secured on certain assets of the subsidiary and bear interest at rates of 0.95% to 4.71% per annum.

- A term loan of $76,561,000 drawn down by a subsidiary. The term loan is repayable in 2024 and is secured on certain assets of the subsidiary and bear interest at rate of 4.68% per annum.

- A term loan of $433,849,000 drawn down by a subsidiary. The term loan is repayable in 2034 and is secured on certain assets of the subsidiary and bear interest at rates of 3.96% to 4.31% per annum.

- Other secured bank loans totaling $60,231,000 (2021: $222,695,000) comprised $38,572,000 (2021: $92,264,000) of loans denominated in Singapore Dollars and $21,659,000 (2021: $130,431,000) of foreign currency loans. They are repayable within one to six (2021: one to six) years and are secured on investment properties and certain fixed and other assets of the subsidiaries. Interest on foreign currency loans ranges from 3.80% to 16.00% (2021: 3.90% to 13.25%) per annum.

(f) The unsecured bank loans of the Group totaling $6,735,702,000 (2021: $6,837,718,000) comprised $2,973,178,000 (2021: $2,768,820,000) of loans denominated in Singapore Dollars and $3,762,524,000 (2021: $4,068,898,000) of foreign currency loans. They are repayable within one to six (2021: one to ten) years. Interest on loans denominated in Singapore Dollars ranges from 0.71% to 5.05% (2021: 0.67% to 3.05%) per annum. Interest on foreign currency loans ranges from 0.50% to 7.85% (2021: 0.06% to 10.95%) per annum.

The unsecured bank loans of the Company totaling $4,779,425,000 (2021: $4,558,715,000) comprised $1,360,000,000 (2021: $1,280,000,000) of loans denominated in Singapore Dollars and $3,419,425,000 (2021: $3,278,715,000) of foreign currency loans. They are repayable within one to five years (2021: one to four years). Interest on loans denominated in Singapore Dollars ranges from 0.71% to 5.03% (2021: 0.71% to 1.28%) per annum. Interest on foreign currency loans ranges from 0.50% to 5.84% (2021: 0.06% to 1.46%) per annum.

The Group has mortgaged certain properties and assets of up to an aggregate amount of $2,165,124,000 (2021: $2,223,200,000) to banks for loan facilities.

The fair values of term loans for the Group and Company are $9,805,129,000 (2021: $11,304,660,000) and $6,498,043,000 (2021: $7,312,908,000) respectively. These fair values, under Level 2 of the fair value hierarchy, are computed on the discounted cash flow method using discount rates based upon the borrowing rates which the Group expect would be available as at the balance sheet date.

Loans due after one year are estimated to be repayable as follows:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Years after year-end:				
After one but within two years	**1,859,527**	1,652,688	**842,710**	889,922
After two but within five years	**3,671,418**	3,929,770	**2,551,274**	2,476,893
After five years	**1,072,241**	1,213,454	**650,000**	746,880
	6,603,186	6,795,912	**4,043,984**	4,113,695

24. Deferred taxation

	Group 2022 $'000	Group 2021 $'000
Deferred tax liabilities	**368,031**	426,891
Deferred tax assets	**(87,624)**	(212,679)
Net deferred tax liabilities	**280,407**	214,212

Net deferred tax liabilities are determined by offsetting deferred tax assets against deferred tax liabilities of the same entities arising from same tax jurisdiction. Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has unrecognised deferred tax liabilities of $13,434,000 (2021: $41,815,000) for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future and the Group is in a position to control the timing of the reversal of the temporary differences.

The Group has unrecognised deferred tax liabilities of $10,970,000 (2021: $14,632,000) for taxes that would be payable on the undistributed earnings of certain associated companies as these earnings would not be distributed in the foreseeable future.

The Group has unutilised tax losses and capital allowances of $681,521,000 (2021: $1,035,843,000) for which no deferred tax benefit is recognised in the balance sheet. These tax losses and capital allowances can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. Tax losses amounting to $337,067,000 (2021: $276,311,000) can be carried forward for a period of one to nine years subsequent to the year of the loss, while the remaining tax losses have no expiry date.

Movements in deferred tax liabilities and assets are as follows:

	At 1 January $'000	Charged/ (credited) to profit or loss $'000	Charged/ (credited) to other comprehensive income $'000	Net subsidiaries acquired/ disposed $'000	Reclassification to liabilities directly associated with assets classified as held for sale $'000	Exchange differences $'000	At 31 December $'000
Group							
2022							
Deferred Tax Liabilities							
Accelerated tax depreciation	**202,506**	**(1,065)**	**-**	**803**	**(56,962)**	**(1,099)**	**144,183**
Investment properties valuation	**170,157**	**32,162**	**-**	**-**	**-**	**(18,342)**	**183,977**
Offshore income & others	**87,242**	**(6,782)**	**-**	**(32,801)**	**(6,156)**	**(3,031)**	**38,472**
Total	**459,905**	**24,315**	**-**	**(31,998)**	**(63,118)**	**(22,472)**	**366,632**
Deferred Tax Assets							
Other provisions	**(117,525)**	**(9,462)**	**-**	**546**	**100,412**	**450**	**(25,579)**
Unutilised tax benefits	**(110,590)**	**10,314**	**-**	**-**	**32,941**	**4,609**	**(62,726)**
Lease liabilities	**(17,578)**	**765**	**-**	**3,557**	**16,574**	**(1,238)**	**2,080**
Total	**(245,693)**	**1,617**	**-**	**4,103**	**149,927**	**3,821**	**(86,225)**
Net Deferred Tax Liabilities	**214,212**	**25,932**	**-**	**(27,895)**	**86,809**	**(18,651)**	**280,407**
2021							
Deferred Tax Liabilities							
Accelerated tax depreciation	301,431	(101,324)	-	-	-	2,399	202,506
Investment properties valuation	116,697	46,223	-	-	-	7,237	170,157
Offshore income & others	82,773	5,132	(108)	(4,224)	-	3,669	87,242
Total	500,901	(49,969)	(108)	(4,224)	-	13,305	459,905
Deferred Tax Assets							
Other provisions	(113,103)	(3,099)	-	-	-	(1,323)	(117,525)
Unutilised tax benefits	(84,213)	(20,523)	-	-	-	(5,854)	(110,590)
Lease liabilities	(19,465)	1,785	-	-	-	102	(17,578)
Total	(216,781)	(21,837)	-	-	-	(7,075)	(245,693)
Net Deferred Tax Liabilities	284,120	(71,806)	(108)	(4,224)	-	6,230	214,212

25. Revenue

	Group	
	2022 $'000	2021# $'000
Revenue from contracts with customers		
Revenue from construction contracts	410,181	350,734
Sale of property	809,744	1,538,477
Sale of goods	456,207	391,112
Sale of electricity, utilities and gases	3,637,267	3,050,539
Revenue from telecommunication services	738,233	702,263
Revenue from other services rendered	494,579	503,295
	6,546,211	6,536,420
Other sources of revenue		
Rental income from investment properties	73,507	74,916
	6,619,718	6,611,336

26. Staff costs

	Group	
	2022 $'000	2021# $'000
Wages and salaries	515,838	517,636
Employer's contribution to Central Provident Fund	57,892	54,792
Share plans granted to Director and employees	43,403	37,369
Other staff benefits	50,745	55,372
	667,878	665,169

27. Operating profit

Operating profit from continuing operations is arrived at after charging/(crediting) the following:

	Group	
	2022 $'000	2021# $'000
Included in materials and subcontract costs:		
Cost of stocks & contract assets	948,116	1,380,717
Direct operating expenses		
- investment properties that generated rental income	32,669	32,507
Included in staff costs:		
Key management's emoluments		
(including executive directors' remuneration)		
- short-term employee benefits	15,182	10,875
- post-employment benefits	89	93
- share plans granted	11,826	9,810
Included in expected credit loss on debtors & receivables, contract assets and financial guarantee:		
Expected credit loss on debtors and receivables (Note 13 & 18)	32,999	129,396
Bad debts written-off	1,011	835
Expected credit loss on contract assets (Note 16)	-	23,225
Expected credit loss on financial guarantee (Note 13)	-	146,024

Comparative information has been re-presented due to a discontinued operation (Note 37).

	Group	
	2022 **$'000**	2021# $'000
Included in other operating income - net:		
Government grant income	**(11,452)**	(20,545)
Impairment of associated companies (Note 11 & 13)	**1,000**	35,082
Impairment/write-off of fixed and intangible assets	**1,171**	53,345
Provision for stocks	**6,939**	1,279
Fair value gain on investment properties (Note 8)	**(131,711)**	(238,458)
Fair value gain on		
- investments and associated companies	**(57,801)**	(315,540)
- forward foreign exchange contracts	**-**	(1,614)
Gain on differences in foreign exchange	**(704)**	(15,818)
(Gain)/Loss on sale of fixed assets	**639**	(1,473)
Gain on sale of investments	**(16)**	(9,833)
Gain on disposal of subsidiaries	**(22,498)**	(241,054)
Gain on disposal of associated companies and joint ventures	**(358)**	(208,655)
Loss from sale of interests in associated companies	**40,168**	-
Gain from change in interest in associated companies	**(10,933)**	(8,516)
Gain on acquisition of subsidiaries	**(6,795)**	-
Fair value gain on remeasurement of remaining interest in a joint venture	**-**	(69,469)
Fees and other remuneration to Directors of the Company	**2,487**	2,282
Auditors' remuneration^		
- auditors of the Company	**3,037**	2,257
- other auditors of subsidiaries	**2,105**	1,719
Non-audit fees paid to^		
- auditors of the Company	**603**	1,881
- other auditors of subsidiaries	**193**	209

^ Including the discontinued operations, the Group's total auditors' remuneration and non-audit fees paid amounts to $6,412,000 (2021: $5,502,000) and $803,000 (2021: $2,141,000) respectively.

Government grant income of $277,000 (2021: $8,047,000) was recognised during the financial year under the Jobs Support Scheme ("JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

In the prior year, gain on disposal of associated companies and joint ventures was mainly attributable to the divestment of Dong Nai Waterfront City LLC, Nanjing Jinsheng Real Estate Development Co., Ltd., Wuhu Sanshan Port Co., Ltd., and gain from divestment of interest in Keppel Logistics (Foshan) following agreement reached with local authorities on Lanshi port closure compensation. Dong Nai Waterfront City LLC was disposed to an associated company of the Group.

In the prior year, the fair value gain on remeasurement of remaining interest in a joint venture arose from the partial disposal with loss of control over the Group's former wholly-owned subsidiary, Tianjin Fushi Property Development Co., Ltd.

Loss from sale of interests in associated companies in the current year was mainly attributable to the loss on partial disposal of interest in MET Holding AG.

Comparative information has been re-presented due to a discontinued operation (Note 37).

28. Investment income, interest income and interest expenses

	Group	
	2022 $'000	2021# $'000
Investment income from:		
Shares - quoted	**38,320**	37,672
Shares/funds - unquoted	**10,221**	67,189
	48,541	104,861
Interest income from:		
Bonds, debentures, deposits and others	**22,221**	22,043
Associated companies and joint ventures	**54,646**	51,881
Service concession arrangement	**14,481**	14,382
	91,348	88,306
Interest expenses on notes, loans and overdrafts	**(137,098)**	(161,590)
Interest expenses on lease liabilities	**(10,262)**	(10,082)
Fair value gain on interest rate caps and swaps	**1,173**	1,570
	(146,187)	(170,102)

29. Taxation

(a) Income tax expense

	Group	
	2022 $'000	2021# $'000
Tax expense comprised:		
Current tax – continuing operations	**156,382**	340,311
Adjustment for prior year's tax	**(13,105)**	(33,162)
Others	**19,988**	16,349
	163,265	323,498
Deferred tax (Note 24):		
Current deferred tax – continuing operations	**21,040**	(56,592)
Adjustment for prior year's tax	**-**	1,829
	21,040	(54,763)
Land appreciation tax:		
Current year	**60,844**	106,454
Taxation – continuing operations	**245,149**	375,189
Taxation – discontinued operations	**33,212**	(50,205)
	278,361	324,984

Comparative information has been re-presented due to a discontinued operation (Note 37).

The income tax expense on the results of the Group differ from the amount of income tax expense determined by applying the Singapore standard rate of income tax to profit before tax due to the following:

	Group	
	2022 **$'000**	2021# $'000
Profit before tax – continuing operations	**1,094,888**	1,611,153
Profit/(loss) before tax – discontinued operations	**116,278**	(276,157)
Share of profit of associated companies and joint ventures, net of tax – continuing operations	**(535,979)**	(458,765)
Share of profit of associated companies and joint ventures, net of tax – discontinued operations	**(4,420)**	(8,135)
Profit before tax and share of profit of associated companies and joint ventures	**670,767**	868,096
Tax calculated at tax rate of 17% (2021: 17%)	**114,030**	147,576
Income not subject to tax	**(105,735)**	(155,990)
Expenses not deductible for tax purposes	**180,037**	217,497
Unrecognised tax benefits	**82,901**	26,387
Effect of different tax rates in other countries	**(1,817)**	45,128
Adjustment for prior year's tax	**(36,687)**	(35,449)
Land appreciation tax	**60,844**	106,454
Effect of tax deduction on land appreciation tax	**(15,212)**	(26,619)
	278,361	324,984
Income tax expense – continuing operations	**245,149**	375,189
Income tax expense – discontinued operations	**33,212**	(50,205)
	278,361	324,984

(b) Movement in current income tax liabilities

	Group		Company	
	2022 **$'000**	2021 $'000	**2022** **$'000**	2021 $'000
At 1 January	**505,479**	358,802	**39,651**	29,155
Exchange differences	**(28,708)**	14,632	**-**	-
Tax expense	**171,589**	307,720	**7,356**	8,474
Adjustment for prior year's tax	**(15,412)**	(34,238)	**(6,512)**	(5,300)
Land appreciation tax	**60,844**	106,454	**-**	-
Net income taxes paid	**(444,462)**	(259,964)	**2,974**	7,290
Subsidiaries acquired	**2,204**	-	**-**	-
Subsidiaries disposed	**600**	(2,182)	**-**	-
Reclassification				
- tax recoverable and others	**19,020**	14,328	**44**	32
- liabilities directly associated with assets classified as held for sale	**(12,164)**	(73)	**-**	-
At 31 December	**258,990**	505,479	**43,513**	39,651

Comparative information has been re-presented due to a discontinued operation (Note 37).

30. Earnings per ordinary share

	Group			
	2022 $'000 Basic	2022 $'000 Diluted	2021# $'000 Basic	2021# $'000 Diluted
Profit for the year from continuing operations	**838,959**	**838,959**	1,247,468	1,247,468
Profit/(loss) for the year from discontinued operations	**87,658**	**87,658**	(224,817)	(224,817)
Net profit attributable to shareholders of the company	**926,617**	**926,617**	1,022,651	1,022,651
	Number of Shares '000		Number of Shares '000	
Weighted average number of ordinary shares (excluding treasury shares)	**1,777,509**	**1,777,509**	1,820,424	1,820,424
Adjustment for dilutive potential ordinary shares	**-**	**17,785**	-	10,447
Weighted average number of ordinary shares used to compute earnings per share (excluding treasury shares)	**1,777,509**	**1,795,294**	1,820,424	1,830,871
Earnings per ordinary share - continuing operations	**47.2 cts**	**46.7 cts**	68.5 cts	68.1 cts
Earnings per ordinary share - discontinued operations	**4.9 cts**	**4.9 cts**	(12.3) cts	(12.2) cts
Earnings per ordinary share	**52.1 cts**	**51.6 cts**	56.2 cts	55.9 cts

31. Dividends

A final cash dividend of 18.0 cents per share tax exempt one-tier (2021: final cash dividend of 21.0 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2022 has been proposed for approval by shareholders at the next annual general meeting to be convened.

Together with the interim cash dividend of 15.0 cents per share tax exempt one-tier (2021: interim cash dividend of 12.0 cents per share tax exempt one-tier), total distributions paid and proposed in respect of the financial year ended 31 December 2022 will be 33.0 cents per share (2021: 33.0 cents per share).

During the financial year, the following distributions were made:

	$'000
A final cash dividend of 21.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the previous financial year	378,094
An interim cash dividend of 15.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the current financial year	265,139
	643,233

In the prior year, total distributions of $345,752,000 were made.

Comparative information has been re-presented due to a discontinued operation (Note 37).

32. Commitments

(a) Capital commitments

	Group 2022 Continuing Operations $'000	Group 2022 Discontinued Operations $'000	Group 2021 $'000
Capital expenditure/commitments not provided for in the financial statements:			
In respect of contracts placed:			
- for purchase and construction of investment properties	**379,342**	**-**	484,512
- for purchase of fixed assets	**936,048**	**3,197**	252,960
- for purchase/subscription of shares	**275,861**	**-**	548,066
- for commitments to associated companies and joint ventures	**1,055,105**	**-**	955,074
- for commitments to private funds	**65,598**	**2,259**	60,553
Amounts approved by Directors in addition to contracts placed:			
- for purchase and construction of investment properties	**674,065**	**-**	717,065
- for purchase of fixed assets	**242,905**	**46,181**	261,849
- for purchase/subscription of shares mainly in property development companies	**140,609**	**-**	32,015
	3,769,533	**51,637**	3,312,094
Less: Non-controlling shareholders' share	**(39,205)**	**-**	(118,362)
	3,730,328	**51,637**	3,193,732

There was no significant future capital expenditure/commitment for the Company.

(b) Lessee's lease commitments

The Group has adopted SFRS(I) 16 *Leases* on 1 January 2019. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised on balance sheet. The right-of-use assets and lease liabilities are disclosed in Note 9.

33. Contingent liabilities and guarantees

	Group 2022 Continuing Operations $'000	Group 2022 Discontinued Operations $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Guarantees in respect of banks and other loans granted to subsidiaries, associated companies and joint ventures	**156,787**	**-**	233,151	**462,579**	655,005
Bank guarantees	**382,630**	**61,364**	626,258	**-**	-
Share of lease rental guarantees granted by associated companies and joint ventures	**101,072**	**-**	147,775	**-**	-
Performance guarantees issued for contracts awarded to customers and third parties	**-**	**784,712**	-	**-**	-
Performance guarantee in favour of a non-related company in respect of performance on a contract by a subsidiary, and a related guarantee in respect of bank loan granted to a non-related party	**424,640**	**-**	487,137	**-**	-
	1,065,129	**846,076**	1,494,321	**462,579**	655,005

Included in the above guarantees is a bilateral agreement between the Group and financial institutions which guaranteed a revolving credit facility granted to Floatel International Limited, an associated company, amounting to $82,551,000 (2021: $119,386,000). The guarantee is secured on the assets of Floatel International Limited. See further details on the Group's equity interest in Floatel in Note 11(d).

The financial effects of SFRS(I) 9 relating to financial guarantee contracts issued by the Company are not material to the financial statements of the Company and therefore are not recognised.

33. Contingent liabilities and guarantees (continued)

Claims and litigations relating to disposal group held for sale

Keppel Offshore & Marine's Joint Resolution with Brazilian Authorities
On 19 December 2022, Keppel Offshore & Marine ("KOM") reached a joint resolution with the authorities in Brazil, namely Brazilian Attorney-General's Office ("AGU") and Comptroller General of the Union ("CGU"), in relation to the corrupt payments made by a former agent of KOM in Brazil, which was previously announced in December 2017. Following KOM's full cooperation with AGU's and CGU's investigations, KOM entered into a leniency agreement with the two Brazilian authorities and committed to a total payment of R$343,571,455.25 (equivalent to approximately US$65 million) in fines and damages. The Attorney-General's Chambers of Singapore ("AGC") and the Corrupt Practices Investigation Bureau ("CPIB") have confirmed that KOM may avail itself of the crediting of up to US$52,777,122.50, pursuant to the terms of the CPIB Conditional Warning issued on 23 December 2017, in respect of the fines payable by KOM to the Brazilian authorities and KOM has made full payment of the fines and damages payable under the leniency agreement with the two authorities in January 2023. With the earlier leniency agreement with the MPF and this additional agreement, both of which provide for the payment of fines and damages in connection to the same matter, KOM does not expect further grounds for liability in Brazil in relation to these issues.

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

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

Based on advice obtained from a legal counsel, there is a very low risk that the Court would award any damages to the Plaintiffs on summary judgment. However, as to the trial itself, because the outcome of this matter and the potential amount of any loss are uncertain and the legal counsel have not formed a conclusion that an unfavourable outcome is either probable or remote, the legal counsel expressed no opinion as to the likelihood of an unfavourable outcome or as to the potential amount of loss.

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

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

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

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

The disputes in respect of the First Contract and the Second Contract are in the midst of separate arbitration proceedings between the parties.

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

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

The subsidiaries, in consultation with legal advisors, have denied the Claimant's alleged right to such price reductions and the defective equipment and have defended and challenged the Claims in the arbitration proceedings commenced by the Claimant and have sought remedies, including counterclaims for the sums unduly withheld by the Claimant.

Based on currently available information, including opinion from the legal advisors, no provision was made in respect of the Claim as at 31 December 2022.

34. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group has significant related party transactions as follows:

	Group	
	2022 $'000	**2021 $'000**
Sales of goods, services and/or fixed assets to		
- associated companies	**196,399**	138,885
- joint ventures	**8,108**	592,784
- other related parties	**135,797**	143,829
	340,304	875,498
Purchase of goods and/or services from		
- associated companies	**255,653**	266,007
- joint ventures	**57,705**	14,331
- other related parties	**209,060**	177,859
	522,418	458,197
Treasury transactions with		
- associated companies	**3,207**	1,401
- joint ventures	**7,822**	7,349
	11,029	8,750

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
2022				
Cashflow hedges				
- Forward foreign currency contracts	**2,589,650**	**14,384**	**27,480**	**n.a.**
- Cross currency swaps	**1,466,863**	**17,300**	**121,836**	**-**
- Interest rate swaps	**3,378,334**	**186,983**	**-**	**170,950**
- HSFO forward contracts	**165,978**	**23,897**	**40,480**	**n.a.**
- Dated Brent forward contracts	**344,615**	**20,436**	**6,973**	**n.a.**
- JKM forward contracts	**124,232**	**-**	**55,840**	**n.a.**
- ICE Brent Crude forward contracts	**63,530**	**13,214**	**159**	**n.a.**
- Electricity futures contracts	**28,815**	**1,998**	**17,090**	**n.a.**
2021				
Cashflow hedges				
- Forward foreign currency contracts	5,329,496	47,386	21,652	n.a.
- Cross currency swaps	1,200,775	387	55,955	-
- Interest rate swaps	3,912,772	26,343	32,094	2,140,817
- HSFO forward contracts	400,325	113,369	1,710	n.a.
- Dated Brent forward contracts	6,951	24	224	n.a.
- Electricity futures contracts	94,691	27	237,763	n.a.

The fair value of forward foreign currency contracts is determined using forward exchange market rates at the balance sheet date. The fair value of High Sulphur Fuel Oil ("HSFO") and Dated Brent forward contracts is determined using forward HSFO and Dated Brent prices provided by the Group's key counterparty. The fair value of JKM forward contracts is determined using forward Japan/Korea Marker prices provided by the Group's key counterparty. The fair value of ICE Brent Crude forward contracts is determined using Intercontinental Exchange Brent Crude prices provided by the Group's key counterparty. The fair value of electricity future contracts is determined based on the Uniform Singapore Energy Price quarterly base load electricity futures prices quoted on the Singapore Exchange. The fair value of interest rate caps and interest rate swaps are based on valuations provided by the Group's bankers.

(ii) Currency risk

The Group has receivables and payables denominated in foreign currencies via US Dollars, Renminbi and other currencies. The Group's foreign currency exposures arise mainly from the exchange rate movement of these foreign currencies against the functional currencies of the respective Group entities. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts, cross currency swap agreements and other foreign currency hedging instruments to hedge the Group's exposure to specific currency risks relating to investments, receivables, payables and other commitments. Group Treasury Department monitors the current and projected foreign currency cash flow of the Group and aims to reduce the exposure of the net position in each currency by borrowing in foreign currency and other currency contracts where appropriate.

As at the end of the financial year, the Group has outstanding forward foreign exchange contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the forward foreign exchange contracts. These fair value amounts are recognised as derivative assets and derivative liabilities. As at the end of the financial year, the Company has outstanding forward foreign exchange contracts with notional amounts totalling $1,639,730,000 (2021: $4,956,170,000). The net negative fair value of forward foreign exchange contracts is $8,983,000 (2021: net positive fair value of $22,105,000) comprising assets of $9,533,000 (2021: $43,757,000) and liabilities of $18,515,000 (2021: $21,652,000). These fair value amounts are recognised as derivative assets and derivative liabilities.

As at the end of the financial year, the Group has outstanding cross currency swap agreements. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the cross currency swap agreements. These fair value amounts are recognised as derivative assets and derivative liabilities.

Other than the above hedged foreign currency contracts, the unhedged currency exposure of financial assets and financial liabilities denominated in currencies other than the respective entities' functional currencies are as follows:

	2022				2021			
	USD $'000	**RMB $'000**	**BRL $'000**	**Others $'000**	USD $'000	RMB $'000	BRL $'000	Others $'000
Group								
Financial Assets								
Debtors	109,316	48,866	-	2,620	53,890	64,300	189	4,402
Investments	801,896	-	-	165,719	720,956	-	-	125,455
Bank balances, deposits & cash	614,770	100,261	37	167,223	567,102	408,536	34	210,797
	1,525,982	149,127	37	335,562	1,341,948	472,836	223	340,654
Financial Liabilities								
Creditors	189,401	107,477	1,333	8,219	111,854	603	13,903	8,189
Term loans	2,742,038	-	-	43,461	2,610,015	-	-	130,674
Lease liabilities	-	227	-	-	-	322	-	1,729
	2,931,439	107,704	1,333	51,680	2,721,869	925	13,903	140,592

	2022			2021		
	USD $'000	**RMB $'000**	**Others $'000**	USD $'000	RMB $'000	Others $'000
Company						
Financial Assets						
Debtors	-	15	-	1,071	58	-
Bank balances, deposits & cash	420,402	-	157,584	411,516	-	193,760
	420,402	15	157,584	412,587	58	193,760
Financial Liabilities						
Creditors	14,752	114	-	6,053	122	107
Term loans	2,742,038	-	43,461	2,610,015	-	130,674
Lease liabilities	-	227	-	-	322	-
	2,756,790	341	43,461	2,616,068	444	130,781

Sensitivity analysis for currency risk

If the relevant foreign currency change against SGD by 5% (2021: 5%) with all other variables held constant, the effects will be as follows:

	Profit before tax		Equity	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Group				
USD against SGD				
- Strengthened	(77,713)	(77,487)	7,419	8,315
- Weakened	77,713	77,487	(7,419)	(8,315)
RMB against SGD				
- Strengthened	2,071	23,596	-	-
- Weakened	(2,071)	(23,596)	-	-
BRL against SGD				
- Strengthened	(54)	(568)	-	-
- Weakened	54	568	-	-
Company				
USD against SGD				
- Strengthened	(116,853)	(89,827)	-	-
- Weakened	116,853	89,827	-	-
RMB against SGD				
- Strengthened	(8)	(19)	-	-
- Weakened	8	19	-	-

35. Financial risk management (continued)

(iii) **Interest rate risk**

The Group is exposed to interest rate risk for changes in interest rates primarily for debt obligations, placements in the money market and investments in bonds. The Group policy is to maintain a mix of fixed and variable rate debt instruments with varying maturities. Where necessary, the Group uses derivative financial instruments to hedge interest rate risks.

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from its Singapore dollar and US dollar variable rate term loans (Note 23). As at the end of the financial year, the Group has interest rate swap agreements. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the interest rate swap agreements for the Group. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group receives variable rates equal to Singapore Swap Offer Rate ("SOR"), Singapore Overnight Rate Average ("SORA"), United States Dollar Secured Overnight Financing Rate ("USD SOFR") and the United States Dollar London Inter-bank Offer Rate ("USD LIBOR") (2021: SOR, SORA and USD LIBOR) and pays fixed rates of between 0.06% and 3.62% (2021: 0.19% and 3.62%) on the notional amount. These interest rate swap agreements are held for hedging interest rate risk arising from variable rate borrowings, with interest rates ranging from SOR, SORA, USD SOFR and USD LIBOR. This amounts to 32% (2021: 30%) of the Group's total amount of borrowings excluding notional amounts of $nil (2021: $470,419,000) relating to highly probable future borrowings.

In 2021, there was a loss of $23,065,000 on hedge ineffectiveness in the Energy & Environment segment.

Sensitivity analysis for interest rate risk

If interest rates increase/decrease by 0.5% (2021: 0.5%) with all other variables held constant, the Group's profit before tax would have been lower/higher by $19,548,000 (2021: $17,560,000) as a result of higher/lower interest expense on floating rate loans.

(iv) **Price risk**

The Group hedges against fluctuations arising on the purchase of natural gas that affect cost. Exposure to price fluctuations is managed via fuel oil forward contracts, whereby the price of natural gas is indexed to benchmark fuel price indices, HSFO, Dated Brent, JKM and ICE Brent Crude. As at the end of the financial year, the Group has outstanding HSFO, Dated Brent, JKM and ICE Brent Crude forward contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the HSFO, Dated Brent, JKM and ICE Brent Crude forward contracts for the Group. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group hedges against fluctuations in electricity prices via its daily sales of electricity. Exposure to price fluctuations is managed via electricity futures contracts. As at the end of the financial year, the Group has outstanding electricity futures contracts. See Note 35(a)(i) for further details pertaining to the notional amounts and fair value of the electricity futures contracts. These fair value amounts are recognised as derivative assets and derivative liabilities.

The Group is exposed to equity securities price risk arising from equity investments classified as investments at fair value through profit or loss and investments at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis for price risk

If prices for HSFO, Dated Brent, JKM and ICE Brent Crude increase/decrease by 5% (2021: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been higher/lower by $7,324,000 (2021: $25,601,000), $17,934,000 (2021: $338,000), $3,420,000 (2021: nil) and $3,829,000 (2021: nil) respectively as a result of fair value changes on cash flow hedges.

If prices for electricity futures contracts increase/decrease by 5% (2021: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been lower/higher by $2,164,000 (2021: $16,623,000) as a result of fair value changes on cash flow hedges.

If prices for quoted investments increase/decrease by 5% (2021: 5%) with all other variables held constant, the Group's profit before tax would have been higher/lower by $1,765,000 (2021: $3,579,000) as a result of higher/lower fair value gains on investments at fair value through profit or loss, and the Group's fair value reserve in other comprehensive income would have been higher/lower by $27,296,000 (2021: $26,458,000) as a result of higher/lower fair value gains on investments at fair value through other comprehensive income.

The various sensitivity rates used in the sensitivity analysis for currency, interest rate and price risks represent rates generally used internally by management when assessing the various risks.

(v) **Cash flow and fair value interest rate risk**

The Group is exposed mainly to the SOR and the USD LIBOR. The greatest change will be amendments to the contractual terms of the SOR-referenced floating-rate loans and the associated swaps, the contractual terms of the USD LIBOR-referenced floating-rate loans and the associated swaps and the corresponding update of the relevant hedge designations. Amendments will also be made to the contractual terms of certain receivables that are IBOR-referenced. There is currently uncertainty around the timing and precise nature of these changes.

Hedging relationships for which 'Phase 1' amendments apply

The 'Phase 1' amendments provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly impacted by IBOR reform. The temporary reliefs would end when the uncertainty arising from IBOR reform is no longer present.

The Group has ascertained that IBOR uncertainty is still present with respect to its cash flow hedge of S$171 million borrowing linked to USD LIBOR, because the hedging instrument and the hedged item have not yet started transitioning to SOFR. Discussions are still ongoing.

The following Phase 1 reliefs are applied to the cash flow hedges linked USD LIBOR:

- When considering the 'highly probable' requirement, the Group has assumed that the USD LIBOR interest rate on which the Group's respective hedged debts are based do not change as a result of IBOR reform;
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the USD LIBOR interest rates, on which the cash flows of the hedged debts and interest rate swaps that hedges these debts are based, are not altered by the IBOR reform; and
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

Hedging relationships for which 'Phase 2' amendments apply

The Group has judged that IBOR uncertainty is no longer present with respect to its cash flow hedge of S$1,965 million borrowings linked to SOR and USD LIBOR (including borrowings that had transitioned to alternative benchmark rates during the year), as both the hedging instrument and the hedged item have been amended or are pending amendments to the alternative benchmark rates with agreed adjustment spreads.

In the current year, the Group has applied the following hedge accounting reliefs provided by the Phase 2 amendments for its hedging relationships that have already transitioned from SOR to SORA:

- *Hedge designation*: When the Phase 1 amendments cease to apply, the Group has amended its hedge designation to reflect the following changes which are required by IBOR reform:
  - designating SORA and SOFR as a hedged risk;
  - the contractual benchmark rate of the hedged borrowings has been amended from SOR and USD LIBOR to SORA and SOFR respectively, plus an adjustment spread; and
  - the variable rate of the hedging interest rate swap has been amended from SOR and USD LIBOR to SORA and SOFR respectively, plus an adjustment spread.

  These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.
- *Amounts accumulated in the cash flow hedge reserve*: When the Group amended its hedge designation for changes to its SOR and USD LIBOR borrowings that is required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve was deemed to be based on SORA and SOFR. The amount is reclassified to profit or loss in the same periods during which the hedged SORA and SOFR cash flows affect profit or loss.

(b) **Credit Risk**

Credit risk refers to the risk that debtors will default on their obligation to repay the amount owing to the Group. A substantial portion of the Group's revenue is on credit terms that are consistent with market practice. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The credit policy spells out clearly the guidelines on extending credit terms to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered. The Group's policy does not permit non-secured credit risk to be significantly centralised in one customer or a group of customers.

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its financial assets which are mainly debtors, amounts due from associated companies and joint ventures and bank balances, deposits and cash.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. These events include probability of insolvency, significant financial difficulties of the debtor and default or significant delay in payments.

35. Financial risk management (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group uses a provision matrix to measure the ECLs. In measuring the ECLs, assets are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

The Group's credit risk exposure in relation to debtors under SFRS(I) 9 as at 31 December 2022 and 2021 that have not been assessed on a contract-by-contract basis are set out in the provision matrix as follows:

		Trade receivables				
	Contract assets $'000	Current $'000	1 to 3 months $'000	3 to 6 months $'000	> 6 months $'000	Total $'000
2022						
Energy & Environment						
Expected loss rate	**-**	**0.5%**	**6.3%**	**17.9%**	**13.5%**	
Gross carrying amount	**-**	**347,020**	**33,957**	**2,617**	**12,470**	**396,064**
Loss allowance	**-**	**1,883**	**2,154**	**469**	**1,687**	**6,193**
Connectivity						
Expected loss rate	**2.2%**	**0.5%**	**2.4%**	**9.1%**	**19.9%**	
Gross carrying amount	**109,055**	**173,869**	**52,192**	**20,019**	**56,742**	**411,877**
Loss allowance	**2,402**	**834**	**1,239**	**1,815**	**11,294**	**17,584**
2021						
Energy & Environment						
Expected loss rate	-	0.5%	16.0%	8.7%	17.7%	
Gross carrying amount	-	371,999	10,442	2,862	13,669	398,972
Loss allowance	-	1,801	1,666	249	2,416	6,132
Connectivity						
Expected loss rate	1.7%	0.4%	2.7%	12.0%	35.5%	
Gross carrying amount	145,297	155,142	60,841	8,102	31,636	401,018
Loss allowance	2,402	684	1,664	970	11,245	16,965

For the remaining subsidiaries which transact with low volume of customers and customers are monitored individually for credit loss assessment, the receivables (including concession service receivable and contract assets) are assessed individually for lifetime expected credit losses at each reporting date. In calculating the expected credit loss, the Group uses a probability-weighted amount that is determined by evaluating a range of possible outcomes. The possible outcomes include an unbiased estimate of the possibility that a credit loss occurs and the possibility that no credit loss occurs even if the most likely outcome is no credit loss.

Individual customer will be evaluated periodically for its credit risk and the credit risk assessment is based on historical, current and forward-looking information such as:

- Historical financial and default rate of the customer
- Any publicly available information on the customer
- Any macroeconomic or geopolitical information relevant to the customer
- Any other objectively supportable information on the quality and abilities of the customer's management relevant for its performance

Urban Development

For investment properties, the Group manages credit risks arising from tenants defaulting on their rental by requiring the tenants to furnish cash deposits, and/or banker's guarantees. The Group also has a policy of regular review of debt collection and rental contracts are entered into with customers with an appropriate credit history.

In measuring the ECL, trade debtors and contract assets are grouped based on shared credit risk characteristics and days past due. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors and contract assets are written off when there is no reasonable expectation of recovery.

Debtors and amounts due from associated companies and joint ventures that are neither past due nor impaired are substantially companies with good collection track record with the Group or have strong financial capacity.

As at 31 December 2022 and 31 December 2021, there was no significant concentration of credit risks.

Asset Management

The Group minimises credit risk by dealing with companies with good payment track record and by placing cash balances with financial institutions.

In respect of credit exposure to the associated companies and joint ventures, the Group minimises credit risk through regular monitoring of the associated companies and joint ventures' financial standing.

As at 31 December 2022 and 2021, there are no significant financial assets that are past due and/or impaired.

(c) Liquidity Risk

Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, internally generated cash flows, and the availability of funding resources through an adequate amount of committed credit facilities. Group Treasury Department also maintains a mix of short-term money market borrowings and medium/long term loans to fund working capital requirements and capital expenditures/investments. Due to the dynamic nature of business, the Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time. As part of its liquidity management, the Group has built up adequate cash reserves and sufficient undrawn credit facilities to cover any short-term liquidity requirements so as to support its current operations including investing activities.

Information relating to the maturity profile of loans is given in Note 23. The following table details the liquidity analysis for derivative financial instruments and borrowings of the Group and the Company based on contractual undiscounted cash inflows/(outflows).

	Within one year $'000	Within one to two years $'000	Within two to five years $'000	After five years $'000
Group				
2022				
Gross-settled forward foreign exchange contracts				
- Receipts	2,239,200	340,320	1,989	-
- Payments	(2,245,274)	(348,948)	(1,979)	-
Gross-settled cross currency swaps				
- Receipts	40,823	42,137	54,162	1,511
- Payments	(34,464)	(31,116)	(44,748)	(1,260)
Net-settled interest rate swaps				
- Receipts	96,204	65,152	55,964	-
- Payments	(1,808)	(1,879)	(4,493)	(3,208)
Net-settled HSFO forward contracts				
- Receipts	23,578	319	-	-
- Payments	(40,480)	-	-	-
Net-settled Dated Brent forward contracts				
- Receipts	19,414	1,022	-	-
- Payments	(3,196)	(3,573)	(204)	-
Net-settled JKM forward contracts				
- Receipts	-	-	-	-
- Payments	(51,074)	(4,766)	-	-
Net-settled ICE Brent Crude forward				
- Receipts	10,707	2,507	-	-
- Payments	(159)	-	-	-
Net-settled electricity futures contracts				
- Receipts	1,855	143	-	-
- Payments	(17,090)	-	-	-
Borrowings	(4,227,532)	(2,084,210)	(4,014,400)	(1,496,071)
Financial guarantees	(747,134)	-	-	-

35. Financial risk management (continued)

	Within one year $'000	Within one to two years $'000	Within two to five years $'000	After five years $'000
2021				
Gross-settled forward foreign exchange contracts				
- Receipts	4,734,239	309,972	318,068	-
- Payments	(4,683,873)	(306,151)	(311,080)	-
Gross-settled cross currency swaps				
- Receipts	16,035	17,960	26,006	959
- Payments	(26,676)	(25,890)	(31,473)	(2,345)
Net-settled interest rate swaps				
- Receipts	3,248	10,945	25,618	220
- Payments	(37,930)	(12,300)	(18,119)	(22,517)
Net-settled HSFO forward contracts				
- Receipts	98,110	14,978	281	-
- Payments	(1,424)	(286)	-	-
Net-settled Dated Brent forward contracts				
- Receipts	1	23	-	-
- Payments	(101)	(77)	(46)	-
Net-settled electricity futures contracts				
- Receipts	27	-	-	-
- Payments	(213,941)	(23,822)	-	-
Borrowings	(4,840,394)	(1,800,142)	(4,182,515)	(1,575,900)
Financial guarantees	(958,085)	-	-	-
Company				
2022				
Gross-settled forward foreign exchange contracts				
- Receipts	**1,284,472**	**340,320**	**1,989**	**-**
- Payments	**(1,291,652)**	**(348,948)**	**(1,979)**	**-**
Gross-settled cross currency swaps				
- Receipts	**40,823**	**42,137**	**54,162**	**1,511**
- Payments	**(34,464)**	**(31,116)**	**(44,748)**	**(1,260)**
Net-settled interest rate swaps				
- Receipts	**75,884**	**52,798**	**43,665**	**-**
- Payments	**(1,344)**	**(1,728)**	**(2,962)**	**-**
Borrowings	**(2,973,264)**	**(987,162)**	**(2,778,095)**	**(843,721)**
Financial guarantees	**(462,579)**	**-**	**-**	**-**
2021				
Gross-settled forward foreign exchange contracts				
- Receipts	4,330,930	309,972	318,068	-
- Payments	(4,310,546)	(306,151)	(311,080)	-
Gross-settled cross currency swaps				
- Receipts	16,035	17,960	26,006	959
- Payments	(26,676)	(25,890)	(31,473)	(2,345)
Net-settled interest rate swaps				
- Receipts	2,238	10,290	22,338	220
- Payments	(24,908)	(8,305)	(10,703)	-
Borrowings	(3,418,745)	(968,075)	(2,618,595)	(966,128)
Financial guarantees	(655,005)	-	-	-

In addition to the above, creditors (Note 21) of the Group and the Company have a maturity profile of within one year from the balance sheet date.

(d) Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The Group's current strategy remains unchanged from the previous financial year. The Group and the Company are in compliance with externally imposed capital undertakings for the financial year ended 31 December 2022. Externally imposed capital undertakings are mainly debt covenants included in certain loans of the Group and the Company requiring the Group or certain subsidiaries of the Company to maintain net gearing to total equity not exceeding ratios ranging from 2.00 to 3.00 times.

Management monitors capital risk based on the Group's net gearing. Net gearing is calculated as net debt divided by total equity. Net debt is calculated as total term loans (Note 23) and total lease liabilities (Note 9) less bank balances, deposits & cash (Note 20).

	Group	
	2022 $'000	2021 $'000
Net debt	**9,237,629**	8,400,306
Total equity	**11,913,340**	12,441,361
Net gearing ratio	**0.78x**	0.68x

(e) Fair Value of Financial Instruments and Investment Properties

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair value is determined by reference to the net tangible assets of the investments.

The following table presents the assets and liabilities measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2022				
Financial assets				
Derivative financial instruments				
- from continuing operations	-	273,051	-	273,051
- from discontinued operations	-	5,143	-	5,143
Call option	-	-	192,522	192,522
Investments				
- Investments at fair value through other comprehensive income				
- from continuing operations	494,706	1,409	277,279	773,394
- from discontinued operations	-	-	26,603	26,603
- Investments at fair value through profit or loss				
- from continuing operations	34,618	-	674,707	709,325
- from discontinued operations	-	16,745	55,350	72,095
Short term investments				
- Investments at fair value through other comprehensive income				
- from continuing operations	48,097	-	-	48,097
- from discontinued operations	3,118	-	-	3,118
- Investments at fair value through profit or loss	685	-	-	685
	581,224	296,348	1,226,461	2,104,033
Financial liabilities				
Derivative financial instruments				
- from continuing operations	-	256,204	-	256,204
- from discontinued operations	-	13,639	-	13,639
	-	269,843	-	269,843
Non-financial assets				
Investment Properties				
- Commercial and hospitality, completed	-	-	1,349,265	1,349,265
- Commercial, under construction	-	-	2,933,828	2,933,828
- Associates at fair value through profit or loss	-	-	246,677	246,677
	-	-	4,529,770	4,529,770

35. Financial risk management (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2021				
Financial assets				
Derivative financial instruments	-	186,294	-	186,294
Call option	-	-	171,520	171,520
Investments				
- Investments at fair value through other comprehensive income	502,310	-	226,052	728,362
- Investments at fair value through profit or loss	71,314	20,791	627,197	719,302
Short term investments				
- Investments at fair value through other comprehensive income	26,834	-	-	26,834
- Investments at fair value through profit or loss	269	-	-	269
	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
Company				
2022				
Financial assets				
Derivative financial instruments	**-**	**173,642**	**-**	**173,642**
Investments				
- Investments at fair value through other comprehensive income	**-**	**-**	**19,430**	**19,430**
	-	**173,642**	**19,430**	**193,072**
Financial liabilities				
Derivative financial instruments	**-**	**-**	**140,354**	**140,354**
2021				
Financial assets				
Derivative financial instruments	-	67,499	-	67,499
Investments				
- Investments at fair value through other comprehensive income	-	-	24,100	24,100
	-	67,499	24,100	91,599
Financial liabilities				
Derivative financial instruments	-	-	102,061	102,061

In 2021, the fair value measurement of certain investments amounting to $82,443,000 were transferred from Level 2 to Level 3 due to use of inputs not based on market observable data in the valuation techniques.

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
At 1 January	**1,024,769**	712,761	**24,100**	22,196
Purchases	**131,668**	41,002	**-**	-
Sales	**(11,374)**	(47,625)	**-**	-
Fair value (loss)/gain recognised in other comprehensive income				
- from continuing operations	**(29,785)**	(100,790)	**(4,670)**	1,904
- from discontinued operations	**(488)**	3,571	**-**	-
Fair value gain recognised in profit or loss				
- from continuing operations	**113,379**	316,867	**-**	-
- from discontinued operations	**28,043**	-	**-**	-
Reclassification				
- Disposal group and assets classified as held for sale	**(82,649)**	-	**-**	-
- Associates/Joint Ventures	**(22,671)**	14,139	**-**	-
- Transfer to Level 3	**-**	82,443	**-**	-
- Others	**-**	235	**-**	-
Exchange differences	**(4,975)**	2,399	**-**	-
Distribution	**-**	(193)	**-**	-
Return on capital	**-**	(40)	**-**	-
At 31 December	**1,145,917**	1,024,769	**19,430**	24,100

The following table presents the reconciliation of investment properties measured at fair value based on significant unobservable inputs (Level 3).

	Group	
	2022 $'000	2021 $'000
At 1 January	**4,256,428**	3,674,075
Development expenditure	**216,799**	229,581
Fair value gain	**131,711**	238,458
Disposal	**(41,204)**	-
Reclassification		
- Stocks (Note 15)	**-**	3,544
Exchange differences	**(280,641)**	110,770
At 31 December	**4,283,093**	4,256,428

The fair value of financial instruments categorised under Level 1 of the fair value hierarchy is based on published market bid prices at the balance sheet date.

The fair value of financial instruments categorised under Level 2 of the fair value hierarchy are fair valued under valuation techniques with market observable inputs. These include forward pricing and swap models utilising present value calculations using inputs such as observable foreign exchange rates (forward and spot rates), interest rate curves and forward rate curves and discount rates that reflects the credit risks of various counterparties.

35. Financial risk management (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments and investment properties categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 31 December 2022 $'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments				
- from continuing operations	953,395	Net asset value, discounted cash flow and binomial option pricing	Net asset value*	Not applicable
			Discount rate	15.71% to 20.00%
			Growth rate	1.10% to 4.32%
			Discount for lack of control	15.00% - 23.30%
- from discontinued operations	81,953	Net asset value and discounted cash flow	Net asset value*	Not applicable
			Discount rate	9.00% - 19.00%
Call option	192,522	Discounted cash flow method and investment method	Transacted price of comparable properties (psf)	$1,586 - $3,617
			Capitalisation rate	3.40%
Associates at fair value through profit or loss	246,677	Net asset value	Net asset value	Not applicable
Investment properties				
- Commercial, completed	1,349,265	Investment method, discounted cash flow method and/or direct comparison method;	Discount rate	7.25% to 14.50%
			Capitalisation rate	4.25% to 10.00%
		Income capitalisation method	Net initial yield	5.70%
			Transacted price of comparable land plots (psm)	$3,974 to $5,610
			Transacted price of comparable properties (psf)	$239 to $1,304
- Commercial, under construction	2,933,828	Direct comparison method, discounted cash flow method, and/or residual value method	Discount rate	13.00% to 17.00%
			Capitalisation rate	4.00% to 10.00%
			Transacted price of comparable land plots (psm)	$6,569 to $9,163
			Transacted price of comparable properties (psf)	$2,376 to $3,617
			Gross development value ($'million)	$216 to $1,949

* *Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value or assets measured using valuation techniques that take into account key inputs such as revenue multiples, long term growth rate and discount rate (see further details in Note 2.28(b)(ix)).*

Description	Fair value as at 31 December 2021 $'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments	853,249	Net asset value, discounted cash flow and binomial option pricing	Net asset value*	Not applicable
			Discount rate	9.00% - 20.00%
			Growth rate	4.26%
			Discount for lack of control	15.00% - 23.30%
Call option	171,520	Discounted cash flow method and investment method	Transacted price of comparable properties (psf)	$1,586 - $3,520
			Capitalisation rate	3.50%
Associates at fair value through profit or loss	142,238	Net asset value	Net asset value	Not applicable
Investment properties				
- Commercial and residential, completed	1,495,780	Investment method, discounted cash flow method and/or direct comparison method;	Discount rate	9.50% to 14.50%
			Capitalisation rate	4.25% to 10.50%
		Income capitalisation method	Net initial yield	6.45%
			Transacted price of comparable land plots (psm)	$4,690 to $7,504
			Transacted price of comparable properties (psf)	$266 to $3,004
			Terminal capitalisation rate	7.75%
- Commercial, under construction	2,760,648	Direct comparison method, discounted cash flow method, and/or residual value method	Discount rate	12.50% to 17.00%
			Capitalisation rate	4.00% to 10.00%
			Transacted price of comparable land plots (psm)	$7,129 to $9,192
			Transacted price of comparable properties (psf)	$2,468 to $3,171
			Gross development value ($'million)	$239 to $2,099

* *Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value or assets measured using valuation techniques that take into account key inputs such as revenue multiples, long term growth rate and discount rate (see further details in Note 2.28(b)(ix)).*

The financial instruments and investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective asset/liability.

The total fair value on investments of $1,035,348,000 as at 31 December 2022 comprises $753,350,000 which are valued based on net asset value. A reasonably possible alternative assumption is when the net asset value of investments increase/decrease by 5%, which would lead to a $37,668,000 increase/decrease in fair valuation.

Valuation process of investment properties is described in Note 8.

36. Segment analysis

The Group is organised into business units based on their products and services, and has five main segments as follows:

(i) Energy & Environment
The Energy & Environment segment is focused on business areas relating to the safe and efficient harvesting of energy sources, serving the offshore & marine industry with an array of vessel solutions and services, renewables, and providing cities with power, as well as solutions for waste and water & wastewater treatment. The segment comprises two reportable operating segments, being Offshore & Marine and Infrastructure & Others.

Offshore & Marine - Principal activities include offshore production facilities and drilling rig design, construction, fabrication and repair, ship conversions and repair and specialised shipbuilding. The operating segment has operations in Brazil, China, Singapore, the United States and other countries.

On 27 April 2022, Keppel Corporation Limited ("the Company") and Sembcorp Marine Ltd ("Sembcorp Marine") entered into definitive agreements for the proposed combination of Keppel Offshore & Marine Ltd ("Keppel O&M") and Sembcorp Marine. Concurrent with the proposed combination, the Company has entered into a definitive agreement with Baluran Limited and Kyanite Investment Holdings Pte Ltd, for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity ("Asset Co Transfer").

On 27 October 2022, the structure and terms of the proposed combination have been amended such that, 1) the merger of Keppel O&M and Sembcorp Marine will be effected by way of the acquisition by Sembcorp Marine of all the Keppel O&M Shares held by the Company (the "KOM Share Transfer") and 2) the completion of the Asset Co Transfer will proceed regardless of whether the KOM Share Transfer takes place.

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the performance of Keppel O&M, as a separate reportable operating segment, excluding certain out-of-scope assets, are presented as discontinued operations for the period, with comparative information re-presented accordingly. Refer to Note 37 for further details.

Infrastructure & Others - Principal activities include power generation, renewables, environmental engineering and infrastructure operation and maintenance. The operating segment has operations in China, Singapore, Switzerland, the United Kingdom, and other countries.

(ii) Urban Development
Principal activities include property development and investment, as well as master development. The segment has operations in China, India, Indonesia, Singapore, Vietnam and other countries.

(iii) Connectivity
Principal activities include the provision of telecommunications services, retail sales of telecommunications equipment and accessories, development and operation of data centres and provision of logistics solutions. The segment has operations in China, Singapore and other countries.

(iv) Asset Management
Principal activities include management of private funds and listed real estate investment and business trusts. The segment operates mainly in Singapore.

(v) Corporate & Others
The Corporate & Others segment consists mainly of treasury operations, research & development, investment holdings and provision of management and other support services.

Management monitors the results of each of the above main segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss. Information regarding the Group's reportable operating segments is presented in the following table.

	Energy & Environment $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
2022							
Revenue							
External sales	4,229,331	903,544	1,291,273	195,092	478	-	6,619,718
Inter-segment sales	34,841	526	13,135	13,639	87,918	(150,059)	-
Total	4,264,172	904,070	1,304,408	208,731	88,396	(150,059)	6,619,718
Segment Results							
Operating profit	86,044	288,166	62,057	91,014	27,196	10,730	565,207
Investment income	-	1,536	273	43,218	3,514	-	48,541
Interest income	65,705	36,215	6,592	760	423,959	(441,883)	91,348
Interest expenses	(56,547)	(66,563)	(14,709)	(36,802)	(402,719)	431,153	(146,187)
Share of results of associated companies and joint ventures	119,257	158,809	15,794	242,119	-	-	535,979
Profit before tax	214,459	418,163	70,007	340,309	51,950	-	1,094,888
Taxation	(44,306)	(146,447)	(23,134)	(27,211)	(4,051)	-	(245,149)
Profit from continuing operations for year	170,153	271,716	46,873	313,098	47,899	-	849,739
Attributable to:							
Shareholders of Company	172,549	281,762	37,236	310,922	36,490	-	838,959
Perpetual securities holders	-	-	-	-	11,600	-	11,600
Non-controlling interests	(2,396)	(10,046)	9,637	2,176	(191)	-	(820)
	170,153	271,716	46,873	313,098	47,899	-	849,739
Profit from discontinued operations, net of tax and NCI							87,658
Profit for the year attributable to shareholders of the Company							926,617
External revenue from contracts with customers							
- At a point in time	21,197	680,261	393,207	43,805	-	-	1,138,470
- Over time	4,208,134	153,245	894,600	151,287	475	-	5,407,741
	4,229,331	833,506	1,287,807	195,092	475	-	6,546,211
Other sources of revenue	-	70,038	3,466	-	3	-	73,507
Total	4,229,331	903,544	1,291,273	195,092	478	-	6,619,718
Other Information							
Segment assets*	11,161,774	11,978,928	3,431,961	4,291,601	13,044,000	(12,843,287)	31,064,977
Segment liabilities*	11,350,215	6,392,475	2,738,442	1,797,304	9,716,488	(12,843,287)	19,151,637
Net assets*	(188,441)	5,586,453	693,519	2,494,297	3,327,512	-	11,913,340

* *inclusive of disposal group classified as held for sale*

	Energy & Environment $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
Investment in associated companies and joint ventures	1,119,697	2,250,570	100,684	3,320,911	-	-	6,791,862
Additions to non-current assets	639,425	344,047	236,983	236,830	1,117	-	1,458,402
Depreciation and amortisation	32,982	31,080	124,760	2,718	15,018	-	206,558
Impairment loss on non-financial assets	7,052	107	1,953	-	-	-	9,112
Allowance/(write-back) for expected credit loss and bad debt written-off	23,683	(776)	10,917	-	186	-	34,010

Geographical information

	Singapore $'000	China/ Hong Kong $'000	Brazil $'000	Other Far East & ASEAN countries $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	5,465,913	916,228	-	172,458	65,119	-	6,619,718
Non-current assets	8,192,941	3,503,743	-	1,695,069	465,765	-	13,857,518

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the year ended 31 December 2022.

Information about a major customer

Revenue of $2,045,861,000 is derived from a single external customer and is attributable to the Energy & Environment segment for the year ended 31 December 2022.

Note: Pricing of inter-segment goods and services is at fair market value.

36. Segment analysis (continued)

	Energy & Environment $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
2021#							
Revenue							
External sales	3,560,370	1,628,768	1,260,152	162,046	-	-	6,611,336
Inter-segment sales	28,127	3,789	6,046	9,868	74,072	(121,902)	–
Total	3,588,497	1,632,557	1,266,198	171,914	74,072	(121,902)	6,611,336
Segment Results							
Operating profit/(loss)	(290,695)	992,963	86,488	112,880	222,950	4,737	1,129,323
Investment income	-	1,512	270	41,632	61,447	–	104,861
Interest income	60,391	36,797	304	147	366,147	(375,480)	88,306
Interest expenses	(106,732)	(52,342)	(19,094)	(30,752)	(331,925)	370,743	(170,102)
Share of results of associated companies and joint ventures	144,450	93,170	18,528	202,617	-	-	458,765
Profit/(loss) before tax	(192,586)	1,072,100	86,496	326,524	318,619	-	1,611,153
Taxation	3,767	(331,263)	(18,567)	(26,188)	(2,938)	-	(375,189)
Profit/(loss) from continuing operations for year	(188,819)	740,837	67,929	300,336	315,681	-	1,235,964
Attributable to:							
Shareholders of Company	(189,028)	762,915	63,953	301,296	308,332	-	1,247,468
Perpetual securities holders	-	-	-	-	3,401	-	3,401
Non-controlling interests	209	(22,078)	3,976	(960)	3,948	-	(14,905)
	(188,819)	740,837	67,929	300,336	315,681	-	1,235,964
Loss from discontinued operations, net of tax and NCI							(224,817)
Profit for the year attributable to shareholders of the Company							1,022,651
External revenue from contracts with customers							
- At a point in time	12,324	1,376,396	423,065	23,936	-	-	1,835,721
- Over time	3,548,046	181,183	833,360	138,110	-	-	4,700,699
	3,560,370	1,557,579	1,256,425	162,046	-	-	6,536,420
Other sources of revenue	-	71,189	3,727	-	-	-	74,916
Total	3,560,370	1,628,768	1,260,152	162,046	-	-	6,611,336
Other Information							
Segment assets*	11,481,452	13,954,820	3,606,910	3,989,870	12,205,731	(12,915,856)	32,322,927
Segment liabilities*	11,929,685	6,955,468	2,525,065	1,708,088	9,679,116	(12,915,856)	19,881,566
Net assets*	(448,233)	6,999,352	1,081,845	2,281,782	2,526,615	-	12,441,361

* *inclusive of disposal group classified as held for sale*

	Energy & Environment $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
Investment in associated companies and joint ventures	626,848	2,281,122	151,162	2,991,126	-	-	6,050,258
Additions to non-current assets	62,998	274,447	349,995	34,098	6,698	-	728,236
Depreciation and amortisation	30,406	42,564	201,430	2,796	13,627	-	290,823
Impairment loss on non-financial assets	58,294	53,051	1,586	-	-	-	112,931
Allowance for expected credit loss and bad debt written-off	117,236	1,346	11,781	-	(132)	-	130,231
Loss on a financial guarantee on a loan granted to an associated company	146,024	-	-	-	-	-	146,024

Geographical information

	Singapore $'000	China/ Hong Kong $'000	Brazil $'000	Other Far East & ASEAN countries $'000	Other countries $'000	Elimination $'000	Total $'000
External sales#	4,856,690	1,526,698	-	159,197	68,751	-	6,611,336
Non-current assets	7,928,820	3,922,600	160,951	1,803,975	653,202	-	14,469,548

Other than Singapore and China, no single country accounted for 10% or more of the Group's revenue for the year ended 31 December 2021.

Information about a major customer

Revenue of $1,600,705,000 is derived from a single external customer and is attributable to the Energy & Environment segment for the financial year ended 31 December 2021.

Note: Pricing of inter-segment goods and services is at fair market value.

\# Comparative information has been re-presented due to a discontinued operation (Note 37).

37. Discontinued operations and disposal group and assets classified as held for sale and liabilities directly associated with disposal group and assets classified as held for sale

(i) Discontinued operations and disposal group held for sale and liabilities directly associated with disposal group classified as held for sale

Keppel Offshore & Marine Ltd ("Keppel O&M")

On 27 April 2022, the Company and Sembcorp Marine Ltd ("Sembcorp Marine") entered into definitive agreements for the proposed combination of Keppel Offshore & Marine Ltd ("Keppel O&M") and Sembcorp Marine (the "Proposed Combination"). The Proposed Combination involves the establishment of a new holding company (the "Combined Entity") which will combine the businesses of Keppel O&M and Sembcorp Marine via separate schemes of arrangement.

Concurrent with the Proposed Combination, the Company has entered into a definitive agreement with Baluran Limited ("Baluran") and Kyanite Investment Holdings Pte Ltd ("Kyanite"), for the sale of Keppel O&M's legacy rigs and associated receivables to a new and separate entity, Rigco Holding Pte Ltd (the "Asset Co Transaction").

On 27 October 2022, the structure and terms of the Proposed Combination have been amended such that, 1) the merger of Keppel O&M and Sembcorp Marine will be effected by way of the acquisition by Sembcorp Marine (and not the Combined Entity) of all the Keppel O&M Shares held by the Company (the "KOM Share Transfer") in consideration for the issuance by Sembcorp Marine of such number of new ordinary shares in the capital of Sembcorp Marine ("SCM Shares") representing 54% of the total number of SCM Shares ("Consideration Shares") and 2) the completion of the Asset Co Transfer will proceed regardless of whether the Keppel O&M Share Transfer takes place. Of which, the Company will distribute 49% of the total number of SCM Shares to its shareholders and remaining 5% of SCM shares (the "Retained Consideration Shares") transfer to a segregated account ("Proposed Distribution"). Post acquisition, Sembcorp Marine will be the "Combined Entity" owning a combination of its current business and KOM.

Accordingly, the assets and liabilities related to Keppel O&M for the Proposed Combination, excluding certain out-of-scope assets, had been presented in the balance sheet as "Disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results were presented separately on the consolidated statement of comprehensive income as "Discontinued operations" for the financial year ended 31 December 2022, with comparative information re-presented accordingly. The Group has also ceased the depreciation of $71,185,000 for the relevant assets classified under disposal group held for sale for the period since 27 April 2022. The disposal group was previously presented under the "Energy & Environment" reportable segment of the Group (Note 36).

On 8 December 2022, the resolutions relating to 1) the Proposed Transaction involving the Asset Co Transaction and the Proposed Combination of Keppel O&M and Sembcorp Marine which constitutes a major transaction and an interested person transaction, and 2) the Proposed Distribution, were duly passed at the extraordinary general meeting of the Company.

(a) The results of the discontinued operations are as follows:

	2022 $'000	2021 $'000
Revenue	**2,799,418**	2,013,377
Expenses*	**(2,683,140)**	(2,289,534)
Profit/(Loss) before tax from discontinued operations	**116,278**	(276,157)
Taxation	**(33,212)**	50,205
Non-controlling interests	**4,592**	1,135
Profit/(Loss) from discontinued operations, net of tax and non-controlling interests	**87,658**	(224,817)

* In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, following the classification as disposal group classified as held for sale, the Group has ceased depreciation of $71,185,000 for the relevant assets classified under disposal group held for sale for the period since 27 April 2022. The 2022 results also include a partial writeback of $292,838,000 (before reversal of deferred tax credit of $38,919,000 recognised in taxation) impairment made in 2020 for certain legacy rig assets (Note 2.28(b)(i)(c)) and a gain from divestment of Keppel Smit Towage Pte Limited and Maju Maritime Pte Ltd of $74,495,000.

(b) The cash flows attributable to the discontinued operations are as follows:

	2022 $'000	2021 $'000
Operating cash flow	**115,472**	(522,898)
Investing cash flow	**92,204**	3,070
Financing cash flow	**260,362**	419,417
Net cash inflows / (outflows)	**468,038**	(100,411)

37. Discontinued operations and disposal group and assets classified as held for sale and liabilities directly associated with disposal group and assets classified as held for sale (continued)

(ii) Assets classified as held for sale and liabilities directly associated with assets classified as held for sale

(a) Marina East Water Pte. Ltd. ("MEW")

On 30 June 2022, Keppel Infrastructure Holdings Limited ("Keppel Infrastructure"), a wholly-owned subsidiary of the Company, and Keppel Infrastructure Fund Management Pte Ltd ("KIFM"), as Trustee-Manager of Keppel Infrastructure Trust ("KIT"), have signed a non-binding term sheet with the intention to enter into definitive agreements with respect to the sale and purchase of the Group's interest in MEW ("Proposed Transaction"). The Proposed Transaction is subject to customary closing conditions including approvals by shareholders and PUB, as well as the receipt of applicable regulatory approvals. Post the proposed transaction, MEW will be jointly-controlled by Keppel Infrastructure and KIT, with KIT receiving 100% of the economic interest.

In accordance to SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities of MEW have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale" in the condensed consolidated balance sheet as at 31 December 2022.

	Group 31.12.2022		
	Disposal group $'000	**Assets classified as held for sale $'000**	**Total $'000**
Disposal group and assets classified as held for sale			
Fixed assets	2,629,084	-	2,629,084
Intangibles	11,739	-	11,739
Right-of-use assets	288,940	-	288,940
Associated companies and joint ventures	204,041	-	204,041
Deferred tax assets	68,989	-	68,989
Other non-current assets	395,020	334,545	729,565
Investments	101,816	-	101,816
Contract assets	2,435,618	-	2,435,618
Stocks	1,823,190	-	1,823,190
Debtors and other assets	822,058	8,232	830,290
Bank balances, deposits & cash	381,179	25,325	406,504
	9,161,674	**368,102**	**9,529,776**
Liabilities directly associated with disposal group and assets classified as held for sale			
Creditors and other liabilities	2,178,848	5,349	2,184,197
Provisions	112,559	-	112,559
Contract liabilities	774,157	-	774,157
Term loans	455,864	301,847	757,711
Lease liabilities	314,711	-	314,711
Taxation	25,137	1,106	26,243
Deferred tax liabilities	36,021	-	36,021
Other non-current liabilities	18,404	-	18,404
	3,915,701	**308,302**	**4,224,003**

38. New accounting standards

At the date of authorisation of these financial statements, the following new SFRS(I) and amendments to SFRS(I)s that are relevant to the Group and the Company were issued but not effective:

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current* (effective for annual periods beginning on or after 1 January 2024)

  The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

  The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

- Amendments to SFRS(I) 1-12 *Income Taxes: Deferred Tax related to Assets and Liabilties arising from a Single Transaction* (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

SFRS(I) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

- SFRS(I) 17 *Insurance Contracts* (effective for annual periods beginning on or after 1 January 2023)

SFRS(I) 17, covering recognition and measurement, presentation and disclosure, will replace SFRS(I) 4 *Insurance Contracts* and apply to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SFRS(I) 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SFRS(I) 4, which are largely based on grandfathering previous local accounting policies. The core of SFRS(I) 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and a simplified approach (the premium allocation approach) mainly for short-duration contracts.

The management anticipates that the adoption of the above SFRS(I) and amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

39. Subsequent events

(i) Subsequent to 31 December 2022, the Group divested its shipyard at 55 Gul Road, Singapore, including fixed infrastructure and equipment thereon through Keppel FELS Limited, wholly owned subsidiary of the Company, for a cash consideration of $95 million. The book value and net tangible value of the yard as at 31 December 2022 was $57 million. The financial effect of this disposal has been recognised within the discontinued operations in January 2023.

(ii) The Proposed Combination, as set out in Note 37(i), was approved on 16 February 2023 by the shareholders of Sembcorp Marine.

Based on the carrying values of Keppel O&M's legacy rigs and associated receivables, as described in Note 37(i), the Asset Co Transaction was completed on 27 February 2023 for a consideration of approximately $4,372 million satisfied in the following manner:

(a) issuance of 499,000 new ordinary shares in the capital of Rigco Holding Pte Ltd at the issue price of $1.00 per share;

(b) issuance of $120 million 10.0% perpetual securities by Rigco Holding Pte Ltd; and

(c) issuance of vendor notes of 4% per annum for a maximum tenure of 12 years in the same aggregate principal amount by Rigco Holding Pte Ltd of approximately $4,251 million.

No gain or loss was recognised in the profit or loss on the date of completion from the Asset Co Transaction.

The Proposed Combination was completed on 28 February 2023 and the Company has received:

I. 36,848,072,918 Consideration Shares amounting to approximately $4,237 million. Of which, 33,436,214,314 Consideration Shares (representing 49% of the enlarged capital of Sembcorp Marine) amounting to approximately $3,845 million has been distributed as dividend-in-specie to the Company's shareholders and the remaining 3,411,858,604 Consideration Shares (representing 5% of the enlarged capital of Sembcorp Marine) amounting to approximately $392 million, as Retained Consideration Shares placed into a segregated account; and

II. a Cash Component of $500,000,000 from Keppel O&M in settlement of interests and redemption amount for a partial redemption of intercompany perpetual securities.

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

40. Significant subsidiaries, associated companies and joint ventures

Information relating to significant subsidiaries consolidated in these financial statements and significant associated companies and joint ventures whose results are equity accounted for is given in the following pages.

Significant Subsidiaries, Associated Companies and Joint Ventures

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
ENERGY & ENVIRONMENT							
Offshore & Marine							
(all entities within Offshore & Marine are part of the disposal group held for sale, other than Floatel International Ltd.)							
Subsidiaries							
Keppel Offshore and Marine Ltd	100	100	100	801,720	801,720	Singapore	Investment holding
Keppel FELS Ltd	100	100	100	1,891,900	#	Singapore	Construction, fabrication and repair of offshore production facilities and drilling rigs, power barges, specialised vessels and other offshore production facilities
Angra Propriedades & Administracao Ltda[1]	100	100	100	#	#	Brazil	Holding of long-term investments and property management
Estaleiro BrasFELS Ltda[1]	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas sector, shipyard works and other general business activities
FELS Offshore Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Fernvale Pte Ltd	100	100	100	#	#	Singapore	Construction, fabrication and repair of drilling rigs and offshore production facilities
FSTP Brasil Ltda[1]	75	75	75	#	#	Brazil	Procurement of equipment and materials for the construction of offshore production facilities
FSTP Pte Ltd	75	75	75	#	#	Singapore	Project management, engineering and procurement
Guanabara Navegacao LTDA[1]	100	100	100	#	#	Brazil	Ship owning
Keppel AmFELS, Inc[1]	100	100	100	#	#	USA	Construction and repair of offshore drilling rigs and offshore production facilities
Keppel FELS Brasil SA[1]	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas industry
Keppel Letourneau USA, Inc[1]	100	100	100	#	#	USA	Design and license of various offshore rigs and platforms
Keppel Offshore & Marine USA Inc[1]	100	100	100	#	#	USA	Offshore and marine-related services
KV Enterprises BV[2]	100	100	100	#	#	Netherlands	Holding of long-term investments
KVE 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 Pte Ltd	60	60	60	#	#	Singapore	Offshore engineering and construction business
Offshore Partners Pte Ltd	100	100	100	#	#	Singapore	Arrange, syndicate and/or provide financing to customers of Keppel Group
Offshore Partners 2 Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
Regency Steel Japan Ltd[1]	51	51	51	#	#	Japan	Sourcing, fabricating and supply of specialised steel components
FELS Asset Co Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 2 Pte Ltd	100	100	100	#	#	Singapore	Chartering of ships, barges and boats with crew

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
FELS Asset Co 3 Pte Ltd[n]	100	100	-	#	-	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 4 Pte Ltd[n]	100	100	-	#	-	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 5 Pte Ltd[n]	100	100	-	#	-	Singapore	Chartering of ships, barges and boats with crew
FELS Asset Co 6 Pte Ltd[n]	100	100	-	#	-	Singapore	Chartering of ships, barges and boats with crew
Lenity Pioneer Pte Ltd	100	100	100	#	#	Singapore	Service activities related to oil and gas extraction
Keppel Shipyard Ltd	100	100	100	472,976	#	Singapore	Ship repairing, shipbuilding and conversions
Keppel Philippines Marine Inc[1]	99	99	98	#	#	Philippines	Shipbuilding and repairing
Keppel Nantong Heavy Industry Co Ltd[1]	100	100	100	#	#	China	Engineering and construction of specialised vessels
Keppel Nantong Shipyard Company Ltd[1]	100	100	100	#	#	China	Engineering and construction of specialised vessels
Keppel Subic Shipyard Inc[1]	87+	86+	86+	3,020	3,020	Philippines	Shipbuilding and repairing
KS Investments Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Offshore Technology Development Pte Ltd	100	100	100	#	#	Singapore	Production of jacking systems
Keppel Letourneau Middle East FZE	100	100	100	#	#	UAE	Oilfield equipment trading, service and repair
Associated Companies and Joint Ventures							
Asian Lift Pte Ltd	50	50	50	#	#	Singapore	Provision of heavy-lift equipment and related services
Floatel International Ltd[1]	50	50	50	#	#	Bermuda	Operating accommodation and construction support vessels (floatels) for the offshore oil and gas industry
Blue Tern Holding AS[2]	49	49	49	#	#	Norway	Owning and leasing of multi-purpose self-elevating platforms
Arab Heavy Industries PJSC[2]	33	33	33	#	#	UAE	Shipbuilding and repairing
Nakilat - Keppel Offshore & Marine Ltd[2]	20	20	20	#	#	Qatar	Ship repairing
PV Keez Pte Ltd[2]	20	20	20	#	#	Singapore	Chartering of ships, barges and boats with crew
Keppel Smit Towage Pte Ltd	-	-	51	-	#	Singapore	Provision of towage services
Maju Maritime Pte Ltd	-	-	51	-	#	Singapore	Provision of towage services
FueLNG Pte Ltd[2]	50	50	50	#	#	Singapore	Provide end-to-end LNG bunkering supply solution
Infrastructure & Others							
Subsidiaries							
Keppel Infrastructure Holdings Pte Ltd	100	100	100	445,892	445,892	Singapore	Investment holding
Keppel Energy Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Electric Pte Ltd	100	100	100	#	#	Singapore	Electricity, energy and power supply and general wholesale trade
Keppel Gas Pte Ltd	100	100	100	#	#	Singapore	Purchase and sale of gaseous fuels

Significant Subsidiaries, Associated Companies and Joint Ventures

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
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
Keppel Seghers Engineering Singapore Pte Ltd	100	100	100	#	#	Singapore	Engineering works, construction and O&M of plants and facilities
Keppel Integrated Engineering Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel New Energy Pte. Ltd. (formerly known as XTE Investments Pte. Ltd.)	100	100	100	#	#	Singapore	Investment holding
Keppel EnServices Investment Pte. Ltd.(n)	100	100	-	#	-	Singapore	Investment holding
Kepinvest Holdings Pte Ltd	100	100	100	10	10	Singapore	Investment holding
Kepinvest Singapore Pte Ltd	100	100	100	18,425	18,425	Singapore	Investment holding
Cloud Alpha Pte Ltd	60	60	60	#	#	Singapore	Investment holding
Keppel Renewable Investments Pte Ltd	100	100	100	*	*	Singapore	Investment holding
Associated Companies and Joint Ventures							
Keppel Merlimau Cogen Pte Ltd(2)	49	49	49	#	#	Singapore	Commercial power generation
MET Holding AG(1)	10	10	20	#	#	Switzerland	Integrated energy company
Tianjin Eco-City Energy Investment & Construction Co Ltd(2)	20	20	20	#	#	China	Investment and implementation of energy and utilities related infrastructure
Harmony Holdco Pte Ltd(2)(n)	32	32	-	#	-	Singapore	Integrated environmental solutions provider
Cleantech Solar Asia Pte Ltd(2)(n)	50	45	-	#	-	Singapore	Procurement, installation, operating and maintenance of solar generation facilities
Cleantech Renewable Assets Pte Ltd(2)(n)	51	31	-	#	-	Singapore	Procurement, installation, operating and maintenance of solar generation facilities
Keppel MET Renewables AG(1)(n)	50	50	-	#	-	Switzerland	Renewable energy generation
URBAN DEVELOPMENT							
Subsidiaries							
Keppel Land Ltd	100	100	100	4,793,367	4,793,367	Singapore	Holding, management and investment company
Keppel Land China Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Land Estate Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Bay Pte Ltd	100	100	100	#	#	Singapore	Property development
Keppel Philippines Properties Inc(1)	87+	87+	87+	493	493	Philippines	Property development

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
Bellenden Investments Ltd(3)	67	67	67	#	#	BVI	Investment holding
Broad Elite Investments Ltd(3)	100	100	100	#	#	BVI	Investment holding
Cesario Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Changzhou Fushi Housing Development Pte Ltd(1)	100	100	100	#	#	China	Property development
Corredance Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Dattson Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Davinelle Ltd(3)	67	67	67	#	#	BVI	Investment holding
DC REIT Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Domenico Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Double Peak Holdings Ltd(3)	100	100	100	#	#	BVI	Investment holding
Estella JV Co Ltd(1)	98	98	98	#	#	Vietnam	Property development and investment
Elaenia Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Evergro Properties Ltd	100	100	100	#	#	Singapore	Property investment and development
Floraville Estate Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Greenfield Development Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Harvestland Development Pte Ltd	100	100	100	#	#	Singapore	Property development
Straits Properties Ltd	100	100	100	#	#	Singapore	Property development
Keppel Point Pte Ltd	100+	100+	100+	122,785	122,785	Singapore	Investment holding
Jencity Ltd(3)	100	100	100	#	#	BVI	Investment holding
K-Commercial Pte Ltd	100	100	100	#	#	Singapore	Property development/ investment
Katong Retail Trust	100	100	100	#	#	Singapore	Investment trust
KeplandeHub Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Heights (Wuxi) Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
Keppel Hong Xiang Management Consultancy (Shanghai) Co Ltd(1)	100	100	100	#	#	China	Property services
Keppel Lakefront (Wuxi) Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
Keppel Land (Saigon Centre) Ltd(1)	100	100	100	#	#	HK	Investment holding
Keppel Land (Singapore) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Land Financial Services Pte Ltd	100	100	100	#	#	Singapore	Financial services
Keppel Puravankara Dev Pvt Ltd(2)	51	51	51	#	#	India	Property development
Keppel Land International (Management) Pte Ltd	100	100	100	#	#	Singapore	Property services
Keppel Land Watco IV Co Ltd(1)	84	84	84	#	#	Vietnam	Property development
Keppel Land Watco V Co Ltd(1)	84	84	84	#	#	Vietnam	Property development
Keppel Land Vietnam Co Ltd(1)	100	100	100	#	#	Vietnam	Property services

Significant Subsidiaries, Associated Companies and Joint Ventures

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
Keppel Seasons Residences Property Development (Wuxi) Co., Ltd[(1)]	100	100	100	#	#	China	Property development
Keppel Tianjin Eco-City Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Three Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Two Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Tosalco Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Krystal Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Joysville Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Main Full Ltd[(1)]	100	100	100	#	#	HK	Investment holding
Mansfield Developments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Merryfield Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Oceansky Pte Ltd	100	100	100	#	#	Singapore	Investment holding
OIL (Asia) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Oscario Pte Ltd	100	100	100	#	#	Singapore	Investment holding
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
Pre-1 Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
PT Harapan Global Niaga[(1)]	100	100	100	#	#	Indonesia	Property development
PT Kepland Investama[(1)]	100	100	100	#	#	Indonesia	Property investment
PT Puri Land Development[(1)]	100	100	100	#	#	Indonesia	Property development
PT Sukses Manis Indonesia[(1)]	100	100	100	#	#	Indonesia	Property development
PT Sukses Manis Tangguh[(1)]	100	100	100	#	#	Indonesia	Property development
Primus II Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Riviera Point LLC[(1)]	100	100	75	#	#	Vietnam	Property development
Saigon Centre Investment Ltd[(3)]	100	100	100	#	#	BVI	Investment holding
Saigon Sports City Ltd[(1)]	100	100	100	#	#	Vietnam	Property development
Taicang Xinwu Business Consulting Co Ltd[(1)]	-	-	100	-	#	China	Investment holding
Beijing Changsheng Consultant Co Ltd[(1)]	100	100	100	#	#	China	Property investment
Beijing Changsheng Property Management Co Ltd[(1)]	100	100	100	#	#	China	Property investment
Shanghai Floraville Land Co Ltd[(1)]	99	99	99	#	#	China	Property investment
Shanghai Hongda Property Development Co Ltd[(1)]	100	99	99	#	#	China	Property development
Shanghai Ji Lu Land Co Ltd[(1)]	100	99	99	#	#	China	Property investment
Shanghai Ji Xiang Land Co Ltd[(1)]	100	100	100	#	#	China	Property development
Shanghai Jinju Real Estate Development Co Ltd[(1)]	-	-	99	-	#	China	Property development
Shanghai Maowei Investment Consulting Co Ltd[(1)]	100	99	99	#	#	China	Investment holding

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
Shanghai Merryfield Land Co Ltd(1)	99	99	99	#	#	China	Property development
Shanghai Pasir Panjang Land Co Ltd(1)	99	99	99	#	#	China	Property development
Spring City Golf & Lake Resort Co Ltd(1)	80	72	69	#	#	China	Golf club operations and development and property development
Spring City Resort Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Straits Greenfield Ltd(2)	100	100	100	#	#	Myanmar	Hotel ownership and operations
Straits Property Investments Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Group Eco-City Investments Pte Ltd	100+	100+	100+	126,744	126,744	Singapore	Investment holding
Singapore Tianjin Eco-City Investment Holdings Pte Ltd	90+	90+	90+	#	#	Singapore	Investment holding
Substantial Enterprises Ltd(3)	100+	100+	100+	#	#	BVI	Investment holding
Tianjin Fulong Property Development Co Ltd(1)	100	100	100	#	#	China	Property development
China The9 Interactive (Shanghai) Ltd(1)	100	100	100	#	#	China	Property investment
The9 Computer Technology Consulting (Shanghai) Ltd(1)	100	100	100	#	#	China	Property investment
Shanghai Mingbu Industrial Co Ltd(1)	100	100	100	#	#	China	Investment holding
Bangalore Tower Pvt Ltd(2)	100	100	51	#	#	India	Property investment
PT Straits-CM Village(1)	39	39	39	#	#	Indonesia	Hotel ownership and operations
PT Ria Bintan(1)	46	46	46	#	#	Indonesia	Golf course ownership and operations
Associated Companies and Joint Ventures							
Chengdu Taixin Real Estate Development Co Ltd(2)	35	35	35	#	#	China	Property development
Chengdu Wanji Real Estate Development Co Ltd(2)	30	30	30	#	#	China	Property development
City Square Office Co Ltd(2)	40	40	40	#	#	Myanmar	Property development
Empire City LLC(2)	40	40	40	#	#	Vietnam	Property development
EM Services Pte Ltd	25	25	25	#	#	Singapore	Property management
Kapstone Construction Private Limited(1)	49	49	49	#	#	India	Real estate construction and development
Keppel Land Watco I Co Ltd(1)	61	61	61	#	#	Vietnam	Property investment and development
Keppel Land Watco II Co Ltd(1)	61	61	61	#	#	Vietnam	Property investment and development
Keppel Land Watco III Co Ltd(1)	61	61	61	#	#	Vietnam	Property investment and development
Harbourfront Three Pte Ltd	39	39	39	#	#	Singapore	Property investment and development
Nam Long Investment Corporation(2)	8	8	8	#	#	Vietnam	Trading of development properties
Nanjing Zhijun Property Development Co Ltd(2)	25	25	25	#	#	China	Property development
Nha Be Real Estate JSC(1)	60	60	60	#	#	Vietnam	Property development
North Bund Pte Ltd(2)	30	30	30	#	#	Singapore	Investment holding

Significant Subsidiaries, Associated Companies and Joint Ventures

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
Raffles Quay Asset Management Pte Ltd(2)	33	33	33	#	#	Singapore	Property management
Renown Property Holdings (M) Sdn Bhd(1)	40	40	40	#	#	Malaysia	Property investment
Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd(1)	50	45	45	#	#	China	Property development
South Rach Chiec LLC(1)	42	42	42	#	#	Vietnam	Property development
Suzhou Property Development Pte Ltd(2)	25	25	25	#	#	Singapore	Investment holding
Taicang Zhuchong Business Consulting Co Ltd(2)	15	15	15	#	#	China	Investment holding
Vietcombank Tower 198 Ltd(2)	30	30	30	#	#	Vietnam	Property investment
Vision (III) Pte Ltd(2)	30	30	30	#	#	Singapore	Investment holding
Win Up Investment Ltd(2)	30	30	30	#	#	China	Investment holding
Tianjin Fushi Property Development Co Ltd(1)	49	49	49	#	#	China	Property development
CONNECTIVITY							
Subsidiaries							
Keppel Telecommunications & Transportation Ltd	100	100	100	621,299	621,299	Singapore	Investment, management and holding company
Keppel Logistics Pte Ltd	-	-	100	-	#	Singapore	Integrated logistics services and supply chain solutions
Keppel Wanjiang International Coldchain Logistics Park (Anhui) Co Ltd(2)	60	60	60	#	#	China	Integrated logistics services, food trading hub, warehousing and distribution
Keppel Data Centres Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Data Centres Holding Pte Ltd	100	100	100+	#	#	Singapore	Investment holding and management services
Keppel Communications Pte Ltd	100	100	100	#	#	Singapore	Trading and provision of communications systems and accessories
Keppel Telecoms Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Midgard Holdings Pte Ltd(3)	100	100	100	#	#	Singapore	Telecommunications network operation
Adfact Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Konnect Pte Ltd	100	100	100	1	1	Singapore	Investment holding
Konnectivity Pte Ltd	80	80	80	#	#	Singapore	Investment holding
Apsilon Ventures Pte Ltd	100	100	100	#	#	Singapore	Investment holding
M1 Limited	100+	84+	84+	#	#	Singapore	Telecommunications services
M1 Net Ltd	100+	84+	84+	#	#	Singapore	Provision of fixed and other related telecommunication services
AsiaPac Technology Pte. Ltd.	100+	84+	84+	#	#	Singapore	ICT Solutions Provider
Associated Companies and Joint Ventures							
Asia Airfreight Terminal(2)	-	-	10	-	#	HK	Operation of an air cargo handling terminal
Computer Generated Solutions Inc(2)	21	21	21	#	#	USA	IT consulting and outsourcing provider
M1 Network Private Limited	50+	42+	42+	#	#	Singapore	Telecommunications services
SVOA Public Company Ltd(2)	32	32	32	#	#	Thailand	Distribution of IT products and telecommunications services

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
ASSET MANAGEMENT							
Subsidiaries							
Keppel Capital Holdings Pte Ltd	100	100	100	783,000	783,000	Singapore	Investment holding
Keppel Capital Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Alpha Investment Partners Ltd	100	100	100	#	#	Singapore	Fund management
Keppel DC REIT Management Pte Ltd	100	100	100+	#	#	Singapore	Real estate investment trust management and investment holding
Keppel Capital Three Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Capital US Holding Inc(3)	100	100	100	#	#	USA	Investment holding
Keppel REIT Management Ltd	100	100	100	#	#	Singapore	Investment advisory and property fund management
Aintree Assets Ltd(3)	100	100	100	#	#	BVI	Investment holding
Keppel REIT Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel DC Investment Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Funds Investment Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Infrastructure Fund Management Pte Ltd	100	100	100	#	#	Singapore	Trust Management
Keppel Capital Alternative Asset Pte. Ltd.	100	100	100	#	#	Singapore	Fund Management
Associated Companies and Joint Ventures							
Keppel DC REIT	20	20	21	#	#	Singapore	Real estate investment trust-Data centre facilities and colocation services
Keppel REIT	47+	47+	49+	#	#	Singapore	Real estate investment trust
Keppel Pacific Oak US REIT(2)	7	7	7	#	#	Singapore	Real estate investment trust
Keppel Pacific Oak US REIT Management Pte. Ltd.(2)	50	50	50	#	#	Singapore	Property management
KBS US Prime Property Management Pte. Ltd(2)	30	30	30	#	#	Singapore	Property management
Keppel-Pierfront Private Credit Fund LP(2)	26	26	26	#	#	Singapore	Investment holding
Keppel Asia Infrastructure Fund LP(2)	19	19	19	#	#	Singapore	Investment holding
Watermark Retirement Communities, LLC(2)	50	50	50	#	#	USA	Management company
WRC KSL Senior Holdings, LLC(2)	50	50	50	#	#	USA	Investment holding
Alpha DC Fund Private Limited(2)	65	65	65	#	#	Singapore	Investment holding and fund management
Keppel Data Centre Fund II LP(2)	41	41	41	#	#	Singapore	Investment holding and fund management

Significant Subsidiaries, Associated Companies and Joint Ventures

	Gross Interest	Effective Equity Interest		Cost of Investment		Country of Incorporation /Operation	Principal Activities
		31 December		31 December			
	2022 %	2022 %	2021 %	2022 $'000	2021 $'000		
CORPORATE & OTHERS							
Subsidiaries							
Kephinance Investment Pte Ltd	100	100	100	90,000	90,000	Singapore	Investment holding and central finance administrator
Keppel Capital One Pte Ltd	100	100	100	#	#	Singapore	To arrange, syndicate and/or provide financing to customers of Keppel Group
Keppel Ventures (Property) Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Oil & Gas Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Kepventure Pte Ltd	100	100	100	594,922	594,922	Singapore	Investment holding
Total Significant Subsidiaries^				**10,766,554**	**8,401,678**		

Notes:

(i) All the companies are audited by PricewaterhouseCoopers LLP, Singapore except for the following:
 (1) Audited by PricewaterhouseCoopers firms outside Singapore;
 (2) Audited by other firms of auditors; and
 (3) Not required to be audited by law in the country of incorporation or companies disposed, liquidated and struck off.
 In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies and joint ventures does not compromise the standard and effectiveness of the audit of the Company.

(ii) + The shareholdings of these companies are held jointly with other subsidiaries.

(iii) # The shareholdings of these companies are held by subsidiaries of Keppel Corporation Limited.

(iv) * The cost of investment of the subsidiary is less than $1,000.

(v) (n) These companies were incorporated/acquired during the financial year.

(vi) The subsidiaries' place of business is the same as its country of incorporation, unless otherwise specified.

(vii) Abbreviations:
 British Virgin Islands (BVI) United Arab Emirates (UAE)
 Hong Kong (HK) United States of America (USA)

(viii) The Company has 236 significant subsidiaries, associated companies and joint ventures as at 31 December 2022. Subsidiaries, associated companies and joint ventures are considered as significant (a) in accordance to Rule 718 of The Singapore Exchange Securities Trading Limited – Listing Rules, or (b) by reference to the significance of their economic activities.

^ Inclusive of subsidiaries within discontinued operations

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