Keppel Corporation

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Media Release

Keppel reports robust net profit of S$927 million in FY 2022

- ***Strong progress in Vision 2030 transformation:***
  - *Asset Management, the largest contributor in FY 2022, reported earnings of S$311 million, representing over a third of the Group's net profit.*
  - *Energy & Environment reported S$260 million net profit, reversing S$414 million net loss in FY 2021.*
  - *Recurring income more than doubled to S$560 million in FY 2022, excluding discontinued operations.*

- ***Proposed combination of Keppel Offshore & Marine and Sembcorp Marine (SCM) in final stages of execution:***
  - *Had proposed O&M combination been completed at end-2022, it would have resulted in a pro forma disposal gain of about S$3.4 billion or S$1.94 per Keppel share in FY 2022[1].*
  - *Due to the substantial disposal gain, impact to the Group's pro forma Net Tangible Assets (NTA) in FY 2022 would be marginal post distribution in specie[2].*

- ***Advancing asset-light model:*** *Keppel announced ~S$2.8 billion worth of joint investments with Keppel Capital-managed private funds/business trust in 2022.*

- ***Continuing asset monetisation:*** *Over S$4.6 billion announced to date, well on track to exceed S$5 billion target by end-2023.*

- ***Strong dividends****: Proposed final cash dividend of 18.0 cents per share brings FY 2022 total cash dividend to 33.0 cents per share.*

Singapore, 2 February 2023 – Keppel Corporation Limited (Keppel) reported a robust net profit of S$927 million for the full year ended 31 December 2022, bolstered by stronger results in the Asset Management and Energy & Environment segments. With a net profit of S$311 million, Asset Management was the largest contributor to the Group's earnings, followed by Urban Development, Energy & Environment and Connectivity.

Compared to FY 2021, net profit was 9% lower yoy, mainly due to a decrease in Urban Development earnings, provisions for certain projects at Keppel Offshore & Marine (O&M)'s yard in the US, and lower fair value gains from Keppel's investment in Envision AESC. These were partly offset by a S$293 million partial reversal of impairments made in 2020 for Keppel O&M's legacy rig assets, when oil price had fallen sharply following the COVID-19 outbreak. Arising from the partial reversal of impairments, the Asset Co Vendor Notes, which are part of the proposed O&M transactions, will also increase by an equivalent amount, bringing the total realisable value to Keppel from the O&M transactions from S$9.05 billion[3,4] to S$9.35 billion[4,5,6].

Excluding the discontinued operations[7], the Group's net profit for FY 2022 was S$839 million, 67% of which was derived from recurring income, which had more than doubled yoy to S$560 million.

The Group's FY 2022 revenue from continuing operations of S$6.62 billion was comparable yoy, underpinned by higher contributions from Asset Management, Energy & Environment and Connectivity, which offset a decline in Urban Development's revenue.

In FY 2022, the Group achieved a return on equity of 8.1%, compared to 9.1% in FY 2021. Free cash outflow was S$408 million, compared to an inflow of S$1.76 billion for FY 2021, due mainly to lower divestment proceeds. The Group's net gearing was 0.78x as at end-December 2022, compared to 0.68x as at end-December 2021, mainly due to a higher level of investments, the payment of dividends, as well as the S$500 million share buyback programme which was completed within 2022.

In 2022, the Group made strong progress with the acceleration of its Vision 2030 transformation, simplifying and focusing its business, while executing its asset-light strategy. During the year, Keppel successfully divested Keppel Logistics[8], and is currently in the final stages of executing the proposed O&M transactions, having received Keppel shareholders' approval at the Company's Extraordinary General Meeting in December 2022.

As part of its pivot towards an asset-light model, Keppel has announced over S$4.6 billion in asset monetisation since October 2020, and has collected S$3.6 billion of this in cash. During the year, the Group announced about S$2.8 billion worth of energy & environment and sustainable urban renewal-related investments, jointly undertaken by Keppel together with the private funds and/or business trust managed by Keppel Capital.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, "Keppel continued to deliver a robust set of results amidst a difficult environment in 2022 whilst accelerating the execution of our Vision 2030 strategy. Today, Asset Management led by Keppel Capital and our growing Energy & Environment segment led by Keppel Infrastructure are key pillars of the Group's earnings. The Group's recurring income more than doubled year on year, contributing to 67% of our net profit for FY 2022, excluding discontinued operations.

"Working together with our private funds and business trust, we announced about S$2.8 billion of joint investments during the year. Through tapping third-party funds, we can scale up in our growth areas swiftly without raising our gearing significantly. 2023 will be an important year for Keppel, as we take the next leap forward in our Vision 2030 trajectory to be a global asset manager and operator, creating solutions for a sustainable future."

In appreciation of the support and confidence of Keppel shareholders, the Board of Keppel Corporation will be proposing a final cash dividend of 18.0 cents per share for FY 2022. Including the interim dividend of 15.0 cents per share paid to shareholders in August 2022, the total cash dividend for FY 2022 is 33.0 cents per share, which is the same as the 33.0 cents per share in FY 2021. The proposed final dividend, if approved at the annual general meeting to be held on 21 April 2023, will be paid on 10 May 2023.

In addition, should the acquisition of Keppel O&M be approved by SCM's shareholders at the Extraordinary General Meeting on 16 February 2023, Keppel shareholders will receive approximately 19.1 SCM shares[9] with an implied value of S$2.33[1] for every Keppel share held on completion of the proposed O&M transactions. This distribution in specie to Keppel shareholders will trade "ex-dividend" on such date to be announced by Keppel Corporation in due course, and it is currently anticipated that Keppel shareholders will be credited their entitlement of the share distribution within a week or so of the ex-dividend date.

Had the proposed O&M transactions been completed at the end of FY 2022, the Group would have booked a pro forma disposal gain of approximately S$3.4 billion or S$1.94 per Keppel Corporation share from the SCM shares received[1]. On the same pro forma basis, Keppel Corporation's NTA per share would have increased from the reported S$5.51 to S$7.56 post transactions[4]. Following the distribution in specie, Keppel Corporation's pro forma NTA would be reduced from S$7.56 to S$5.23 per share[2], which is close to the reported NTA of S$5.51 per share at the end of FY 2022.

Mr Loh said, "Keppel's distribution in specie is backed by the substantial disposal gain that will be booked. Post distribution, our NTA will only be marginally reduced. Including the new shares that we will receive based on an implied value of S$0.122 per SCM share[1], as well as the vendor notes from the sale of the legacy rigs to Asset Co and the out-of-scope assets, we will in total unlock close to S$9.7 billion[4,5,6,10] from the transactions. This is equivalent to approximately S$5.52 per share in value. Based on SCM's closing share price of S$0.141 last evening, the implied value of our distribution in specie would be even higher at S$2.69 per Keppel Corporation share."

Financial Highlights

	FY 2022 (S$ m)	FY 2021 (S$ m)	Change (%)
Revenue from Continuing Operations	6,620	6,611	-
Operating Profit from Continuing Operations	565	1,129	(50)
Net Profit	927	1,023	(9)
– Profit from Continuing Operations	839	1,248	(33)
– Profit/ (Loss) from Discontinued Operations	88	(225)	n.m.f
Earnings per Share	52.1 cents	56.2 cents	(7)

n.m.f. denotes No Meaningful Figure

- Return on Equity was 8.1% in FY 2022 compared to 9.1% in FY 2021
- Net gearing was 0.78x as at end-2022 compared to 0.68x as at end-2021
- Free cash outflow was S$408 million in FY 2022 compared to an inflow of S$1.76 billion in FY 2021
- A final cash dividend of 18.0 cents per share will be proposed for FY 2022

– END –

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Addendum

Asset Management

The Asset Management segment was the largest contributor to the Group's FY 2022 earnings, with net profit of at S$311 million in FY 2022, up from S$301 million in FY 2021. Keppel Capital's asset management fees rose 15% yoy to S$267 million[11], attributed to higher management fees from completion of new acquisitions and new funds raised, and higher acquisition fees across its REITs, Trust and private funds. In FY 2022, Keppel Capital completed more than S$7.7 billion in acquisitions and divestments.

During the year, Keppel Capital launched its new flagship funds, Keppel Core Infrastructure Fund and the Keppel Sustainable Urban Renewal Fund, which are attracting positive interest from global investors. Keppel Capital grew its AUM to S$50 billion by end-2022, and will work towards a target of S$200 billion moving forward.

Energy & Environment

The Energy & Environment segment, including discontinued operations, recorded a net profit of S$260 million for FY 2022, a turnaround from the net loss of S$414 million in FY 2021.

Keppel Infrastructure's net profit more than doubled yoy to S$241 million[12], driven by higher electricity and gas sales and contributions from Keppel Seghers' projects abroad, and an associated company in Europe. During the year, it geared up for the low-carbon economy, actively expanding into sustainability-related developments and investments, from power & renewables to environment to new energy solutions.

Keppel Infrastructure's key milestones included commencing Singapore's first renewable energy import, developing Singapore's first hydrogen-ready advanced combined-cycle gas turbine power plant, partnering Swiss-based MET Group to pursue Western European renewables opportunities, acquiring a stake in Eco Management Korea in South Korea, as well as exploring carbon capture, utilisation, and sequestration solutions with industry partners in Singapore and abroad. *Keppel Infrastructure @ Changi*, Singapore's first Green Mark Platinum Positive Energy building under the new Green Mark scheme, was opened during the year, and is a step towards bolstering Keppel's scaleable and sustainable Energy-as-a-Service offerings for commercial and industrial customers.

The Group's announced portfolio of renewable energy assets has more than doubled from 1.1 GW at the start of 2022 to 2.6 GW[13] at end-2022, and is on track towards achieving its target of 7.0 GW by 2030.

Meanwhile, discontinued operations recorded a net profit of S$88 million in FY 2022, reversing the FY 2021 net loss of S$225 million, amid improving O&M market conditions. In FY 2022, Keppel O&M secured S$8.1 billion of new orders, bringing its net orderbook to S$11.0 billion as at end-December 2022, the highest level since 2007. Keppel O&M also made good progress in putting its legacy rigs to use. All available KFELS B Class jackup rigs have secured bareboat charters, while the remaining legacy rigs continue to attract active enquiries.

Urban Development

In the Urban Development segment, FY 2022 net profit was lower yoy at S$282 million, mainly due to lower contributions from China trading projects, lower fair value gains on investment properties and lower enbloc sales gains. Despite headwinds in Keppel Land's key markets, particularly China, asset monetisation remained healthy with the divestment of two projects in Shanghai.

Looking ahead, market conditions in China are expected to ease up, with stronger domestic demand and higher growth expected post the zero-COVID policy and as the real estate sector benefits from the constructive policies announced. Keppel Land will continue focusing on growing recurring income, with a pivot towards Real estate-as-a-Service that will enhance its relevance in a world of flexible work arrangements, climate action and growing digitalisation. Keppel Land is seizing opportunities in sustainable urban renewal and senior living, with the respective acquisitions of an office tower in Seoul and a senior living facility in Nanjing in 2022.

Connectivity

The Connectivity segment recorded a net profit of S$37 million, lower yoy mainly due to absence of gains from disposal of interests in Keppel Logistics (Foshan) and Wuhu Sanshan Port Company Limited in FY 2021.

M1's earnings contribution grew 32% yoy to S$75 million. M1 continued to expand its enterprise solutions and 5G business applications to capture new profit pools. The enterprise business has been growing steadily, making up about 33% of M1's revenue in 2022, up from 20% in 2020.

On the 5G front, M1 achieved more than 95% outdoor coverage in its 5G standalone network rollout in Singapore as at end-2022, as well as progressively launched various 5G solutions providing fast-speed connectivity, immersive metaverse experiences and edge computing solutions in various public attractions and venues. M1 expects profit contributions to improve in the coming years as it migrates customers to its new cloud native digital platform, improves customer acquisition and lowers its cost to serve.

The Group's OneDC business, comprising Keppel Data Centres working in collaboration with the private funds and Keppel DC REIT managed by Keppel Capital, contributed total earnings of about S$66 million[14]. During the year, the Group also continued to expand its data centre portfolio with acquisitions in China and the UK. In line with the Group's commitment to make data centre operations more sustainable, Keppel Data Centres achieved Singapore's BCA Green Mark Platinum Award for its Genting Lane data centre.

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[1] Based on (a) the assumption that 36,848,072,918 SCM Shares will be issued by Sembcorp Marine to the Company representing 54% of total number of SCM Shares on a fully diluted basis immediately after Closing, (b) the SCM Shareholders holding 31,389,099,152 SCM Shares, representing 46% of the total number of SCM Shares on a fully diluted basis immediately after Closing which, for the purpose of this computation, is the same number of SCM Shares held by the SCM Shareholders as at the last market day (26 April 2022) preceding the original announcement of the Proposed Transaction ("Last Market Day"), and (c) an issue price of S$0.122, being the volume weighted average price of SCM Shares for the last 10 trading days up to and including the Last Market Day. The number of DIS Shares to be distributed for every one (1) KCL Share held by an Eligible Shareholder is calculated based on the assumption that Company's issued and paid-up share capital on Closing would be 1,751,959,918 KCL Shares (excluding treasury shares) which is the number of KCL Shares (excluding treasury shares) of the Company as at 31 December 2022, and on the further assumption that 33,436,214,314 DIS Shares will be distributed to Eligible Shareholders.

The actual issue price for the SCM Shares will be determined by SCM and the actual consideration used to derive the disposal gain arising from the Proposed Transaction and the actual value of the Proposed Distribution on completion of the Proposed Transaction and Proposed Distribution will depend on the last traded price of the SCM Shares on the first Market Day immediately following the date of Closing and the actual number of SCM Shares to be issued to the Company on such Closing.

[2] The pro forma value of the proposed distribution is calculated based on the proposed issue price of S$0.122, being the VWAP of SCM shares for the last 10 trading days up to and including the Last Market Day, per new SCM share and assuming a total of 36,848,072,918 new SCM shares to be issued to Keppel on completion of the Proposed Transaction. In this regard, the actual value of the proposed distribution on completion will depend on the last traded price of SCM shares on the first market day immediately following the date of such completion and the actual number of SCM shares to be issued on Closing.

[3] Based on the carrying value of the Identified Asset Co Assets in the unaudited pro forma consolidated financial statements of KOM Group for the half year ended 30 June 2022. The Asset Co Consideration will be adjusted as at completion of the Asset Co Transfer based on the pro forma balance sheet as at the date of completion of the Asset Co Transfer.

[4] Pro forma estimate of the value attributable to the KOM Consideration Shares, calculated based on (a) the assumption that 36,848,072,918 new SCM Shares will be issued by Sembcorp Marine to the Company representing 54% of the issued and paid-up share capital of Sembcorp Marine on a fully diluted basis immediately after Closing, (b) the SCM Shareholders holding 31,389,099,152 SCM Shares, representing 46% of the issued and paid-up share capital of Sembcorp Marine on a fully diluted basis immediately after Closing which, for the purpose of this computation, is the same number of SCM Shares held by the SCM Shareholders as at the Last Market Day, and (c) an issue price of S$0.122, being the Volume Weighted Average Price of SCM Shares for the last 10 trading days up to and including the Last Market Day. For the purpose of determining the aggregate value attributable to the KOM Consideration Shares on Closing, the Company will account for the actual value of the 54% equity interest in Sembcorp Marine based on the last traded price of the shares of Sembcorp Marine on the first trading day immediately following Closing and the actual number of SCM Shares to be issued on Closing.

[5] Based on the carrying value of the Identified Asset Co Assets in the unaudited pro forma consolidated financial statements of KOM Group for the full year ended 31 December 2022. The Asset Co Consideration will be adjusted as at completion of the Asset Co Transfer based on the pro forma balance sheet as at the date of completion of the Asset Co Transfer.

[6] Also includes other adjustments from 30 June 2022 to 31 December 2022.

[7] Discontinued operations comprise the results of Keppel O&M, excluding certain out-of-scope assets, and other group adjustments.

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

[9] The number of DIS Shares to be distributed to the Shareholders for every one (1) KCL Share held by an Eligible Shareholder is calculated based on the assumption that the Company's issued and paid-up share capital on Closing would be 1,751,959,918 KCL Shares (excluding treasury shares) which is the number of KCL Shares (excluding treasury shares) of the Company as at 31 December 2022, and on the further assumption that 33,436,214,314 DIS Shares will be distributed to Eligible Shareholders.

[10] Based on the carrying values of the Out-of-Scope Assets in the unaudited consolidated financial statements of KOM group as at 30 June 2022 or 31 December 2022 (as applicable).

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

[12] Does not include contribution from business trust.

[13] On a gross basis and includes projects under development.

[14] Recognised across the Connectivity and Asset Management segments.

KEPPEL CORPORATION LIMITED
Co Reg No. 196800351N
(Incorporated in the Republic of Singapore)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022

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KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the six months and full year ended 31 December 2022

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.

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 14 for further details.

		Second Half			Full Year			
	Note	**31.12.2022 $'000**	31.12.2021# $'000	+/- %	**31.12.2022 $'000**	31.12.2021# $'000	+/- %	
Continuing operations								
Revenue	7	**3,263,988**	3,723,616	-12.3	**6,619,718**	6,611,336	+0.1	
Materials, subcontract and other costs		**(2,530,284)**	(2,979,510)	-15.1	**(5,174,408)**	(5,082,017)	+1.8	(i)
Staff costs		**(321,748)**	(354,902)	-9.3	**(667,878)**	(665,169)	+0.4	
Depreciation and amortisation		**(104,718)**	(151,578)	-30.9	**(206,558)**	(290,823)	-29.0	(ii)
Expected credit loss on financial assets, contract assets and financial guarantee	8	**(31,952)**	(13,164)	+142.7	**(34,010)**	(299,480)	-88.6	
Other operating income/(expense) - net	8	**(64,893)**	698,177	n.m.f.	**28,343**	855,476	-96.7	
Operating profit		**210,393**	922,639	-77.2	**565,207**	1,129,323	-50.0	
Investment income		**24,335**	23,648	+2.9	**48,541**	104,861	-53.7	(iii)
Interest income		**44,634**	44,265	+0.8	**91,348**	88,306	+3.4	(iv)
Interest expenses		**(68,074)**	(94,405)	-27.9	**(146,187)**	(170,102)	-14.1	(v)
Share of results of associated companies and joint ventures	3	**332,831**	149,876	+122.1	**535,979**	458,765	+16.8	(vi)
Profit before tax		**544,119**	1,046,023	-48.0	**1,094,888**	1,611,153	-32.0	
Taxation		**(135,132)**	(152,739)	-11.5	**(245,149)**	(375,189)	-34.7	(vii)
Profit from continuing operations for the period / year		**408,987**	893,284	-54.2	**849,739**	1,235,964	-31.2	
Discontinued operations	14							
Profit/(loss) from discontinued operations, net of tax		**20,535**	(180,121)	n.m.f.	**83,066**	(225,952)	n.m.f.	
Profit for the period / year		**429,522**	713,163	-39.8	**932,805**	1,010,012	-7.6	
Attributable to:								
Shareholders of the Company:								
- from continuing operations		**404,817**	903,921	-55.2	**838,959**	1,247,468	-32.7	
- from discontinued operations		**24,295**	(181,066)	n.m.f.	**87,658**	(224,817)	n.m.f.	
		429,112	722,855	-40.6	**926,617**	1,022,651	-9.4	
Perpetual securities holders		**5,848**	3,401	+71.9	**11,600**	3,401	+241.1	
Non-controlling interests		**(5,438)**	(13,093)	-58.5	**(5,412)**	(16,040)	-66.3	
		429,522	713,163	-39.8	**932,805**	1,010,012	-7.6	
Earnings per ordinary share								(viii)
- basic		**24.2 cts**	39.7 cts	-39.0	**52.1 cts**	56.2 cts	-7.3	
- diluted		**24.0 cts**	39.5 cts	-39.2	**51.6 cts**	55.9 cts	-7.7	
Earnings per ordinary share - Continuing operations:								
- basic		**22.9 cts**	49.6 cts	-53.8	**47.2 cts**	68.5 cts	-31.1	
- diluted		**22.6 cts**	49.3 cts	-54.2	**46.7 cts**	68.1 cts	-31.4	

n.m.f. - No Meaningful Figure

(i) Materials, subcontract and other costs for the current year increased in line with higher revenue from the Energy & Environment and Connectivity segments, partly offset by Urban Development segment. The extent of increase in materials, subcontract and other costs was higher than the increase in revenue mainly due to M1 commencing recognition of network service fee expenses in the current year and higher electricity tariffs.

(ii) Depreciation and amortisation for the current year was lower mainly due to the disposal of M1's network assets in December 2021.

(iii) Investment income for the current year was lower mainly due to lower distributions received from funds invested.

(iv) Higher interest income for the current year largely attributable to the Urban Development segment.

(v) Lower interest expense year-on-year mainly due to lower gross borrowings, partly offset by higher weighted average interest rates.

(vi) Share of results of associated companies and joint ventures for the current year was higher mainly due to higher share of profits from associated companies and joint ventures in the Urban Development and Asset Management segments.

(vii) Taxation expenses for the current year were lower mainly due to lower taxable profits in the Urban Development business.

(viii) Earnings per ordinary share

	2022	2021	+/-%
Earnings per ordinary share of the Group based on net profit attributable to shareholders:-			
(i) Based on weighted average number of shares:			
- Profit for the year from continuing operations	**47.2 cts**	68.5 cts	-31.1
- Profit/(loss) for the year from discontinued operations	**4.9 cts**	(12.3) cts	n.m.f.
Profit for the year	**52.1 cts**	56.2 cts	-7.3
- Weighted average number of shares (excluding treasury shares) ('000)	**1,778,097**	1,820,424	-2.3
(ii) On a fully diluted basis			
- Profit for the year from continuing operations	**46.7 cts**	68.1 cts	-31.4
- Profit/(loss) for the year from discontinued operations	**4.9 cts**	(12.2) cts	n.m.f.
Profit for the year	**51.6 cts**	55.9 cts	-7.7
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	**1,795,882**	1,830,871	-1.9

n.m.f. - No Meaningful Figure

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months and full year ended 31 December 2022

	Second Half			Full Year			
	31.12.2022 $'000	31.12.2021 $'000	+/- %	**31.12.2022 $'000**	31.12.2021 $'000	+/- %	
Profit for the period / year	**429,522**	713,163	-39.8	**932,805**	1,010,012	-7.6	
Items that may be reclassified subsequently to profit & loss account:							
Cash flow hedges							
- Fair value changes arising during the period / year, net of tax	**(216,685)**	(236,328)	-8.3	**155,771**	(70,678)	n.m.f.	(i)
- Realised and transferred to profit & loss account	**65,705**	52,852	+24.3	**195,578**	74,573	+162.3	(ii)
Foreign exchange translation							
- Exchange differences arising during the period / year	**(263,182)**	129,993	n.m.f.	**(410,257)**	187,852	n.m.f.	(iii)
- Realised and transferred to profit & loss account	**(19,884)**	18,068	n.m.f.	**(15,954)**	17,595	n.m.f.	
Share of other comprehensive income of associated companies and joint ventures							
- Cash flow hedges	**11,988**	15,838	-24.3	**68,506**	34,251	+100.0	
- Foreign exchange translation	**(218,830)**	61,468	n.m.f.	**(280,320)**	96,000	n.m.f.	
	(640,888)	41,891	n.m.f.	**(286,676)**	339,593	n.m.f.	
Items that will not be reclassified subsequently to profit & loss account:							
Financial assets, at FVOCI							
- Fair value changes arising during the period / year	**(46,725)**	(40,667)	+14.9	**(9,121)**	(96,015)	-90.5	(iv)
Foreign exchange translation							
- Exchange differences arising during the period / year	**(10,805)**	3,242	n.m.f.	**(17,080)**	4,217	n.m.f.	(iii)
Share of other comprehensive income of associated companies and joint ventures							
- Financial assets, at FVOCI	**(489)**	(230)	+112.6	**(662)**	194	n.m.f.	
	(58,019)	(37,655)	+54.1	**(26,863)**	(91,604)	-70.7	
Other comprehensive income for the period / year, net of tax	**(698,907)**	4,236	n.m.f.	**(313,539)**	247,989	n.m.f.	
Total comprehensive income/(loss) for the period / year	**(269,385)**	717,399	n.m.f.	**619,266**	1,258,001	-50.8	
Attributable to:							
Shareholders of the Company:							
- from continuing operations	**(219,383)**	920,655	n.m.f.	**523,603**	1,497,622	-65.0	
- from discontinued operations	**(40,029)**	(198,727)	-79.9	**107,852**	(233,944)	n.m.f.	
	(259,412)	721,928	n.m.f.	**631,455**	1,263,678	-50.0	
Perpetual securities holders	**5,848**	3,401	+71.9	**11,600**	3,401	+241.1	
Non-controlling interests	**(15,821)**	(7,930)	+99.5	**(23,789)**	(9,078)	+162.1	
	(269,385)	717,399	n.m.f.	**619,266**	1,258,001	-50.8	

n.m.f. - No Meaningful Figure

(i) Fair value differences were mainly due to the hedging differential on interest rate swaps, forward exchange contracts and fuel oil forward contracts.

(ii) These represented cash flow hedges, which were transferred to profit & loss account when the hedged transaction affects the profit & loss account.

(iii) These exchange differences arose 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 the current year arose largely from weakening of foreign currencies, such as Renminbi against Singapore dollar.

The translation gains in the prior year arose largely from the strengthening of foreign currencies, such as Renminbi against Singapore dollar.

(iv) Fair value changes were attributable to movements in prices of financial assets measured at fair value with fair value changes recognised in other comprehensive income.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
As at 31 December 2022

		Group		Company	
	Note	**31.12.2022**	31.12.2021	**31.12.2022**	31.12.2021
		$'000	$'000	**$'000**	$'000
Share capital	6	**1,305,668**	1,305,668	**1,305,668**	1,305,668
Treasury shares		**(456,015)**	(4,624)	**(456,015)**	(4,624)
Reserves		**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		**401,521**	401,521	**401,521**	401,521
Non-controlling interests		**333,560**	384,700	**–**	–
Total equity		**11,913,340**	12,441,361	**10,829,320**	10,198,381
Represented by:					
Fixed assets		**976,797**	2,044,374	**5,641**	8,462
Investment properties		**4,283,093**	4,256,428	**–**	–
Right-of-use assets		**241,052**	529,216	**11,659**	15,231
Subsidiaries	2	**–**	–	**7,188,393**	7,993,786
Associated companies and joint ventures	3	**6,662,156**	6,050,258	**–**	–
Investments		**1,482,719**	1,447,664	**19,430**	24,100
Deferred tax assets		**87,624**	212,679	**8,853**	9,313
Derivative assets		**203,200**	46,263	**163,978**	28,346
Contract assets		**86,411**	99,109	**–**	–
Long term assets		**498,536**	1,201,982	**70,252**	94,161
Intangibles		**1,533,421**	1,589,272	**–**	–
		16,055,009	17,477,245	**7,468,206**	8,173,399
Current assets					
Stocks		**2,300,950**	4,603,985	**–**	–
Contract assets		**255,900**	3,169,694	**–**	–
Amounts due from:					
- subsidiaries		–	–	**7,564,514**	9,852,909
- associated companies and joint ventures		**273,475**	591,744	**45,343**	22,110
Debtors		**1,227,891**	2,168,612	**13,770**	9,971
Derivative assets		**69,851**	140,031	**19,317**	39,153
Short term investments		**48,782**	27,103	**–**	–
Bank balances, deposits & cash		**1,142,344**	3,616,633	**1,232**	810
		5,319,193	14,317,802	**7,644,176**	9,924,953
Disposal group and assets classified as held for sale	14	**9,561,069**	527,880	**3,166,596**	–
		14,880,262	14,845,682	**10,810,772**	9,924,953
Current liabilities					
Creditors		**2,786,320**	4,956,786	**89,085**	92,523
Derivative liabilities		**156,355**	249,690	**66,942**	31,284
Contract liabilities		**209,770**	1,002,024	**–**	–
Provisions	5	**40,945**	47,763	**–**	–
Amounts due to:					
- subsidiaries		**–**	–	**282,716**	175,802
- associated companies and joint ventures		**69,863**	286,085	**900**	882
Term loans	4	**3,577,658**	4,659,308	**2,789,301**	3,326,730
Lease liabilities	4	**36,426**	89,677	**4,216**	4,175
Taxation		**258,990**	505,479	**43,513**	39,651
		7,136,327	11,796,812	**3,276,673**	3,671,047
Liabilities directly associated with disposal group and assets classified as held for sale	14	**4,224,003**	38,330	**–**	–
		11,360,330	11,835,142	**3,276,673**	3,671,047
Net current assets		**3,519,932**	3,010,540	**7,534,099**	6,253,906
Non-current liabilities					
Term loans	4	**6,603,186**	6,795,912	**4,043,984**	4,113,695
Lease liabilities	4	**162,703**	472,042	**8,467**	12,265
Deferred tax liabilities		**368,031**	426,891	**–**	–
Derivative liabilities		**99,849**	98,422	**91,306**	70,777
Other non-current liabilities		**427,832**	253,157	**29,228**	32,187
		7,661,601	8,046,424	**4,172,985**	4,228,924
Net assets		**11,913,340**	12,441,361	**10,829,320**	10,198,381
Group net debt		***9,237,629***	*8,400,306*	*n.a.*	*n.a.*
Group net gearing ratio		***0.78x***	*0.68x*	*n.a.*	*n.a.*

(i) Net asset value

	Group			Company		
	31.12.2022	31.12.2021	+/-%	**31.12.2022**	31.12.2021	+/-%
Net asset value per ordinary share *	**$6.38**	$6.41	-0.5	**$5.95**	$5.38	+10.6
Net tangible asset per ordinary share *	**$5.51**	$5.53	-0.4	**$5.95**	$5.38	+10.6

* Based on share capital of 1,751,959,918 ordinary shares (excluding treasury shares) as at the end of the financial year (31 December 2021: 1,819,614,508 ordinary shares (excluding treasury shares)).

(iii) Balance sheet analysis

Following the announcement on 27 April 2022 and in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities related to Keppel O&M, excluding the out-of-scope assets, had been presented in the balance sheet as “Disposal group classified as held for sale” and “Liabilities directly associated with disposal group classified as held for sale” as at 31 December 2022. Refer to Note 14 for further details.

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

Group total assets were $30.94 billion at 31 December 2022, $1.39 billion lower than the previous year end. This was largely attributable to decrease in bank balances, deposits & cash, stocks and contract assets, partly offset by increase in investments in associated companies and joint ventures.

Group total liabilities of $19.02 billion as at 31 December 2022 were $0.86 billion lower than the previous year end. This was largely attributable to the net repayment of term loans.

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

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Attributable to owners of the Company								
Group 2022	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
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	**–**	**–**	**–**	**(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)**
Effects of acquiring part of non-controlling interests in 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**

* Includes share option and share plans reserve, fair value reserve, hedging reserve, bonus issue by subsidiaries and other reserves.

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

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

	Attributable to owners of the Company								
Group **2021**	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
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	–	–	–	(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 cost	–	–	–	–	–	–	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

* Includes share option and share plans reserve, fair value reserve, hedging reserve, bonus issue by subsidiaries and other reserves.
** Details of other comprehensive income have been included in the condensed consolidated statement of comprehensive income.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December 2022

	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 $'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**
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 cost	–	–	–	–	–	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

* Includes share option and share plans reserve, fair value reserve, hedging reserve and other reserves.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Note	Full Year 31.12.2022 $'000	31.12.2021 $'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 joint venture and 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 an associated company		**–**	(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		**(39,579)**	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)
		747,167	65,408
Interest received		**107,306**	93,950
Interest paid		**(285,609)**	(251,077)
Income taxes paid, net of refunds received		**(387,573)**	(259,964)
Net cash from/(used in) operating activities		**181,291**	(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 venture, and return of capital		**341,797**	668,040
(Advances to)/repayment from associated companies and joint ventures		**(132,068)**	2,208
Dividends received from investments, associated companies and joint ventures		**330,942**	311,177
Net cash (used in)/from investing activities		**(588,989)**	2,108,013

* 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.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

		Full Year	
		31.12.2022	31.12.2021
		$'000	$'000
FINANCING ACTIVITIES			*(Reclassified)**
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.

KEPPEL CORPORATION LIMITED & ITS SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

A. Acquisition of a subsidiary

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

	Full Year 31.12.2022 $'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**

During the year, acquisition relates to acquisition of 51% of the total issued share capital of Glocomp Systems (M) Sdn Bhd over two tranches and acquisition of Juventas DC Pte. Ltd.. Fair value of the net identifiable assets is determined on a provisional basis.

B. Disposal of Subsidiaries

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

	Full Year	
	31.12.2022	31.12.2021
	$'000	$'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:

	Full Year	
	31.12.2022 $'000	31.12.2021 $'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 condensed 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	**381,179**	–
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and other liabilities	**(78,750)**	(72,991)
	1,444,773	3,543,642

D. Cash flow analysis

Full Year

Net cash from operating activities was $181 million as compared to net cash used in the prior period of $352 million. This was mainly due to lower working capital requirements. The working capital changes improved by $688 million as compared to the prior year.

Net cash used in investing activities was $589 million as compared to net cash from investing activities of $2,108 million in the prior year. Acquisitions and capital expenditure of $1,616 million and advances to associated companies and joint ventures of $132 million was partly offset by divestments and dividend income of $1,159 million. The acquisitions and capital expenditure comprised investments in associated companies and joint ventures as well as additions of fixed assets and investment properties.

Net cash used in financing activities was $1,522 million. This was mainly attributable to the net repayment of term loans of $336 million, dividend of $676 million paid to shareholders of the Company and non-controlling shareholders of subsidiaries and purchase of treasury shares of $500 million, partly offset by net advances from non-controlling shareholders of certain subsidiaries of $111 million during the year.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

The condensed consolidated interim financial statements as at and for the six months and full year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) 34 *Interim Financial Reporting* (SFRS(I) 1-34). This set of condensed consolidated interim financial statements do not include all the disclosures included in the Group's financial report. Accordingly, this report should be read in conjunction with the Group's Annual Report for the financial year ended 31 December 2021 and any public announcements made by Keppel Corporation Limited during the interim reporting period.

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 12 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 12 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.

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 12.

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 12. 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$8,984,000 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 12. 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	
31 December 2022	**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**
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	
31 December 2022	**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**
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	8,984	8,984	–	–

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.

1.2 Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's Annual Report for the financial year ended 31 December 2021, except for the adoption of new and revised standards effective as of 1 January 2022.

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 condensed consolidated interim financial statements of the Group.

1.3 Critical Accounting Judgments and Estimates

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements as at and for the year ended 31 December 2021.

The key assumptions, applied by management as at and for the year ended 31 December 2022, 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, are as follows:

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

As disclosed in Note 14, 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, day rates, 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.

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 rig. In addition to the independent firm responsible for the valuation based on DCF calculations, management has also engaged a separate industry expert to independently provide a view of the market outlook, assumptions and parameters which are used in the valuation based on estimation of VIU. Key inputs into the estimation of the VIU include dayrates, cost assumptions, utilisation rates, discount rates and estimated commencement of deployment of the assets. The valuation of the rigs would decrease if the expected income from operating the rigs decline, or discount rates were higher, or the estimated commencement of deployment were delayed.

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 charters 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 have not reversed any of the previously recognised expected credit loss as at 31 December 2022.

ii. Other contracts – trade receivables and contract assets

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) Estimating net realisable value of stocks

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 1.3(i)(a)(ii) above of $374,694,000.

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.

- 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.

c) Impairment of fixed assets

As noted in Note 1.3(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).

Based on the results of the VIU assessments, 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 pre-tax discount rate of 9.0% and higher forecasted dayrates provided by independent professional firms were used. A reversal of impairment of $292,838,000 has been recognised in other income.

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

- An increase of 1% of the discount rate would reduce the impairment reversed by approximately S$143,598,000 (2021: nil).
- 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 (2021: $nil).

(ii) Revaluation of investment properties

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

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

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

(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 Group's revenue recognition accounting policy as stated in the audited financial statements for the year ended 31 December 2021. 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 for some projects total contract cost would exceed the total contract sum, resulting in a provision for onerous contracts as detailed in Note 5, and $91,548,000 as at 31 December 2022 (2021: $18,831,000) which has been presented within disposal group held for sale.

Revenue from construction contracts is disclosed in Note 7 and revenue from construction contracts relation to the offshore & marine business is disclosed within discontinued operations in Note 14.

(iv) Estimating net realisable value of stocks

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.

For properties held for sale, there were no significant changes to the estimates and assumptions applied since the audited financial statements as at 31 December 2021.

(v) 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, goodwill, investments in subsidiaries, investments in associated companies and joint ventures, and intangibles as at 31 December 2022.

(vi) Fair value measurement of unquoted investment funds

In determining the fair value of unquoted investment funds, the Group relies on the valuations as reported in the latest available capital account statements provided by the third-party fund managers.

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

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

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

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

These unobservable inputs that require significant judgement have been disclosed in Note 12.

(vii) 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.

There were no significant updates since the audited financial statements as at 31 December 2021, except for the following:

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. 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.

2. SUBSIDIARIES

	Company	
	2022	2021
	$'000	$'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

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, an direct wholly owned subsidiary of the Company.

During the financial year ended 31 December 2022,
(a) the perpetual securities have been novated from Kepinvest Holdings Pte Ltd to the Company and classified as an investment in subsidiaries by the Company; and
(b) unquoted shares in Keppel Offshore & Marine Ltd (“KOM”) and its related subsidiaries, including the perpetual securities relating to the KOM group, amounting to $3,166,596,000, have been reclassified to “Assets classified as held for Sale” on the condensed balance sheet of the Company.

The above transactions were for the purposes of undertaking an internal restructuring of Keppel Offshore & Marine Ltd (the "KOM Pre-Combination Restructuring") to effect the Proposed Combination as mentioned in Note 14.

3. ASSOCIATED COMPANIES AND JOINT VENTURES

	2022
	$'000
At 1 January	**6,050,258**
Share of profits for the year – continuing operations	**535,979**
Share of profits for the year – discontinued operations	**4,420**
Dividends received	**(214,197)**
Share of reserves	**(211,464)**
Provision for impairment on a joint venture	**(1,000)**
Additions	**944,688**
Advances to associated companies and joint ventures	**47,020**
Disposals of associated companies and joint ventures and return of capital	**(332,115)**
Gain from change in interest in associated companies	**10,933**
Reclassification from/(to)	
- Investments	**22,671**
- Disposal group and assets classified as held for sale	**(195,954)**
Others	**917**
At 31 December	**6,662,156**

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

	2022
	$'000
At 1 January	**144,005**
Impairment loss	**1,000**
Disposal and liquidation	**(26,900)**
Exchange differences	**1**
At 31 December	**118,106**

Impairment loss made during the year mainly relates to the shortfall between the carrying amount of the cost of investment and the recoverable amount of a joint venture.

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

	2022	2021
	$'000	$'000
Keppel REIT	**2,085,919**	1,953,614
Keppel DC REIT	**496,454**	470,649
Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited	**618,968**	673,007
Floatel International Limited	**254,503**	262,146
Other associated companies and joint ventures	**3,206,312**	2,690,842
	6,662,156	6,050,258

4. BORROWINGS AND LEASE LIABILITIES

Group's borrowings, debt securities and lease liabilities

	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	**200,000**	**1,817,864**	700,000	2,053,710
Keppel Land Medium Term Notes	**299,979**	**409,619**	199,978	709,403
Keppel Telecommunications & Transportation Medium Term Notes	**–**	**–**	–	100,000
Keppel Corporation Commercial Paper	**35,996**	**–**	128,000	–
Bank and other loans				
- secured	**127,393**	**554,291**	8,852	717,559
- unsecured	**2,914,290**	**3,821,412**	3,622,478	3,215,240
Lease liabilities	**36,426**	**162,703**	89,677	472,042
	3,614,084	**6,765,889**	4,748,985	7,267,954

(i) Amount repayable in one year or less, or on demand

As at 31.12.2022		As at 31.12.2021	
Secured $'000	**Unsecured $'000**	Secured $'000	Unsecured $'000
163,819	**3,450,265**	98,529	4,650,456

(ii) Amount repayable after one year

As at 31.12.2022		As at 31.12.2021	
Secured $'000	**Unsecured $'000**	Secured $'000	Unsecured $'000
716,994	**6,048,895**	1,189,601	6,078,353

(iii) Details of any collateral and securities

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The Group has mortgaged certain properties and assets of up to an aggregate amount of $2,165,049,000 (31 December 2021: $2,223,200,000) to banks for loan facilities. Included in secured borrowings as at 31 December 2022 are current lease liabilities of $36,426,000 (31 December 2021: $89,677,000) and non-current lease liabilities of $162,703,000 (31 December 2021: $472,042,000) which are secured over the right-of-use assets of $241,052,000 (31 December 2021: $529,216,000).

(v) The fair values of term loans for the Group are $9,805,129,000 (2021: $11,304,660,000).

5. PROVISIONS

		2022	
	Warranties $'000	**Onerous Contract $'000**	**Total $'000**
At 1 January	28,932	18,831	47,763
(Writeback)/charged to profit and loss account	(5,986)	64,957	58,971
Amount utilised	(6,871)	(27,887)	(34,758)
Exchange differences	(931)	(303)	(1,234)
Disposal group and assets classified as held for sale	(10,966)	(18,831)	(29,797)
At 31 December	**4,178**	**36,767**	**40,945**

6. SHARE CAPITAL

Issued share capital and treasury shares

	Number of ordinary shares	
	Issued Share Capital	Treasury Shares
As at 1 January 2022	1,820,557,767	943,259
Treasury shares transferred pursuant to share plans	–	(8,209,410)
Treasury shares purchased	–	75,864,000
As at 31 December 2022	**1,820,557,767**	**68,597,849**

Treasury shares
During the year ended 31 December 2022, the Company transferred 8,209,410 (31 December 2021: 4,668,215) treasury shares to employees upon vesting of shares released under the KCL Share Plans. There was 75,864,000 treasury shares purchased (31 December 2021: 2,560,000) during the year. As at 31 December 2022, the number of treasury shares held by the Company represented 3.92% (31 December 2021: 0.05%) of the total number of issued shares (excluding treasury shares). Except for the transfer, there was no other sale, disposal, cancellation and/or other use of treasury shares during the year ended 31 December 2022.

KCL Performance Share Plan (“KCL PSP”)
As at 31 December 2022, the number of contingent shares granted but not released were 2,841,880 (31 December 2021: 4,171,880) for KCL PSP. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 4,262,820 under KCL PSP.

KCL Performance Share Plan – Transformation Incentive Plan (“KCL PSP-TIP”)
There were no contingent shares granted but not released as at 31 December 2022 (31 December 2021: 6,166,706).

KCL Performance Share Plan – M1 Transformation Incentive Plan (“KCL PSP-M1 TIP”)
As at 31 December 2022, the number of contingent shares granted but not released were 379,900 (31 December 2021: 423,500) for KCL PSP-M1 TIP, out of which 115,100 (31 December 2021: 127,900) is to be vested in three years and 264,800 (31 December 2021: 295,600) is to be vested in six years. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 569,850 under KCL PSP-M1 TIP.

KCL Performance Share Plan 2020 (“KCL PSP 2020”)
As at 31 December 2022, the number of contingent shares granted but not released were 3,115,000 (31 December 2021: 1,490,000) for KCL PSP 2020. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 4,672,500 under KCL PSP 2020.

KCL PSP 2020 Transformation Incentive Plan (“KCL PSP 2020-TIP”)

As at 31 December 2022, the number of contingent shares granted but not released were 11,220,000 (31 December 2021: 11,140,000) for KCL PSP 2020-TIP. Based on the achievement factor, the actual release of the awards in ordinary shares of the Company could range from zero to a maximum of 16,830,000 under KCL PSP 2020-TIP.

KCL Restricted Share Plan – Deferred Shares ("KCL RSP-Deferred Shares")
There are no contingent shares granted but not released as at 31 December 2022 and 31 December 2021. There was no awards released but not vested as at 31 December 2022 (31 December 2021: 1,576,649) for KCL RSP-Deferred Shares.

KCL Restricted Share Plan 2020 – Deferred Shares ("KCL RSP 2020-Deferred Shares")
There are no contingent shares granted but not released as at 31 December 2022 and 31 December 2021. As at 31 December 2022, the number of awards released but not vested was 5,254,348 (31 December 2021: 3,231,494) for KCL RSP 2020-Deferred Shares.

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

Contingent awards:

	Number of shares					
Date of Grant	At 1.1.22	Contingent awards granted	Adjustment upon release	Released	Cancelled	At 31.12.22
KCL PSP						
30.4.2018	1,180,000	–	(684,400)	(495,600)	–	–
30.4.2019	1,542,847	–	–	–	(80,000)	1,462,847
31.3.2020	1,449,033	–	–	–	(70,000)	1,379,033
	4,171,880	–	(684,400)	(495,600)	(150,000)	2,841,880

Contingent awards:

	Number of shares					
Date of Grant	At 1.1.22	Contingent awards granted	Adjustment upon release	Released	Cancelled	At 31.12.22
KCL PSP-TIP						
29.4.2016	3,314,617	–	(2,013,111)	(1,276,163)	(25,343)	–
28.4.2017	1,752,089	–	(1,116,867)	(635,222)	–	–
28.2.2020	1,100,000	–	(666,650)	(433,350)	–	–
	6,166,706	–	(3,796,628)	(2,344,735)	(25,343)	–
KCL PSP-M1 TIP						
17.2.2020	127,900	–	–	–	(12,800)	115,100
17.2.2020	295,600	–	–	–	(30,800)	264,800
	423,500	–	–	–	(43,600)	379,900
KCL PSP 2020						
30.4.2021	1,490,000	–	–	–	(70,000)	1,420,000
29.4.2022	–	1,775,000	–	–	(80,000)	1,695,000
	1,490,000	1,775,000	–	–	(150,000)	3,115,000
KCL PSP 2020-TIP						
30.7.2021	11,140,000	–	–	–	(710,000)	10,430,000
29.4.2022	–	840,000	–	–	(50,000)	790,000
	11,140,000	840,000	–	–	(760,000)	11,220,000

Awards:

Date of Grant	At 1.1.22	Awards granted	Adjustment upon release	Released	Cancelled	At 31.12.22
	Number of shares					
KCL RSP 2020-Deferred Shares						
15.2.2022	–	6,317,893	(8,862)	(6,309,031)	–	–
	–	6,317,893	(8,862)	(6,309,031)	–	–

Awards released but not vested:

Date of Grant	At 1.1.22	Released	Vested	Cancelled	Other adjustments	At 31.12.22
	Number of shares					
KCL PSP						
30.4.2018	–	495,600	(495,600)	–	–	–
	–	495,600	(495,600)	–	–	–

Awards released but not vested:

Date of Grant	At 1.1.22	Released	Vested	Cancelled	Other adjustments	At 31.12.22
	Number of shares					
KCL PSP-TIP						
29.4.2016	–	1,276,163	(1,276,163)	–	–	–
28.4.2017	–	635,222	(635,222)	–	–	–
28.2.2020	–	433,350	(433,350)	–	–	–
	–	2,344,735	(2,344,735)	–	–	–
KCL RSP-Deferred shares						
17.2.2020	1,576,649	–	(1,566,518)	(10,131)	–	–
	1,576,649	–	(1,566,518)	(10,131)	–	–
KCL RSP 2020-Deferred Shares						
15.2.2021	3,231,494	–	(1,639,149)	(150,166)	–	1,442,179
15.2.2022	–	6,309,031	(2,163,408)	(333,454)	–	3,812,169
	3,231,494	6,309,031	(3,802,557)	(483,620)	–	5,254,348

7. REVENUE

	Second Half		Full Year	
	31.12.2022	31.12.2021#	**31.12.2022**	31.12.2021#
	$'000	$'000	**$'000**	$'000
Revenue from contracts with customers				
Revenue from construction contracts	**209,180**	179,500	**410,181**	350,734
Sale of property	**318,541**	672,998	**809,744**	1,538,477
Sale of goods	**264,708**	269,963	**456,207**	430,861
Sale of electricity, utilities and gases	**1,817,972**	1,986,013	**3,637,267**	3,050,539
Revenue from telecommunication services	**378,509**	359,148	**738,233**	702,263
Revenue from other services rendered	**234,162**	218,091	**494,579**	463,546
	3,223,072	3,685,713	**6,546,211**	6,536,420
Other sources of revenue				
Rental income from investment properties	**40,916**	37,903	**73,507**	74,916
	3,263,988	3,723,616	**6,619,718**	6,611,336

Breakdown of sales

	2022 **$'000**	2021# $'000	+/-%
First Half			
Sales reported for first half year	**3,355,730**	2,887,720	+16.2
Profit from continuing operations before deducting profit attributable to perpetual securities holders and non-controlling interests reported for first half year	**440,752**	342,680	+28.6
Second Half			
Sales reported for second half year	**3,263,988**	3,723,616	-12.3
Profit from continuing operations before deducting profit attributable to perpetual securities holders and non-controlling interests reported for second half year	**408,987**	893,284	-54.2

8. OPERATING PROFIT

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

	Second Half			Full Year			
	31.12.2022 $'000	31.12.2021# $'000	+/- %	**31.12.2022 $'000**	31.12.2021# $'000	+/- %	
Share-based payment expenses	**22,084**	21,333	+3.5	**43,403**	37,369	+16.1	
(Gain)/loss on sale of fixed assets	**694**	(1,565)	n.m.f.	**639**	(1,473)	n.m.f.	(i)
Provision for stocks	**6,450**	1,019	>+500	**6,939**	1,279	+442.5	(ii)
Expected credit loss							
- Contract assets	**–**	–	n.m.f.	**–**	23,225	-100.0	(iii)
- Debtors & receivables	**30,941**	12,355	+150.4	**32,999**	123,396	-73.3	(iv)
- Financial guarantee	**–**	–	n.m.f.	**–**	146,024	-100.0	(v)
Bad debts write-off	**1,011**	809	+25.0	**1,011**	6,835	-85.2	
Fair value (gain)/loss							
- Investments and associated companies	**36,177**	(295,396)	n.m.f.	**(57,801)**	(315,540)	-81.7	(vi)
- Forward contracts	**452**	(432)	n.m.f.	**–**	(1,614)	-100.0	
- Financial derivatives	**(482)**	(701)	-31.2	**(190)**	(1,570)	-87.9	
Foreign exchange (gain)/loss	**1,939**	(14,653)	n.m.f.	**(704)**	(15,818)	-95.5	
Government grant income	**(8,225)**	(9,778)	-15.9	**(11,452)**	(20,545)	-44.3	(vii)
Impairment of associated companies	**–**	–	n.m.f.	**1,000**	35,082	-97.1	(viii)
Impairment/write-off of fixed assets and intangible assets	**1,171**	16,648	-93.0	**1,171**	53,345	-97.8	(ix)
Gain on disposal of subsidiaries	**(17,514)**	(226,899)	-92.3	**(22,498)**	(241,054)	-90.7	(x)
Gain on disposal of associated companies and joint ventures	**(573)**	(109,017)	-99.5	**(358)**	(208,655)	-99.8	(xi)
Loss on sale of interests in associated companies	**40,211**	–	n.m.f.	**40,168**	–	n.m.f.	(xii)
Fair value gain on investment properties	**(84,948)**	(121,128)	-29.9	**(131,711)**	(238,458)	-44.8	(xiii)
Gain from change in interest in associated companies	**(5,793)**	(20,531)	-71.8	**(10,933)**	(8,516)	+28.4	(xiv)
Gain on acquisition of subsidiaries	**(6,795)**	–	n.m.f.	**(6,795)**	–	n.m.f.	(xv)
Fair value gain on remeasurement of remaining interest in an associated company	**–**	(69,469)	-100.0	**–**	(69,469)	-100.0	(xvi)

n.m.f. - No Meaningful Figure

(i) Loss on sale of fixed assets for the current year was largely attributable to disposal of fixed assets in the Urban Development business. Gain on sale of fixed assets in the prior year was largely attributable to disposal of assets in the Urban Development and Connectivity businesses.

(ii) The provision for stocks for current year arose mainly from Energy & Environment due to provision for slow moving and obsolete stocks. Provision for stocks in the prior year was for obsolete stock in Connectivity business, and carpark impairment in Urban Development.

(iii) Expected credit loss on contract assets in the prior year was attributable to the Energy & Environment business mainly due to impairment of contract assets in relation to the construction contract for a production barge for KrisEnergy.

(iv) Expected credit loss on debtors and receivables for current year arose mainly due to expected credit loss on claim and trade receivables in the Energy & Environment business, as well as expected credit loss from Connectivity business for trade receivables. Expected credit loss on debtors and receivables in the prior year was largely attributable to the expected credit loss on loan receivable from KrisEnergy and expected credit loss for trade receivables in the Energy & Environment and Connectivity segments.

(v) For the prior period, the expected credit loss on a financial guarantee on a loan granted to an associated company was in relation to the revolving credit facility ("RCF") loan extended by the bank to KrisEnergy, which was assumed by the Group on 30 June 2021.

(vi) Fair value gain (mark-to-market) on investment portfolio for the current and prior year was driven largely by higher valuations of unquoted investments, in particular, Envision AESC Global Investment L.P., partly offset by fair value loss on quoted investments in the current year.

(vii) Government grant income for current year mainly consisted of 5G trial grant and job growth incentive and $277,000 (2021: $8,047,000) was recognised 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.

(viii) Impairment of an associated company for the current year was attributable to the Connectivity business. Impairment of associated companies in the prior year was mainly attributable to the Energy & Environment business due to the impairment of KrisEnergy's zero-coupon notes.

(ix) Impairment of fixed assets and intangible assets in the current year was mainly attributable to the Connectivity business. Impairment of fixed assets and intangible assets in the prior year was mainly attributable to the Urban Development business, including an impairment provision for a hotel in Myanmar.

(x) Gain on disposal of subsidiaries was mainly attributable to divestment of Shanghai Fengwo Apartment Management Co Ltd. In the prior year, gain on disposal of subsidiaries was mainly attributable to the divestment of 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 Real Estate Development Co., Ltd.

(xi) Gain on disposal of associated companies was mainly attributable to the divestment of Asia Airfreight Terminal Company Limited. 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.

(xii) Loss from sale of interest in associated companies mainly relates to loss on partial disposal of interest in an associated company in Europe under the Energy & Environment business.

(xiii) Lower fair value gain on investment properties was mainly attributable to lower fair value gains on investment properties in the Urban Development business.

(xiv) Gain from change in interest in associated companies in the current year was mainly attributable to gain from change in interest in Keppel REIT, partial realisation of suspended profits for past transactions with Keppel REIT, and gain from change in interest in Nam Long Investment Corporation due to private placement, partly offset by loss from change in interest in Keppel DC REIT. In the prior year, gain from change in interest in associated companies was mainly attributable to gain from change in interest in Keppel DC REIT, partly offset by loss from change in interest in Keppel REIT.

(xv) Gain on acquisition of subsidiaries was contributed by Connectivity business.

(xvi) In the prior year, the fair value gain on remeasurement of remaining interest in an associated company arose from the partial disposal with loss of control over the Group's former wholly-owned subsidiary, Tianjin Fushi Real Estate Development Co., Ltd.

9. COMMITMENTS

	Group 2022 $'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	**939,245**	252,960
- for purchase/subscription of shares	**325,883**	548,066
- for commitments to associated companies and joint ventures	**1,055,105**	955,074
- for commitments to private funds	**67,857**	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	**289,086**	261,849
- for purchase/subscription of shares mainly in property development companies	**140,609**	32,015
	3,871,192	3,312,094
Less: Non-controlling shareholders' share	**(69,172)**	(118,362)
	3,802,020	3,193,732

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

10. CONTINGENT LIABILITIES AND GUARANTEES

	Group 2022 $'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	**443,994**	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	**–**	–
	1,911,205	1,494,321	**462,579**	655,005

See Note 1.3(vii) for further disclosures relating to the Group's claims and litigations.

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

11. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group	
	2022	2021
	$'000	$'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

12. 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.

There was no instance of significant updates to the Group's financial risk management since the audited financial statements as at 31 December 2021, except for the following:

(a) Interest Rate Risk

IBOR reform

(i) Derivative financial instruments still affected by the IBOR reform

	Group		
		Fair Value	
31 December 2022	**Contract notional amount $'000**	**Asset $'000**	**Liability $'000**
Derivatives held for hedging:			
Cashflow hedges			
- Interest rate swaps	170,950	17,026	–

(ii) Cash flow and fair value interest rate risk

The Group is exposed mainly to the Singapore Swap Offer Rate ("SOR") and the United States Dollar London Inter-bank Offer Rate ("USD LIBOR"). The greatest change will be amendments to the contractual terms of the SOR-referenced floating-rate loans and the associated swaps, the contractual terms of the USD LIBOR-referenced floating-rate loans and the associated swaps and the corresponding update of the relevant hedge designations. Amendments will also be made to the contractual terms of certain receivables that are IBOR-referenced. There is currently uncertainty around the timing and precise nature of these changes.

Hedging relationships for which 'Phase 1' amendments apply

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

The Group has ascertained that IBOR uncertainty is still present with respect to its cash flow hedge of 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) 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				
31 December 2022				
Financial assets				
Derivative financial instruments	**–**	**273,051**	**–**	**273,051**
Call option	**–**	**–**	**192,522**	**192,522**
Investments				
- Investments at fair value through other comprehensive income	**493,297**	**1,409**	**278,688**	**773,394**
- Investments at fair value through profit or loss	**34,618**	**–**	**674,707**	**709,325**
Short term investments				
- Investments at fair value through other comprehensive income	**48,097**	**–**	**–**	**48,097**
- Investments at fair value through profit or loss	**685**	**–**	**–**	**685**
	576,697	**274,460**	**1,145,917**	**1,997,074**
Financial liabilities				
Derivative financial instruments	**–**	**256,204**	**–**	**256,204**

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
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**

There have been no significant transfers between Level 1, Level 2 and Level 3 for the Group in the year ended 31 December 2022.

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.

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	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%
Call option	192,522	Direct comparison method and investment method	Transacted price of comparable properties (psf)	S$1,586 - S$3,617
			Capitalisation rate	3.40%
Associates at fair value through profi or loss	246,677	Net asset value	Net asset value	Not applicable
Investment Properties				
- Commercial and hospitality, completed	1,349,265	Discounted cash flow method and/or direct comparison method; Income capitalisation method	Discount rate	11.57% to 14.50%
			Capitalisation rate	4.25% to 10.00%
			Net initial yield	5.70%
			Transacted price of comparable properties (psm)	$3,974 to $5,610
			Transacted price of comparable properties (psf)	$718 to $1,375
- Commercial, under construction	2,933,828	Direct comparison method, discounted cash flow method, and/or residual value method	Transacted price of comparable land plots (psm)	$6,569 to $9,163
			Gross development value ($'million)	$255 to $2,085
			Discount rate	13.00% to 17.00%
			Capitalisation rate	4.00% to 10.00%
			Transacted price of comparable properties (psf)	$2,376 to $3,617

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

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

The total fair value on investments of $953,395,000 as at 31 December 2022 comprises $738,631,000 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 $36,932,000 increase/decrease in fair valuation.

13. SEGMENT ANALYSIS

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

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

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

On 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 14 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the six months and full year ended 31 December 2022

Year ended 31 December 2022

	Energy & Environment $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
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**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the six months and full year ended 31 December 2022

Other Information							
Segment assets*	**11,237,478**	**11,978,928**	**3,431,961**	**4,291,601**	**12,914,294**	**(12,843,287)**	**31,010,975**
Segment liabilities*	**11,425,919**	**6,392,475**	**2,738,442**	**1,797,304**	**9,586,782**	**(12,843,287)**	**19,097,635**
Net assets*	**(188,441)**	**5,586,453**	**693,519**	**2,494,297**	**3,327,512**	**–**	**11,913,340**

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

Investment in associated companies and joint ventures	**989,991**	**2,250,570**	**100,684**	**3,320,911**	**–**	**–**	**6,662,156**
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	China/ Hong Kong	Brazil	Other Far East & ASEAN Countries	Other Countries	Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External sales	**5,465,913**	**916,228**	**–**	**172,458**	**65,119**	**–**	**6,619,718**
Non-current assets	**8,031,942**	**3,503,743**	**–**	**1,695,069**	**465,765**	–	**13,696,519**

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.

Year ended 31 December 2021#

	Energy & Environment $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
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*

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	China/ Hong Kong	Brazil	Other Far East & ASEAN Countries	Other Countries	Elimination	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'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.

Second half ended 31 December 2022

	Energy & Environment $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
Revenue							
External sales	**2,119,728**	**371,063**	**675,592**	**97,127**	**478**	**–**	**3,263,988**
Inter-segment sales	**14,884**	**254**	**8,885**	**12,585**	**45,856**	**(82,464)**	**–**
Total	**2,134,612**	**371,317**	**684,477**	**109,712**	**46,334**	**(82,464)**	**3,263,988**
Segment Results							
Operating profit	**31,418**	**119,937**	**39,405**	**42,576**	**(25,243)**	**2,300**	**210,393**
Investment income	**–**	**1,367**	**149**	**19,249**	**3,570**	**–**	**24,335**
Interest income	**34,699**	**17,243**	**6,200**	**676**	**243,078**	**(257,262)**	**44,634**
Interest expenses	**(13,570)**	**(45,048)**	**(7,426)**	**(19,115)**	**(237,877)**	**254,962**	**(68,074)**
Share of results of associated companies and joint ventures	**102,463**	**95,991**	**8,161**	**126,216**	**–**	**–**	**332,831**
Profit/(Loss) before tax	**155,010**	**189,490**	**46,489**	**169,602**	**(16,472)**	**–**	**544,119**
Taxation	**(29,941)**	**(82,636)**	**(11,777)**	**(13,747)**	**2,969**	**–**	**(135,132)**
Profit/(Loss) from continuing operations for year	**125,069**	**106,854**	**34,712**	**155,855**	**(13,503)**	**–**	**408,987**
Attributable to:							
Shareholders of Company	**126,606**	**114,064**	**27,647**	**155,888**	**(19,388)**	**–**	**404,817**
Perpetual securities holders	**–**	**–**	**–**	**–**	**5,848**	**–**	**5,848**
Non-controlling interests	**(1,537)**	**(7,210)**	**7,065**	**(33)**	**37**	**–**	**(1,678)**
	125,069	**106,854**	**34,712**	**155,855**	**(13,503)**	**–**	**408,987**
Profit from discontinued operations, net of tax and NCI							**24,295**
Profit for the year attributable to shareholders of the Company							**429,112**
External revenue from contracts with customers							
- At a point in time	**12,124**	**250,760**	**203,911**	**18,819**	**–**	**–**	**485,614**
- Over time	**2,107,604**	**81,081**	**469,990**	**78,308**	**475**	**–**	**2,737,458**
	2,119,728	**331,841**	**673,901**	**97,127**	**475**	**–**	**3,223,072**
Other sources of revenue	**–**	**39,222**	**1,691**	**–**	**3**	**–**	**40,916**
Total	**2,119,728**	**371,063**	**675,592**	**97,127**	**478**	**–**	**3,263,988**
Other Information							
Depreciation and amortisation	**17,291**	**17,115**	**61,412**	**1,363**	**7,537**	**–**	**104,718**
Impairment loss on non-financial assets	**7,046**	**107**	**470**	**–**	**–**	**–**	**7,623**
Allowance/(write-back) for expected credit loss and bad debt written-off	**26,240**	**446**	**5,097**	**–**	**169**	**–**	**31,952**

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	**2,796,341**	**372,556**	**–**	**63,204**	**31,887**	**–**	**3,263,988**

Second half ended 31 December 2021

	Energy & Environment $'000	Urban Development $'000	Connectivity $'000	Asset Management $'000	Corporate & Others $'000	Elimination $'000	Total $'000
Revenue							
External sales	2,245,782	719,547	674,328	83,959	–	–	3,723,616
Inter-segment sales	15,090	287	3,381	440	43,829	(63,027)	–
Total	2,260,872	719,834	677,709	84,399	43,829	(63,027)	3,723,616
Segment Results							
Operating profit/(loss)	(15,583)	598,187	45,877	54,986	234,416	4,756	922,639
Investment income	–	1,211	123	18,837	3,477	–	23,648
Interest income	30,661	18,691	149	(1,002)	180,964	(185,198)	44,265
Interest expenses	(54,546)	(30,727)	(8,508)	(11,751)	(169,315)	180,442	(94,405)
Share of results of associated companies and joint ventures	(25,780)	33,483	11,213	130,960	–	–	149,876
Profit/(loss) before tax	(65,248)	620,845	48,854	192,030	249,542	–	1,046,023
Taxation	11,461	(153,005)	(8,626)	(9,529)	6,960	–	(152,739)
Profit/(loss) from continuing operations for year	(53,787)	467,840	40,228	182,501	256,502	–	893,284
Attributable to:							
Shareholders of Company	(53,538)	483,605	36,794	184,155	252,905	–	903,921
Perpetual securities holders	–	–	–	–	3,401	–	3,401
Non-controlling interests	(249)	(15,765)	3,434	(1,654)	196	–	(14,038)
	(53,787)	467,840	40,228	182,501	256,502	–	893,284
Loss from discontinued operations, net of tax and NCI							(181,066)
Profit for the year attributable to shareholders of the Company							722,855
External revenue from contracts with customers							
- At a point in time	7,789	577,391	247,956	11,106	–	–	844,242
- Over time	2,237,993	106,097	424,528	72,853	–	–	2,841,471
	2,245,782	683,488	672,484	83,959	–	–	3,685,713
Other sources of revenue	–	36,059	1,844	–	–	–	37,903
Total	2,245,782	719,547	674,328	83,959	–	–	3,723,616
Other Information							
Depreciation and amortisation	15,453	26,656	100,425	1,430	7,614	–	151,578
Impairment loss on non-financial assets	(19)	16,354	1,332	–	–	–	17,667
Allowance for expected credit loss and bad debt written-off	2,948	1,344	8,832	–	40	–	13,164

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	2,965,053	636,833	–	92,865	28,865	–	3,723,616

REVIEW OF SEGMENT PERFORMANCE

Revenue by Segments

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

Net profit by Segments

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

Energy & Environment registered a net profit of $172 million in 2022, reversing the net loss of $189 million in 2021, which had included an impairment of $318 million relating to the Group's exposures to KrisEnergy, partially offset by share of Floatel's net restructuring gain of $215 million. For the current year, the segment recorded higher electricity and gas sales and contributions from Keppel Seghers' projects abroad, higher share of results from an associated company in Europe, and lower share of losses from Floatel. These were partially offset by the provision for supply chain cost escalation in the environment business. Net profit from Urban Development decreased by $481 million to $282 million mainly due to lower contributions from property trading projects in China, lower fair value gains from investment properties, as well as lower gains from enbloc sales. The segment completed the disposals of Upview and Sheshan Riviera projects in Shanghai in the current year, as compared to the recognition of gains from the disposals of the Dong Nai project in Vietnam, Serenity Villas project in Chengdu, and China Chic project in Nanjing, and divestment of a partial interest in Tianjin Fushi Real Estate Development Co Ltd in 2021. Connectivity's net profit of $37 million was $27 million lower than that in 2021. This was mainly due to the absence of gains from the divestment of interests in Keppel Logistics (Foshan) and Wuhu Sanshan Port Company Limited in 2021, and lower fair value gains on data centres, which was partly offset by higher net profit from M1. Net profit from Asset Management increased by $10 million to $311 million mainly due to higher fair value gains on investment properties recorded by Keppel REIT, and higher fee income arising from acquisitions completed. These were partly offset by mark-to-market losses from investments, as well as lower fair value gains on data centres recorded by Keppel DC REIT and private funds. Net profit from Corporate & Others decreased by $272 million to $37 million mainly due to lower fair value gains on investments and lower investment income. In the prior year, the segment recorded significant distribution income and fair value gains from its investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P.. The Group's taxation decreased year-on-year mainly due to lower taxable profit from Urban Development. Taking into account income tax expenses, non-controlling interests and profit attributable to holders of perpetual securities, the Group's net profit from continuing operations attributable to shareholders for 2022 was $839 million. All segments were profitable including Energy & Environment which had registered a loss in 2021. Including discontinued operations, the Group's net profit attributable to shareholders was $927 million, which was $96 million lower year-on-year. The discontinued operations recorded a net profit of $88 million, as compared to the net loss of $225 million in 2021. In addition to revenue recognition from new projects and higher progressive revenue recognition on existing projects, the offshore & marine business recorded higher investment income, gains from the divestment of Keppel Smit Towage Pte Limited and Maju Maritime Pte Ltd, and partial write-back of impairments on certain legacy rigs. These were partly offset by the provisions made for cost overruns on certain projects in Keppel's O&M's yard in the US, mainly arising from shortage of manpower, higher-than-expected labour costs, as well as COVID-related supply chain disruptions. Apart from the yard in the US, the projects in Keppel O&M's other yards, including the FPSOs projects with Petrobras, are progressing well and are on-track and within budget. The Group has also ceased depreciation for the relevant assets classified under the disposal group held for sale.

Revenue by Geographical Segments

Revenue from Singapore of $5,466 million was $609 million higher than that of prior year, due largely to higher revenue from Energy & Environment, Connectivity and Asset Management, partly offset by lower revenue from Urban Development.

14. 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 ("Asset Co") (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 KOM Consideration Shares") transfer to a segregated account. 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 the out-of-scope assets, had been presented in the balance sheet as "Disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", 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 13).

(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 includes 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 1.3(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	2021
	$'000	$'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)

(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	43,032	–	43,032
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	2,810,312	–	2,810,312
Stocks	1,403,060	–	1,403,060
Debtors and other assets	867,494	8,232	875,726
Bank balances, deposits & cash	381,179	25,325	406,504
	9,192,967	**368,102**	**9,561,069**
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**

Assets classified as held for sale for the Company pertains to the unquoted shares in Keppel Offshore & Marine Ltd ("KOM") and its related subsidiaries, including the perpetual securities relating to the KOM group, as disclosed in Note 2.

15. SUBSEQUENT EVENTS

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.

OTHER INFORMATION
For the six months and full year ended 31 December 2022

1. AUDIT

The financial statements have not been audited nor reviewed by our auditors.

2. AUDITORS' REPORT

Not applicable.

3. REVIEW OF GROUP PERFORMANCE

(i) Second Half

Group revenue from continuing operations of $3,264 million was $459 million or 12% lower than that in the same period in 2021. Revenue from Energy & Environment decreased by $125 million or 6% to $2,120 million mainly due to lower electricity and gas sales, partly offset by higher revenue recognition from Keppel Seghers' projects abroad. Revenue from Urban Development decreased by $348 million to $372 million mainly due to lower revenue from property trading projects in China as a result of fewer units completed and handed over during the period. Revenue from Connectivity remained stable at $675 million as M1 reported higher mobile and enterprise revenue, including contribution from the newly acquired Glocomp Systems (M) Sdn Bhd, partly offset by lower handset sales, and lower revenue from the logistics business following the divestment of the logistics portfolio in South-East Asia and Australia in July 2022. Revenue from Asset Management increased by $13 million to $97 million mainly due to higher acquisition and management fees resulting from increased acquisitions completed.

Group net profit from continuing operations was $405 million as compared to $904 million in the same period in 2021. Energy & Environment registered a net profit of $127 million in 2H 2022, reversing the net loss of $54 million in 2H 2021. The improvement was mainly due to higher contributions from the power & renewables business and Keppel Seghers' projects abroad, higher share of results from an associated company in Europe, and improved share of results from Floatel. These were partially offset by provisions for supply chain cost escalation in the environment business. Net profit from Urban Development decreased by $370 million to $114 million in 2H 2022 mainly due to lower contributions from property trading projects in China, lower fair value gains from investment properties, as well as lower gains from enbloc sales. The segment completed the disposals of the Upview and Sheshan Riviera projects in Shanghai in 2H 2022, while it recognised gains from the disposals of the Serenity Villas project in Chengdu and China Chic project in Nanjing, and divestment of a partial interest in Tianjin Fushi Real Estate Development Co Ltd in 2H 2021. Connectivity's net profit of $27 million was $10 million lower than in 2H 2021. This was mainly due to the absence of gain from the divestment of Wuhu Sanshan Port Company Limited in 2021 and lower fair value gains from data centres, which was partly offset by higher net profit from M1. Net profit from Asset Management decreased by $28 million to $156 million mainly due to mark-to-market losses from investments, lower fair value gains on data centres recorded by Keppel DC REIT and private funds, as well as the absence of dilution gain arising from Keppel DC REIT's private placement exercise in 2021. These were partially offset by higher fair value gains on investment properties recorded by Keppel REIT, and higher fee income arising from acquisitions completed. Net loss from Corporate & Others was $19 million as compared to net profit of $253 million in 2H 2021. This was largely due to lower fair value gains recorded in 2H 2022 from investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P.. The Group's taxation decreased year-on-year mainly due to lower taxable profit from Urban Development. Taking into account income tax expenses, non-controlling interests and profit attributable to holders of perpetual securities, the Group's net profit from continuing operations attributable to shareholders for 2H 2022 was $405 million. Including discontinued operations, the Group's net profit attributable to shareholders was $429 million, which was $294 million lower year-on-year. Discontinued operations recorded a net profit of $24 million, as compared to net loss of $181 million in 2H 2021. In addition to revenue recognition from new projects, the offshore & marine business recorded a partial write-back of impairments made in 2020 on certain legacy rigs and lower expected credit loss for assets. These were partly offset by the provisions made for cost overruns on certain projects in Keppel's O&M's yard in the US, mainly arising from shortage of manpower, higher-than-expected labour costs, as well as COVID-related supply chain disruptions. Apart from the yard in the US, the projects in Keppel O&M's other yards, including the FPSOs projects with Petrobras, are progressing well and are on-track and within budget. The Group has also ceased depreciation for the relevant assets classified under disposal group held for sale. Major jobs delivered by the offshore & marine business in 2H 2022 include a LNG fuelled container carrier, two offshore substations, and a dual-fuel hopper dredger.

(ii) Full Year

Group net profit from continuing operations attributable to shareholders was $839 million as compared to $1,248 million in 2021. Earnings per share was 47.2 cents as compared to 68.5 cents for 2021. Including discontinued operations, net profit attributable to shareholders was $927 million, which is 9% lower than the $1,023 million in 2021. Consequently, earnings per share inclusive of discontinued operations was 52.1 cents as compared to 56.2 cents for 2021. Return on equity (including discontinued operations) was 8.1%.

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

Group net profit from continuing operations of $839 million was $409 million or 33% lower than that in 2021. Energy & Environment registered a net profit of $172 million in 2022, reversing the net loss of $189 million in 2021, which had included an impairment of $318 million relating to the Group's exposures to KrisEnergy, partially offset by share of Floatel's net restructuring gain of $215 million. For the current year, the segment recorded higher electricity and gas sales and contributions from Keppel Seghers' projects abroad, higher share of results from an associated company in Europe , and lower share of losses from Floatel. These were partially offset by the provision for supply chain cost escalation in the environment business. Net profit from Urban Development decreased by $481 million to $282 million mainly due to lower contributions from property trading projects in China, lower fair value gains from investment properties, as well as lower gains from enbloc sales. The segment completed the disposals of Upview and Sheshan Riviera projects in Shanghai in the current year, as compared to the recognition of gains from the disposals of the Dong Nai project in Vietnam, Serenity Villas project in Chengdu, and China Chic project in Nanjing, and divestment of a partial interest in Tianjin Fushi Real Estate Development Co Ltd in 2021. Connectivity's net profit of $37 million was $27 million lower than that in 2021. This was mainly due to the absence of gains from the divestment of interests in Keppel Logistics (Foshan) and Wuhu Sanshan Port Company Limited in 2021, and lower fair value gains on data centres, which was partly offset by higher net profit from M1. Net profit from Asset Management increased by $10 million to $311 million mainly due to higher fair value gains on investment properties recorded by Keppel REIT, and higher fee income arising from acquisitions completed. These were partly offset by mark-to-market losses from investments, as well as lower fair value gains on data centres recorded by Keppel DC REIT and private funds. Net profit from Corporate & Others decreased by $272 million to $37 million mainly due to lower fair value gains on investments and lower investment income. In the prior year, the segment recorded significant distribution income and fair value gains from its investments in new technology and start-ups, in particular, Envision AESC Global Investment L.P.. The Group's taxation decreased year-on-year mainly due to lower taxable profit from Urban Development. Taking into account income tax expenses, non-controlling interests and profit attributable to holders of perpetual securities, the Group's net profit from continuing operations attributable to shareholders for 2022 was $839 million. All segments were profitable including Energy & Environment which had registered a loss in 2021. Including discontinued operations, the Group's net profit attributable to shareholders was $927 million, which was $96 million lower year-on-year. The discontinued operations recorded a net profit of $88 million, as compared to the net loss of $225 million in 2021. In addition to revenue recognition from new projects and higher progressive revenue recognition on existing projects, the offshore & marine business recorded higher investment income, gains from the divestment of Keppel Smit Towage Pte Limited and Maju Maritime Pte Ltd, and partial write-back of impairments made in 2020 on certain legacy rigs. These were partly offset by the provisions made for cost overruns on certain projects in Keppel's O&M's yard in the US, mainly arising from shortage of manpower, higher-than-expected labour costs, as well as COVID-related supply chain disruptions. Apart from the yard in the US, the projects in Keppel O&M's other yards, including the FPSOs projects with Petrobras, are progressing well and are on-track and within budget. The Group has also ceased depreciation for the relevant assets classified under the disposal group held for sale. Major jobs delivered by the offshore & marine business in 2022 include a jackup, an FSRU conversion repair, an LNG containership, an LNG carrier repair, two Trailer Suction Hopper Dredgers (TSHD), jumboisation of a TSHD, two offshore substations, a wind turbine installation vessel upgrade and fabrication of leg component for an offshore wind turbine installation vessel.

4. VARIANCE FROM FORECAST STATEMENT

No forecast was previously provided.

5. PROSPECTS

Vision 2030

Keppel's Vision 2030 is a long-term roadmap, unveiled in May 2020, to guide the Group's strategy and transformation. From a conglomerate of diverse parts, the Group is transforming into one integrated business - a global asset manager and operator, with strong capabilities in energy and environment, urban development and connectivity, all part of a continuous value chain.

In 2022, Keppel continued to simplify and focus its business, with the divestment of Keppel Logistics[1], and the proposed combination of Keppel Offshore & Marine (Keppel O&M) with Sembcorp Marine, and resolution of the legacy rigs and associated receivables.

At an Extraordinary General Meeting (EGM) held in December 2022, Keppel Corporation's shareholders approved the proposed combination of Keppel O&M with Sembcorp Marine and the Asset Co transaction, as well as the proposed distribution in-specie of Sembcorp Marine shares. At the date of this announcement, the proposed combination is pending the approval of Sembcorp Marine shareholders at an EGM to be held on 16 February 2023.

During the year, the Group also made strong progress in its asset monetisation programme. Since the start of the programme in October 2022, the Group has announced over $4.6 billion of asset monetisation, putting it well on track to exceed the higher end of the S$3-5 billion target by the end of 2023. The funds unlocked will allow the Group to build new capabilities, fuel its ambitious growth plans under Vision 2030, and also better reward shareholders.

The Group has also continued to harness its asset-light model for growth, with the announcement of about $2.8 billion worth of energy and environment and sustainable urban renewal-related investments in 2022, jointly undertaken by Keppel together with the private funds and/or business trust managed by Keppel Capital.

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

To drive integration, horizontal teams across the Group's focus areas in data centres, infrastructure and real estate, were established to take a "cradle to maturity" approach in evaluating business opportunities across the projects' development stages, whether they are investments by the Group's funds, operating entities, listed REITs or business trust. Other projects which the Group is working on, such as energy efficient floating data centre parks and climate resilient nearshore developments or "floating cities", similarly harness diverse capabilities from across the Group, allowing Keppel to engender innovative solutions that differentiate the Company from its competitors.

Segment Business
In the Energy & Environment segment, Keppel O&M's net order book, excluding the Sete rigs, was approximately $11 billion as at 31 December 2022. Keppel O&M was successful in securing new contracts, adding approximately $8.1 billion worth of new orders in 2022 which included two newbuild FPSO projects and an offshore wind substation. The significant additions to the order book are a testament to the strong track record of Keppel O&M's ability to deliver and reflect the confidence in Keppel O&M as a partner in the development and construction of high quality, sustainable and robust production units. Reflecting the improving confidence and sentiments in the oil and gas market, Keppel O&M secured bareboat charter contracts for all of its available legacy jackup rigs, with charter periods of between three to five years. These contracts are collectively worth approximately $325 million. Keppel O&M is currently also engaging potential buyers for some of its legacy rig assets.

Governments and industries around the world have intensified efforts to fortify energy resilience, coupled with the rapid transition towards more sustainable energy systems. In the Energy & Environment segment, Keppel Infrastructure (KI) sees growing demand for renewables, and decarbonisation solutions such as alternative low-carbon energy and electrification, as well as a secular shift towards resource circularity. KI will leverage its competitive advantages and operating track records in the energy and environmental sectors to create value-added solutions and capture opportunities. Besides building a robust development pipeline, KI is also evaluating inorganic and partnership opportunities to bolster its growth in power & renewables, environmental and new energy business. KI will also commit resources to innovation and technology development, including rolling out new market offerings such Energy-as-a-Service, to bring even better value propositions to its customers.

Keppel Renewable Energy will continue to develop the Harlin Solar Farm in Australia and explore new markets and opportunities as a developer and operator of renewable energy assets, as it contributes to the Group's goal of growing its renewable energy portfolio to 7GW by 2030.

In the Urban Development segment, Keppel Land continues its transformation to be an asset light provider of urban space solutions, with China, Singapore and Vietnam as its key markets, while scaling up in others such as India. In 2022, Keppel Land sold about 2,190 homes across China, India, Indonesia, Vietnam and Singapore. Keppel Land will continue to monetise its landbank to unlock value and recycle capital, as it pivots towards Real Estate-as-a Service and grow recurring income. It is actively exploring opportunities in sustainable urban renewal and senior living solutions, and is focused on enhancing customer experience, as well as digital and sustainability investments to leapfrog the competition.

Keppel Urban Solutions, which is part of Keppel Land effective 1 January 2023, continues to pursue opportunities as a master developer and integrator of end-to-end smart and sustainable solutions.

In China, the Sino-Singapore Tianjin Eco-City Investment and Development Company Ltd (SSTEC) continues to drive the development of the Eco-City, including selling land parcels to accelerate the Eco-City's development.

In the Connectivity business, M1 complements the Group's mission as a solutions provider for sustainable urbanisation with its suite of digital connectivity solutions. Through a multi-year transformation journey, M1 is developing and implementing new strategic and operational plans to sharpen its competitive edge, increase its momentum in digital transformation and undertake growth initiatives. It will focus on strengthening its consumer business through hyper-personalisation to meet changing customer needs and expectations, and developing platforms and initiatives to support enterprise customers.

On the 5G front, M1 achieved more than 95% outdoor coverage in its 5G standalone network rollout in Singapore as at end-2022, as well as progressively launched various 5G commercial solutions providing fast-speed connectivity and immersive metaverse experiences and edge computing solutions in various public attractions and venues. The investment into Glocomp Systems during the year marked the continued expansion of M1's cloud and enterprise business, following the acquisition of AsiaPac in 2018. M1 is able to leverage its strong synergies with AsiaPac's hybrid multi-cloud competencies and Glocomp's expertise in cybersecurity and enterprise systems to bolster M1's enterprise digital service capabilities, create value for enterprises through innovative technology and digital solutions, whilst driving M1's regional expansion. M1 will continue to accelerate 5G-enabled advancements across various industries to drive operational efficiency gains for enterprise customers in support of their digital transformation journeys.

Keppel Telecommunications & Transportation (Keppel T&T) will, in collaboration with Keppel Capital, continue to actively pursue new development opportunities to grow its data centre footprint beyond its traditional areas of operation, while concurrently exploring innovative new solutions to reduce the environmental footprint of its data centres and strengthen its market position. Following the divestment of Keppel Logistics[1] in July 2022, Keppel T&T will continue to seek opportunities to monetise the remaining non-core logistics assets and operations.

In the Asset Management business, Keppel Capital leverages on its extensive network and the deep operational insights within the Group to originate quality investment solutions and connect investors with real assets in fast growing sectors supported by long-term macro-trends. In 2022, Keppel Capital raised $1.4 billion in equity and completed more than $7.7 billion in acquisitions and divestments across its REITs, Trust and private funds. Keppel Capital achieved its target of $50 billion in assets under management as at end-2022, up from about $42 billion in the previous year. Looking ahead, Keppel Capital will continue to harness synergies across the Group to grow its investments in infrastructure, real estate, data centre and alternative assets with a focus on sustainability.

OTHER INFORMATION
For the six months and full year ended 31 December 2022

6. DIVIDEND

6a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

The Directors are pleased to recommend a final cash dividend of 18.0 cents per share tax exempt one-tier (2021: 21.0 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2022 for approval by shareholders at the next Annual General Meeting to be convened.

Together with the interim dividend comprising a cash dividend of 15.0 cents per share tax exempt one-tier (2021: 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 in cash per share (2021: 33.0 cents in cash per share).

Name of Dividend	**Final FY2022**
Dividend type	**Cash**
Dividend per share	**18.0 cents**
Tax rate	**Tax exempt**

6b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	**Final FY2021**
Dividend type	**Cash**
Dividend per share	**21.0 cents**
Tax rate	**Tax exempt**

6c. Date Payable

The proposed final dividend if approved at the annual general meeting scheduled to be held on 21 April 2023 will be paid on 10 May 2023.

6d. Books Closure Date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 28 April 2023 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfers of ordinary shares (“Shares”) received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue Keppel Bay Tower #14-07 Singapore 098632 up to 5.00 p.m. on 28 April 2023 will be registered to determine shareholders’ entitlement to the proposed final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 28 April 2023 will be entitled to the proposed final dividend.

6e. Total Annual Dividend

Total distribution paid and proposed in respect of the financial year ended 31 December 2022 will be approximately 33.0 cents in cash per share (2021: 33.0 cents in cash per share).

	2022	2021	+/-
	$’000	$’000	%
Interim cash dividend	**265,139**	218,350	+21.4
Final cash dividend	**315,353***	378,094	-16.6
Total annual dividend	**580,492**	596,444	-2.7

* Estimated based on share capital of 1,751,959,918 ordinary shares (excluding treasury shares) at the end of the financial year.

OTHER INFORMATION
For the six months and full year ended 31 December 2022

7. INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 22 April 2022. During the financial year, the following interested person transactions were entered into by the Group:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)
Transaction for the Sale of Goods and Services		**2022 $'000**	**2022 $'000**
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	**399**	**1,769**
CapitaLand Group		**–**	**1,391**
Clifford Capital Group		**1,530**	**137**
Keppel Infrastructure Trust Group		**20,860**	**175,453**
Lan Ting Holdings Group		**–**	**21,970**
PSA International Group		**11**	**6,057**
SembCorp Marine Group		**4**	**2,907**
Singapore Power Group		**15**	**1,714**
Singapore Technologies Engineering Group		**95,116**	**2,610**
Singapore Telecommunications Group		**164**	**7,019**
StarHub Group		**346**	**68,912**
Transaction for the Purchase of Goods and Services			
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	**1,616**	**2,357**
Clifford Capital Group		**–**	**1,211**
Lan Ting Holdings Group		**–**	**652,000**
SembCorp Industries Group		**–**	**127,062**
SembCorp Marine Group		**–**	**2,064**
Singapore Technologies Engineering Group		**71**	**7,868**
Singapore Technologies Telemedia Group		**4**	**1,720**
Singapore Telecommunications Group		**71**	**32,873**
StarHub Group		**–**	**60,041**
Surbana Jurong Group		**–**	**1,615**

OTHER INFORMATION
For the six months and full year ended 31 December 2022

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)
Treasury Transactions		**2022 $'000**	**2022 $'000**
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The named interested persons are its associates.	**20,394**	**–**
Keppel Infrastructure Trust Group		**4,201**	**–**
Clifford Capital Group		**143,783**	**–**
SembCorp Marine Group		**159**	**–**
Joint Venture			
Temasek Holdings Group (other than the below)	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The named interested person are its associate.	**35,800**	**–**
Keppel Infrastructure Trust Group		**278,591**	**–**
Singapore Technologies Engineering Group		**1,198**	**–**
Total Interested Person Transactions		**604,333**	**1,178,750**

OTHER INFORMATION
For the six months and full year ended 31 December 2022

8. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in Keppel Corporation Limited (the "Company") or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

9. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

CAROLINE CHANG/SAMANTHA TEONG
Company Secretaries
2 February 2023