

# Directors' Statement

For the financial year ended 31 December 2022

The Directors present their statement together with the audited consolidated financial statements of the Group, and balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

In the opinion of the directors, the consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company as set out on pages 140 to 226, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and the financial performance, changes in equity and the cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1. Directors

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

Danny Teoh (Chairman)  
Loh Chin Hua (Chief Executive Officer)  
Till Bernhard Vestring  
Veronica Eng  
Jean-François Manzoni  
Teo Siong Seng  
Tham Sai Choy  
Penny Goh  
Shirish Moreshwar Apte  
Olivier Pascal Marius Blum (appointed on 1 May 2022)  
Jimmy Ng Hwee Kim (appointed on 1 May 2022)

## 2. Audit Committee

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

Tham Sai Choy (Chairman)  
Veronica Eng  
Penny Goh  
Shirish Moreshwar Apte

The Audit Committee carried out its function in accordance with the Companies Act 1967, AC Guide issued by Singapore Institute of Directors, Rule 1207(10) of the Listing Manual and Code of Corporate Governance, which include the following:

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

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

### 3. Arrangements to enable directors to acquire shares or debentures

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

### 4. Directors' interests in shares and debentures

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

	Holdings At		
	1.1.2022 or date of appointment, if later	31.12.2022	21.1.2023
<b>Keppel Corporation Limited</b>			
<i>(No. of ordinary shares)</i>			
Danny Teoh	104,825	129,825	129,825
Loh Chin Hua	2,135,826	2,949,667	2,949,667
Loh Chin Hua (deemed interest)	38,500	38,500	38,500
Till Bernhard Vestring	96,000	103,000	103,000
Veronica Eng	47,000	56,000	56,000
Jean-François Manzoni	116,000	123,000	123,000
Tham Sai Choy	162,570	170,570	170,570
Penny Goh	37,000	44,000	44,000
Teo Siong Seng	7,000	14,000	14,000
Teo Siong Seng (deemed interest)	21,483	21,483	21,483
Shirish Moreshwar Apte	-	3,000	3,000
<i>(Unvested restricted shares to be delivered after 2019)</i>			
Loh Chin Hua	100,629	-	-
<i>(Unvested restricted shares to be delivered after 2020)</i>			
Loh Chin Hua	173,914	86,958	86,958
<i>(Unvested restricted shares to be delivered after 2021)</i>			
Loh Chin Hua	-	264,650	264,650
<i>(Contingent award of performance shares issued in 2018 to be delivered after 2021)<sup>1,2</sup></i>			
Loh Chin Hua	320,000	-	-
<i>(Contingent award of performance shares issued in 2019 to be delivered after 2022)<sup>1,3</sup></i>			
Loh Chin Hua	365,000	365,000	365,000
<i>(Contingent award of performance shares issued in 2020 to be delivered after 2023)<sup>1,4</sup></i>			
Loh Chin Hua	365,000	365,000	365,000
<i>(Contingent award of performance shares issued in 2021 to be delivered after 2023)<sup>1</sup></i>			
Loh Chin Hua	365,000	365,000	365,000
<i>(Contingent award of performance shares issued in 2022 to be delivered after 2024)<sup>1</sup></i>			
Loh Chin Hua	-	400,000	400,000

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## 4. Directors' interests in shares and debentures (continued)

	Holdings At		
	1.1.2022 or date of appointment, if later	31.12.2022	21.1.2023
<b>Keppel Corporation Limited</b>			
<i>(Contingent award of performance shares – Transformation Incentive Plan issued in 2016 to be delivered after 2021)</i> <sup>1</sup>			
Loh Chin Hua	750,000	-	-
<i>(Contingent award of performance shares – Transformation Incentive Plan issued in 2021 to be delivered after 2025)</i> <sup>1</sup>			
Loh Chin Hua	970,000	970,000	970,000

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

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

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

<sup>4</sup> The performance period of the KCL PSP award issued in 2020 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2021, 2022 and 2023 will be used to determine the vesting level of the award at the end of the extended performance period.

## 5. Share plans of the Company

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

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

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

## Contingent awards:

Date of Grant	Number of Shares					Balance at 31.12.2022
	Balance at 1.1.2022	Contingent awards granted	Adjustment upon release	Released	Cancelled	
<b>KCL PSP</b>						
30.4.2018	1,180,000	-	(684,400)	(495,600)	-	-
30.4.2019	1,542,847	-	-	-	(80,000)	1,462,847
31.3.2020	1,449,033	-	-	-	(70,000)	1,379,033
	<u>4,171,880</u>	<u>-</u>	<u>(684,400)</u>	<u>(495,600)</u>	<u>(150,000)</u>	<u>2,841,880</u>
<b>KCL PSP-TIP</b>						
29.4.2016	3,314,617	-	(2,013,111)	(1,276,163)	(25,343)	-
28.4.2017	1,752,089	-	(1,116,867)	(635,222)	-	-
28.2.2020	1,100,000	-	(666,650)	(433,350)	-	-
	<u>6,166,706</u>	<u>-</u>	<u>(3,796,628)</u>	<u>(2,344,735)</u>	<u>(25,343)</u>	<u>-</u>
<b>KCL PSP-M1 TIP</b>						
17.2.2020 <sup>5</sup>	127,900	-	-	-	(12,800)	115,100
17.2.2020	295,600	-	-	-	(30,800)	264,800
	<u>423,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,600)</u>	<u>379,900</u>

<sup>5</sup> The performance period of the 3-year KCL PSP-M1 TIP issued in 2020 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2019, 2021 and 2022 will be used to determine the vesting level of the award at the end of the extended performance period.

Date of Grant	Number of Shares					Balance at 31.12.2022
	Balance at 1.1.2022	Contingent awards granted	Adjustment upon release	Released	Cancelled	
<b>KCL PSP 2020</b>						
30.4.2021	1,490,000	-	-	-	(70,000)	1,420,000
29.4.2022	-	1,775,000	-	-	(80,000)	1,695,000
	<u>1,490,000</u>	<u>1,775,000</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>3,115,000</u>
<b>KCL PSP 2020-TIP</b>						
30.7.2021	11,140,000	-	-	-	(710,000)	10,430,000
29.4.2022	-	840,000	-	-	(50,000)	790,000
	<u>11,140,000</u>	<u>840,000</u>	<u>-</u>	<u>-</u>	<u>(760,000)</u>	<u>11,220,000</u>

**Awards:**

Date of Grant	Number of Shares					Balance at 31.12.2022
	Balance at 1.1.2022	Awards granted	Adjustment upon release	Released	Cancelled	
<b>KCL RSP 2020 - Deferred Shares</b>						
15.2.2022	-	6,317,893	(8,862)	(6,309,031)	-	-
	<u>-</u>	<u>6,317,893</u>	<u>(8,862)</u>	<u>(6,309,031)</u>	<u>-</u>	<u>-</u>

**Awards released but not vested:**

Date of Grant	Number of Shares					Balance at 31.12.2022
	Balance at 1.1.2022	Released	Vested	Cancelled	Other adjustments	
<b>KCL PSP</b>						
30.4.2018	-	495,600	(495,600)	-	-	-
	<u>-</u>	<u>495,600</u>	<u>(495,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>KCL PSP-TIP</b>						
29.4.2016	-	1,276,163	(1,276,163)	-	-	-
28.4.2017	-	635,222	(635,222)	-	-	-
28.2.2020	-	433,350	(433,350)	-	-	-
	<u>-</u>	<u>2,344,735</u>	<u>(2,344,735)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>KCL RSP-Deferred shares</b>						
17.2.2020	1,576,649	-	(1,566,518)	(10,131)	-	-
	<u>1,576,649</u>	<u>-</u>	<u>(1,566,518)</u>	<u>(10,131)</u>	<u>-</u>	<u>-</u>
<b>KCL RSP 2020-Deferred Shares</b>						
15.2.2021	3,231,494	-	(1,639,149)	(150,166)	-	1,442,179
15.2.2022	-	6,309,031	(2,163,408)	(333,454)	-	3,812,169
	<u>3,231,494</u>	<u>6,309,031</u>	<u>(3,802,557)</u>	<u>(483,620)</u>	<u>-</u>	<u>5,254,348</u>

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### 5. Share plans of the Company (continued)

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

#### Contingent awards:

	Contingent awards granted during the financial year	Aggregate awards granted since commencement of plans to the end of financial year	Aggregate other adjustments since commencement of plans to the end of financial year	Aggregate awards released since commencement of plans to the end of financial year	Aggregate awards not released as at the end of financial year
<b>KCL RSP</b>					
<b>Executive Director</b>					
Loh Chin Hua	-	644,757	-	(644,757)	-
<b>KCL PSP</b>					
<b>Executive Director</b>					
Loh Chin Hua	-	2,250,814	(752,714)	(448,100)	1,050,000
<b>KCL PSP-TIP</b>					
<b>Executive Director</b>					
Loh Chin Hua	-	750,000	-	-	750,000
<b>KCL PSP 2020</b>					
<b>Executive Director</b>					
Loh Chin Hua	400,000	765,000	-	-	765,000
<b>KCL PSP 2020-TIP</b>					
<b>Executive Director</b>					
Loh Chin Hua	-	970,000	-	-	970,000

#### Awards:

	Awards granted during the financial year	Aggregate awards granted since commencement of plans to the end of financial year	Aggregate other adjustments since commencement of plans to the end of financial year	Aggregate awards released since commencement of plans to the end of financial year	Aggregate awards not released as at the end of financial year
<b>KCL RSP-Deferred shares</b>					
<b>Executive Director</b>					
Loh Chin Hua	-	836,642	-	(836,642)	-
<b>KCL RSP 2020-Deferred Shares</b>					
<b>Executive Director</b>					
Loh Chin Hua	396,975	657,845	-	(657,845)	-

**Awards released but not vested:**

	Aggregate awards released since commencement of plans to the end of financial year	Aggregate awards vested since commencement of plans to the end of financial year	Aggregate awards released but not vested as at the end of financial year
<b>KCL RSP</b>			
<b>Executive Director</b>			
Loh Chin Hua	644,757	(644,757)	-
<b>KCL RSP-Deferred shares</b>			
<b>Executive Director</b>			
Loh Chin Hua	836,642	(736,013)	100,629
<b>KCL RSP 2020-Deferred Shares</b>			
<b>Executive Director</b>			
Loh Chin Hua	657,845	(306,237)	351,608
<b>KCL PSP</b>			
<b>Executive Director</b>			
Loh Chin Hua	448,100	(448,100)	-

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

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

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

**6. Independent auditor**

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

On behalf of the Board



**DANNY TEOH**  
Chairman



**LOH CHIN HUA**  
Chief Executive Officer

Singapore, 2 March 2023