

## Media Release

### Keppel achieves S\$513 million net profit from continuing operations in 1H24, up 7% yoy excluding legacy O&M assets

- **Transformation as global asset manager and operator bearing fruit:**
  - Funds under Management<sup>1</sup> (FUM) grew 55% to S\$85 billion at end-June 2024 from S\$55 billion at end-2023; Asset management profit more than doubled yoy to S\$75 million in 1H24.
  - All segments were profitable in 1H24 with higher yoy contributions from Infrastructure and Connectivity.
  - Recurring income rose 14% yoy to S\$388 million.
  - Achieved annual cost savings run-rate of over S\$50 million since start of 2023, on track towards S\$60 – S\$70 million target by end-2026.
- **Rewarding shareholders:** Company declares interim cash dividend of 15.0 cents per share to be paid on 23 August 2024.

**Singapore, 1 August 2024** – Keppel Ltd. (Keppel) reported a net profit of S\$513 million from continuing operations for the first half of 2024, 7% higher than the S\$481 million reported in 1H23<sup>2</sup>, excluding the effects of its legacy offshore and marine (O&M) assets<sup>3</sup>. This translates into an annualised Return on Equity (ROE) of 9.8% in 1H24 compared to 8.7% in 1H23.

Recurring income rose 14% to S\$388 million, making up 76% of 1H24 net profit on the same basis, with higher contributions from both asset management and operations.

In 1H24, all segments were profitable with stronger earnings in the Infrastructure and Connectivity segments more than offsetting a decline in Real Estate contributions. Including the effects of the legacy O&M assets, net profit from continuing operations was S\$304 million for 1H24 compared to S\$445 million for 1H23.

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<sup>1</sup> Gross asset value of investments and uninvested capital commitments on a leveraged basis to project fully-invested FUM.

<sup>2</sup> 1H23 figures exclude discontinued operations.

<sup>3</sup> Effects of legacy O&M assets comprise the P&L effects from Seatrium shares, the Asset Co vendor notes, and contributions from stakes in Floatel and Dyna-Mac.

Mr Loh Chin Hua, CEO of Keppel, said, “We are making steady progress in our transformation to be a global asset manager and operator. Bolstered by both organic growth and the successful acquisition of 50% of Aermont Capital, our asset management profit more than doubled year on year to S\$75 million, while FUM grew 55% to S\$85 billion in the first six months of 2024. Our asset-light strategy is also bearing fruit. Since end-2021, we have reduced the total assets on our balance sheet by over 14% to S\$27.7 billion at the end of 1H24, while our FUM had more than doubled during this period. Today, we are doing more with less — pursuing growth, driving recurring income and improving returns to our shareholders.”

Keppel continued to progress towards its asset monetisation and cost optimisation targets. In the year to date, the Company announced the monetisation of about S\$280 million of assets, raising its cumulative total to over S\$5.6 billion since the programme began in October 2020. As part of its transformation, Keppel has also captured significant synergies since the start of 2023 from optimising its processes and centralised functions, as well as digitalising its operations. This has enabled the Company to achieve an annual run-rate of over S\$50 million in recurring cost savings, on track towards its target of S\$60 – S\$70 million by end-2026.

As at end-June 2024, Keppel’s Adjusted Net Debt to EBITDA<sup>4</sup> was 3.7x. Around 63% of its borrowings were on fixed rates, with a competitive cost of funds of 3.79% and weighted tenor of about three years<sup>5</sup>.

### **Driving growth in asset management**

As at end-June 2024, FUM<sup>1</sup> had grown 55% to around S\$85 billion from S\$55 billion at the end of 2023, with stronger performance by Keppel’s private funds and listed entities as well as the inclusion of leading European real estate manager, Aermont Capital, in which Keppel has acquired an initial 50% stake. Asset management fees<sup>6</sup> surged 75% to S\$203 million on the same basis in 1H24, representing a Fee-to-FUM ratio of 55 basis points<sup>7</sup>.

With a combined dry powder of about S\$25 billion, Keppel and Aermont are in position to seize opportunities to acquire attractive assets that may become available when markets go through dislocations. Keppel and Aermont are concurrently pursuing an extended deal flow pipeline of S\$27 billion.

In 1H24, Keppel’s private funds and listed entities, excluding Aermont Capital, raised about S\$435 million in equity and completed S\$2.3 billion in acquisitions and divestments. Looking ahead, Keppel plans to launch three new funds for data centres, education assets

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<sup>4</sup> Adjusted net debt is defined as net debt less carrying value of vendor notes, while EBITDA refers to last 12 months’ profit before depreciation, amortisation, net interest expense and tax, excluding P&L effects from legacy O&M assets.

<sup>5</sup> Includes perpetual securities. For reference, the SGD 3-year swap rate was 3.05% as at end-June 2024.

<sup>6</sup> 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.

<sup>7</sup> 1H24 Fee-to-FUM ratio is on a run-rate basis.

and private credit in 2H24. Riding on robust investor demand for the Company's data centre offerings, Keppel is hopeful of achieving the first close for its US\$2 billion Data Centre Fund III later this year. The Company is also in the early stages of planning a separate sleeve for data centres in Europe together with Aermont Capital.

### **Creating value through strong operating expertise**

In the Operating Platform, the Infrastructure Division continued to strengthen its integrated power business, securing higher contracted loads with longer durations. As at end-June 2024, about 60% of its contracted generation capacity was locked in for three years and above. Following the successful upgrading of the Keppel Merlimau Cogen (KMC) power plant's first turbine a year ago, Keppel is now embarking on upgrading the second turbine to enhance KMC's performance, resilience and sustainability. Coupled with the new Keppel Sakra Cogen Plant, which will come onstream in early-2026, Keppel's power generation fleet will be among the most advanced, high-efficiency fleets in Singapore and the region.

Over the same period, the Infrastructure Division's long-term technology solutions and energy services contracts expanded by over 20% to S\$5.2 billion, with revenues to be earned over 10-15 years. These contracts currently generate a recurring annual EBITDA of over S\$40 million, which the Company targets to scale up to more than S\$100 million per annum by 2027.

In line with Keppel's asset-light business model, the Real Estate Division is gaining traction in providing Real Estate-as-a-Service, implementing sustainable urban renewal initiatives for buildings and providing green and smart city consultancy services respectively to Suzhou Industrial Park and the Sino-Singapore Cooperation Zone in Jinan, Shandong.

In the Connectivity Division, Keppel DC Singapore 8, which recently achieved the BCA Green Mark Platinum award, is fully-leased and expected to be ready for service from 3Q 2024 onwards. The Division is also finalising details of the first Floating Data Centre Module in Singapore and expects to take the Final Investment Decision in 2H24. Meanwhile, M1 continues to make good progress growing its enterprise business and is progressively decommissioning its legacy technology stack, which will help to improve customer acquisition while lowering its cost to acquire and serve.

### **Rewarding shareholders**

In appreciation of the support and confidence of Keppel shareholders, the Board has approved an interim cash dividend of 15.0 cents per share for 1H24. This interim dividend, which will be paid to shareholders on 23 August 2024, is the same as last year's interim dividend of 15.0 cents.

With the latest interim cash dividend of 15.0 cents for 1H24, and the FY23 final cash dividend of 19.0 cents per share paid in May 2024, shareholders will be receiving a total cash dividend of 34.0 cents in 2024 for every Keppel share held. This translates into a cash dividend yield of 5.1% based on Keppel's closing share price of S\$6.64 on 31 July 2024.

## **Financial Highlights**

	<b>1H24 (S\$ m)</b>	<b>1H23 (S\$ m)</b>	<b>Change (%)</b>
<b>Revenue</b>	3,224	3,716	(13)
<b>Operating Profit</b>	506	572	(12)
<b>Net Profit</b>	<b>304</b>	<b>3,627</b>	(92)
– Profit from Continuing Operations excluding legacy O&M assets	513	481	7
– Legacy O&M Assets	(209)	(36)	481
– Profit from Discontinued Operations	–	3,182	<i>n.m.f.</i>
<b>Earnings per Share</b>			
From Continuing Operations			
- excluding legacy O&M assets	28.2 cents	26.9 cents	5
- including legacy O&M assets	16.7 cents	24.9 cents	(33)

*n.m.f. denotes No Meaningful Figure*

- Annualised ROE was 9.8% in 1H24 compared to 8.7% in 1H23 from continuing operations excluding legacy O&M assets
- Adjusted Net Debt to EBITDA was 3.7x as at end-June 2024 compared to 3.3x as at end-December 2023
- Free cash outflow was S\$216 million in 1H24 compared to S\$732 million<sup>8</sup> in 1H23
- Declared interim cash dividend of 15.0 cents per share for 1H24

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### **About Keppel Ltd.**

Keppel Ltd. (SGX:BN4) is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and

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<sup>8</sup> Includes S\$500 million cash component realised as part of the divestment of discontinued operations, which is presented as cash inflow from financing activities in the financial statements. The inclusion herein is for better comparability and understanding of the free cash flow.

connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity. Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts.

**KEPPEL LTD.**  
Co Reg No. 196800351N  
(Incorporated in the Republic of Singapore)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DIVIDEND  
ANNOUNCEMENT**

**FOR THE HALF YEAR ENDED 30 JUNE 2024**

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**KEPPEL LTD. & ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED PROFIT OR LOSS ACCOUNT**

**For the half year ended 30 June 2024**

	Note	Half Year		+/- %	
		30.06.2024 \$'000	30.06.2023# \$'000		
<b>Continuing operations</b>					
<b>Revenue</b>	7	<b>3,223,548</b>	3,715,625	-13.2	
Materials, subcontract and other costs		<b>(2,283,446)</b>	(2,677,772)	-14.7	(i)
Staff costs		<b>(336,805)</b>	(361,595)	-6.9	(ii)
Depreciation and amortisation		<b>(100,576)</b>	(100,476)	+0.1	
Expected credit loss on financial assets	8	<b>(4,370)</b>	(7,623)	-42.7	
Other operating income – net	8	<b>7,147</b>	3,565	+100.5	
<b>Operating profit</b>		<b>505,498</b>	571,724	-11.6	
Investment income		<b>32,399</b>	31,366	+3.3	(iii)
Interest income		<b>35,975</b>	25,418	+41.5	(iv)
Interest expenses		<b>(193,523)</b>	(147,882)	+30.9	(v)
Share of results of associated companies and joint ventures	2	<b>53,226</b>	121,851	-56.3	(vi)
<b>Profit before tax</b>		<b>433,575</b>	602,477	-28.0	
Taxation		<b>(119,618)</b>	(139,604)	-14.3	(vii)
<b>Profit from continuing operations for the period</b>		<b>313,957</b>	462,873	-32.2	
<b>Discontinued operations</b>					
Profit from discontinued operations, net of tax		–	3,181,561	n.m.f.	
<b>Profit for the period</b>		<b>313,957</b>	<b>3,644,434</b>	-91.4	
<b>Attributable to:</b>					
<b>Shareholders of the Company:</b>					
- from continuing operations		<b>304,147</b>	444,945	-31.6	
- from discontinued operations		–	3,181,762	n.m.f.	
		<b>304,147</b>	3,626,707	-91.6	
<b>Perpetual securities holders</b>		<b>5,721</b>	5,752	-0.5	
<b>Non-controlling interests</b>		<b>4,089</b>	11,975	-65.9	
		<b>313,957</b>	<b>3,644,434</b>	-91.4	
<b>Earnings per ordinary share</b>					
- basic		<b>16.7 cts</b>	203.0 cts	-91.8	(viii)
- diluted		<b>16.5 cts</b>	200.8 cts	-91.8	
<b>Earnings per ordinary share - Continuing operations</b>					
- basic		<b>16.7 cts</b>	24.9 cts	-32.9	
- diluted		<b>16.5 cts</b>	24.6 cts	-32.9	

*n.m.f. - No Meaningful Figure*

# On 27 February 2023 and 28 February 2023, the Asset Co Transaction and the Proposed Combination (as disclosed in the financial statements in the Group's Annual Report for the financial year ended 31 December 2023) were completed respectively. Consequent to the completion, 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, for the period from 1 January to 28 February 2023 and the gain arising from the Proposed Combination were reported as discontinued operations.

## KEPPEL LTD. & ITS SUBSIDIARIES

- (i) Materials, subcontract and other costs decreased for the half year ended 30 June 2024 in line with lower revenue. The extent of decrease in such costs was higher than the decrease in revenue mainly due to higher gross margins from the Infrastructure segment arising from higher contracted spread.
- (ii) Staff costs decreased for the half year ended 30 June 2024 due to cost optimisation efforts.
- (iii) Investment income for the half year ended 30 June 2024 was higher mainly due to distributions received by Corporate Activities.
- (iv) Higher interest income for the half year ended 30 June 2024 was largely attributable to the Infrastructure segment.
- (v) Higher interest expense was mainly attributable to higher weighted average interest rates on borrowings and higher gross borrowings.
- (vi) Lower share of results from associated companies and joint ventures for the half year ended 30 June 2024 was mainly attributable to the Real Estate, Corporate Activities and Infrastructure segments, in particular, there was higher share of fair value losses on investment properties as compared to prior year.
- (vii) Taxation expenses for the half year ended 30 June 2024 were lower mainly due to lower taxable profits in Real Estate segment.
- (viii) Earnings per ordinary share

	Half Year		
	30.06.2024	30.06.2023	+/-%
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 period from continuing operations	<b>16.7 cts</b>	24.9 cts	-32.9
- Profit for the period from discontinued operations	-	178.1 cts	n.m.f.
<b>Profit for the period</b>	<b>16.7 cts</b>	203.0 cts	-91.8
- Weighted average number of shares (excluding treasury shares) ('000)	<b>1,821,481</b>	1,786,579	+2.0
(ii) On a fully diluted basis			
- Profit for the period from continuing operations	<b>16.5 cts</b>	24.6 cts	-32.9
- Profit for the period from discontinued operations	-	176.2 cts	n.m.f.
<b>Profit for the period</b>	<b>16.5 cts</b>	200.8 cts	-91.8
- Adjusted weighted average number of shares (excluding treasury shares) ('000)	<b>1,837,840</b>	1,805,944	+1.8

*n.m.f. - No Meaningful Figure*

**KEPPEL LTD. & ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the half year ended 30 June 2024

	Half Year		+/- %
	30.06.2024 \$'000	30.06.2023 \$'000	
<b>Profit for the period</b>	<b>313,957</b>	<b>3,644,434</b>	<b>-91.4</b>
<u>Items that may be reclassified subsequently to profit or loss account:</u>			
Cash flow hedges			
- Fair value changes arising during the period, net of tax	<b>122,594</b>	(3,462)	n.m.f. (i)
- Realised and transferred to profit or loss account	<b>(41,729)</b>	(44,515)	-6.3 (ii)
Foreign exchange translation			
- Exchange differences arising during the period	<b>(56,123)</b>	87,529	n.m.f. (iii)
- Realised and transferred to profit or loss account	<b>(483)</b>	103,292	n.m.f.
Share of other comprehensive income of associated companies and joint ventures			
- Cash flow hedges	<b>3,316</b>	(4,547)	n.m.f.
- Foreign exchange translation	<b>(17,409)</b>	(26,894)	-35.3
	<b>10,166</b>	111,403	-90.9
<u>Items that will not be reclassified subsequently to profit or loss account:</u>			
Financial assets, at FVOCI			
- Fair value changes arising during the period	<b>(41,448)</b>	(10,083)	+311.1 (iv)
Foreign exchange translation			
- Exchange differences arising during the period	<b>(577)</b>	(3,966)	-85.5 (iii)
Share of other comprehensive income of associated companies and joint ventures			
- Financial assets, at FVOCI	<b>133</b>	(1,130)	n.m.f.
	<b>(41,892)</b>	(15,179)	+176.0
<b>Other comprehensive loss for the period, net of tax</b>	<b>(31,726)</b>	96,224	n.m.f.
<b>Total comprehensive income/(loss) for the period</b>	<b>282,231</b>	<b>3,740,658</b>	<b>-92.5</b>
<b>Attributable to:</b>			
Shareholders of the Company:			
- from continuing operations	<b>272,767</b>	482,736	-43.5
- from discontinued operations	-	3,244,746	n.m.f.
	<b>272,767</b>	3,727,482	-92.7
<b>Perpetual securities holders</b>	<b>5,721</b>	5,752	-0.5
<b>Non-controlling interests</b>	<b>3,743</b>	7,424	-49.6
	<b>282,231</b>	<b>3,740,658</b>	<b>-92.5</b>

*n.m.f. - No Meaningful Figure*

## KEPPEL LTD. & ITS SUBSIDIARIES

- (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 or loss account upon realisation.
- (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 loss in the current period arose largely from the weakening of foreign currencies, such as Vietnamese Dong, Indonesian Rupiah and Renminbi against Singapore dollar.

The translation gain in the prior period arose largely from the strengthening of foreign currencies, such as United States dollar 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 LTD. & ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

As at 30 June 2024

	Note	Group		Company	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
		\$'000	\$'000	\$'000	\$'000
<b>Share capital</b>	6	<b>1,305,668</b>	1,305,668	<b>1,305,668</b>	1,305,668
<b>Treasury shares</b>		<b>(96,452)</b>	(387,316)	<b>(96,452)</b>	(387,316)
<b>Reserves</b>		<b>9,275,789</b>	9,389,089	<b>6,525,068</b>	6,345,501
<b>Share capital &amp; reserves</b>		<b>10,485,005</b>	10,307,441	<b>7,734,284</b>	7,263,853
<b>Perpetual securities</b>		<b>401,458</b>	401,521	<b>401,458</b>	401,521
<b>Non-controlling interests</b>		<b>301,771</b>	307,598	<b>-</b>	-
<b>Total equity</b>		<b>11,188,234</b>	11,016,560	<b>8,135,742</b>	7,665,374
Represented by:					
<b>Fixed assets</b>		<b>966,790</b>	902,149	<b>2,333</b>	2,853
<b>Investment properties</b>		<b>4,955,805</b>	4,665,064	<b>-</b>	-
<b>Right-of-use assets</b>		<b>193,318</b>	213,730	<b>6,391</b>	7,923
<b>Intangibles</b>		<b>1,511,598</b>	1,534,302	<b>-</b>	-
<b>Subsidiaries</b>		<b>-</b>	-	<b>7,398,358</b>	7,183,858
<b>Associated companies and joint ventures</b>	2	<b>6,997,914</b>	6,601,853	<b>-</b>	-
<b>Investments</b>		<b>1,629,297</b>	1,618,886	<b>17,701</b>	18,013
<b>Deferred tax assets</b>		<b>82,926</b>	78,520	<b>8,829</b>	8,862
<b>Derivative assets</b>		<b>146,828</b>	100,524	<b>123,593</b>	82,083
<b>Contract assets</b>		<b>19,674</b>	18,674	<b>-</b>	-
<b>Notes receivables</b>	3	<b>4,219,845</b>	4,286,354	<b>-</b>	-
<b>Long term assets</b>		<b>485,817</b>	452,098	<b>96,022</b>	58,744
<b>Current assets</b>		<b>21,209,812</b>	20,472,154	<b>7,653,227</b>	7,362,336
Stocks		<b>1,968,981</b>	2,109,941	<b>-</b>	-
Contract assets		<b>444,455</b>	405,715	<b>-</b>	-
Amounts due from:					
- subsidiaries		<b>-</b>	-	<b>9,835,096</b>	8,500,662
- associated companies and joint ventures		<b>315,876</b>	256,933	<b>-</b>	64
Debtors		<b>1,850,277</b>	1,693,963	<b>23,297</b>	72,524
Derivative assets		<b>24,278</b>	18,771	<b>6,895</b>	5,134
Short term investments	4	<b>103,703</b>	253,109	<b>100,297</b>	167,524
Bank balances, deposits & cash		<b>1,440,219</b>	1,265,660	<b>273,552</b>	272,601
Assets classified as held for sale	14	<b>365,753</b>	361,656	<b>-</b>	-
		<b>6,513,542</b>	6,365,748	<b>10,239,137</b>	9,018,509
<b>Current liabilities</b>					
Creditors		<b>3,016,926</b>	2,586,430	<b>126,263</b>	168,581
Derivative liabilities		<b>57,668</b>	91,280	<b>53,065</b>	78,607
Contract liabilities		<b>122,418</b>	165,494	<b>-</b>	-
Provisions		<b>42,085</b>	50,797	<b>-</b>	-
Amounts due to:					
- subsidiaries		<b>-</b>	-	<b>249,624</b>	210,923
- associated companies and joint ventures		<b>98,633</b>	101,264	<b>905</b>	897
Term loans	5	<b>2,246,772</b>	2,421,680	<b>1,770,616</b>	1,547,129
Lease liabilities	5	<b>30,492</b>	37,408	<b>4,193</b>	4,129
Taxation		<b>288,335</b>	377,474	<b>51,092</b>	52,762
		<b>5,903,329</b>	5,831,827	<b>2,255,758</b>	2,063,028
Liabilities directly associated with assets classified as held for sale	14	<b>295,416</b>	307,001	<b>-</b>	-
		<b>6,198,745</b>	6,138,828	<b>2,255,758</b>	2,063,028
<b>Net current assets</b>		<b>314,797</b>	226,920	<b>7,983,379</b>	6,955,481
<b>Non-current liabilities</b>					
Term loans	5	<b>9,507,989</b>	8,537,958	<b>7,402,421</b>	6,505,384
Lease liabilities	5	<b>127,090</b>	142,055	<b>2,812</b>	4,606
Deferred tax liabilities		<b>402,886</b>	411,815	<b>-</b>	3,198
Derivative liabilities		<b>68,544</b>	114,563	<b>66,069</b>	109,693
Other non-current liabilities		<b>229,866</b>	476,123	<b>29,562</b>	29,562
		<b>10,336,375</b>	9,682,514	<b>7,500,864</b>	6,652,443
<b>Net assets</b>		<b>11,188,234</b>	11,016,560	<b>8,135,742</b>	7,665,374
<i>Group net debt</i>		<b>10,472,124</b>	9,873,441	<i>n.a.</i>	<i>n.a.</i>
<i>Group net gearing ratio</i>		<b>0.94x</b>	0.90x	<i>n.a.</i>	<i>n.a.</i>

## KEPPEL LTD. & ITS SUBSIDIARIES

### (i) Net asset value

	Group			Company		
	30.06.2024	31.12.2023	+/-%	30.06.2024	31.12.2023	+/-%
Net asset value per ordinary share *	<b>\$5.81</b>	\$5.85	-0.7	<b>\$4.28</b>	\$4.12	+3.9
Net tangible asset per ordinary share *	<b>\$4.97</b>	\$4.98	-0.2	<b>\$4.28</b>	\$4.12	+3.9

\* Based on share capital of 1,806,048,511 ordinary shares (excluding treasury shares) as at the end of the period (31 December 2023: 1,762,294,166 ordinary shares (excluding treasury shares)).

### (ii) Balance sheet analysis

Group shareholder's funds increased by \$0.18 billion to \$10.49 billion as at 30 June 2024. The increase was mainly attributable to retained profits and transfer of treasury shares for an acquisition of a real estate asset manager (Note 2), partly offset by payment of final dividend of 19.0 cents per share in respect of financial year 2023.

Group total assets were \$27.72 billion as at 30 June 2024, \$0.89 billion higher than the previous year end. This was mainly attributable to the acquisitions (including acquisition of the real estate asset manager as mentioned above) and further investments in associated companies and joint ventures, additions to and fair value gains on investment properties, as well as increase in debtors.

Group total liabilities of \$16.54 billion as at 30 June 2024 were \$0.71 billion higher than the previous year end. This was largely attributable to the net drawdown of term loans.

Group net debt increased by \$0.60 billion to \$10.47 billion as at 30 June 2024, driven largely by dividend payments, investments and additions of fixed assets and investment properties, partly offset by divestments during the period. Total equity increased by \$0.17 billion mainly due to increase in shareholders' funds as explained above. As a result, group net gearing ratio as at 30 June 2024 was 94%, an increase from 90% as at 31 December 2023.

**KEPPEL LTD. & ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the half year ended 30 June 2024

Group 2024	Attributable to owners of the Company								
	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves* \$'000	Revenue Reserves \$'000	Foreign Exchange Translation Account \$'000	Share Capital & Reserves \$'000	Perpetual Securities \$'000	Non- controlling Interests \$'000	Total Equity \$'000
<b>As at 1 January 2024</b>	<b>1,305,668</b>	<b>(387,316)</b>	<b>196,079</b>	<b>9,971,301</b>	<b>(778,291)</b>	<b>10,307,441</b>	<b>401,521</b>	<b>307,598</b>	<b>11,016,560</b>
<b>Total comprehensive income for first half</b>									
Profit for first half	-	-	-	304,147	-	304,147	5,721	4,089	313,957
Other comprehensive income **	-	-	42,635	-	(74,015)	(31,380)	-	(346)	(31,726)
<b>Total comprehensive income for first half</b>	<b>-</b>	<b>-</b>	<b>42,635</b>	<b>304,147</b>	<b>(74,015)</b>	<b>272,767</b>	<b>5,721</b>	<b>3,743</b>	<b>282,231</b>
<b>Transactions with owners, recognised directly in equity</b>									
<u>Contributions by and distributions to owners</u>									
Dividends paid	-	-	-	(337,185)	-	(337,185)	-	-	(337,185)
Share-based payment	-	-	27,858	-	-	27,858	-	-	27,858
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(26,128)	(26,128)
Treasury shares reissued pursuant to share plans	-	82,473	(82,473)	-	-	-	-	-	-
Treasury shares reissued pursuant to acquisition (Note 2)	-	208,391	6,031	-	-	214,422	-	-	214,422
Transfer to revenue reserves	-	-	(49,985)	49,985	-	-	-	-	-
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	16,433	16,433
Distribution paid to perpetual securities holders	-	-	-	-	-	-	(5,784)	-	(5,784)
Contributions to defined benefits plans	-	-	(298)	-	-	(298)	-	125	(173)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>290,864</b>	<b>(98,867)</b>	<b>(287,200)</b>	<b>-</b>	<b>(95,203)</b>	<b>(5,784)</b>	<b>(9,570)</b>	<b>(110,557)</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>290,864</b>	<b>(98,867)</b>	<b>(287,200)</b>	<b>-</b>	<b>(95,203)</b>	<b>(5,784)</b>	<b>(9,570)</b>	<b>(110,557)</b>
<b>As at 30 June 2024</b>	<b>1,305,668</b>	<b>(96,452)</b>	<b>139,847</b>	<b>9,988,248</b>	<b>(852,306)</b>	<b>10,485,005</b>	<b>401,458</b>	<b>301,771</b>	<b>11,188,234</b>

\* Includes 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 consolidated statement of comprehensive income.

## KEPPEL LTD. & ITS SUBSIDIARIES

Group	Attributable to owners of the Company								
	Share Capital	Treasury Shares	Capital Reserves*	Revenue Reserves	Foreign Exchange Translation Account	Share Capital & Reserves	Perpetual Securities	Non-controlling Interests	Total Equity
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 January 2023</b>	1,305,668	(456,015)	544,909	10,632,860	(849,163)	11,178,259	401,521	333,560	11,913,340
<b>Total comprehensive income for first half</b>									
Profit for first half	–	–	–	3,626,707	–	3,626,707	5,752	11,975	3,644,434
Other comprehensive income **	–	–	(63,152)	–	163,927	100,775	–	(4,551)	96,224
<b>Total comprehensive income for first half</b>	–	–	(63,152)	3,626,707	163,927	3,727,482	5,752	7,424	3,740,658
<b>Transactions with owners, recognised directly in equity</b>									
<u>Contributions by and distributions to owners</u>									
Dividends paid	–	–	–	(317,190)	–	(317,190)	–	–	(317,190)
Dividend <i>in specie</i>	–	–	–	(3,845,162)	–	(3,845,162)	–	–	(3,845,162)
Share-based payment	–	–	22,050	–	–	22,050	–	–	22,050
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	(15,719)	(15,719)
Treasury shares reissued pursuant to share plans	–	68,055	(68,055)	–	–	–	–	–	–
Transfer of statutory, capital and other reserves from revenue reserves	–	–	6,930	(5,559)	(1,371)	–	–	–	–
Distribution paid to perpetual securities holders	–	–	–	–	–	–	(5,752)	–	(5,752)
Contributions to defined benefits plans	–	–	236	–	–	236	–	–	236
Other adjustments	–	–	(1,041)	–	–	(1,041)	–	–	(1,041)
<b>Total contributions by and distributions to owners</b>	–	68,055	(39,880)	(4,167,911)	(1,371)	(4,141,107)	(5,752)	(15,719)	(4,162,578)
<u>Changes in ownership interests in subsidiaries</u>									
Disposal of interest in subsidiaries	–	–	–	–	–	–	–	(7,763)	(7,763)
<b>Total change in ownership interests in subsidiaries</b>	–	–	–	–	–	–	–	(7,763)	(7,763)
<b>Total transactions with owners</b>	–	68,055	(39,880)	(4,167,911)	(1,371)	(4,141,107)	(5,752)	(23,482)	(4,170,341)
<b>As at 30 June 2023</b>	1,305,668	(387,960)	441,877	10,091,656	(686,607)	10,764,634	401,521	317,502	11,483,657

\* Includes 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 consolidated statement of comprehensive income.

**KEPPEL LTD. & ITS SUBSIDIARIES**

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

**For the half year ended 30 June 2024**

	Attributable to owners of the Company						
	Share Capital	Treasury Shares	Capital Reserves*	Revenue Reserves	Share Capital & Reserves	Perpetual Securities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Company</b>							
<b>2024</b>							
<b>As at 1 January 2024</b>	<b>1,305,668</b>	<b>(387,316)</b>	<b>187,697</b>	<b>6,157,804</b>	<b>7,263,853</b>	<b>401,521</b>	<b>7,665,374</b>
<b>Total comprehensive income for first half</b>							
Profit for first half	-	-	-	565,648	565,648	5,721	571,369
Other comprehensive income	-	-	(312)	-	(312)	-	(312)
<b>Total comprehensive income for first half</b>	<b>-</b>	<b>-</b>	<b>(312)</b>	<b>565,648</b>	<b>565,336</b>	<b>5,721</b>	<b>571,057</b>
<b>Transactions with owners, recognised directly in equity</b>							
Dividends paid	-	-	-	(337,185)	(337,185)	-	(337,185)
Share-based payment	-	-	27,858	-	27,858	-	27,858
Treasury shares reissued pursuant to share plans	-	82,473	(82,473)	-	-	-	-
Treasury shares reissued pursuant to acquisition (Note 2)	-	208,391	6,031	-	214,422	-	214,422
Distribution paid to perpetual securities holders	-	-	-	-	-	(5,784)	(5,784)
<b>Total transactions with owners</b>	<b>-</b>	<b>290,864</b>	<b>(48,584)</b>	<b>(337,185)</b>	<b>(94,905)</b>	<b>(5,784)</b>	<b>(100,689)</b>
<b>As at 30 June 2024</b>	<b>1,305,668</b>	<b>(96,452)</b>	<b>138,801</b>	<b>6,386,267</b>	<b>7,734,284</b>	<b>401,458</b>	<b>8,135,742</b>
<b>Company</b>							
<b>2023</b>							
<b>As at 1 January 2023</b>	<b>1,305,668</b>	<b>(456,015)</b>	<b>217,036</b>	<b>9,361,110</b>	<b>10,427,799</b>	<b>401,521</b>	<b>10,829,320</b>
<b>Total comprehensive income for first half</b>							
Profit for first half	-	-	-	1,946,818	1,946,818	5,752	1,952,570
Other comprehensive income	-	-	2,102	-	2,102	-	2,102
<b>Total comprehensive income for first half</b>	<b>-</b>	<b>-</b>	<b>2,102</b>	<b>1,946,818</b>	<b>1,948,920</b>	<b>5,752</b>	<b>1,954,672</b>
<b>Transactions with owners, recognised directly in equity</b>							
Dividends paid	-	-	-	(317,190)	(317,190)	-	(317,190)
Dividend <i>in specie</i>	-	-	-	(3,845,162)	(3,845,162)	-	(3,845,162)
Share-based payment	-	-	22,050	-	22,050	-	22,050
Treasury shares reissued pursuant to share plans	-	68,055	(68,055)	-	-	-	-
Distribution paid to perpetual securities holders	-	-	-	-	-	(5,752)	(5,752)
<b>Total transactions with owners</b>	<b>-</b>	<b>68,055</b>	<b>(46,005)</b>	<b>(4,162,352)</b>	<b>(4,140,302)</b>	<b>(5,752)</b>	<b>(4,146,054)</b>
<b>As at 30 June 2023</b>	<b>1,305,668</b>	<b>(387,960)</b>	<b>173,133</b>	<b>7,145,576</b>	<b>8,236,417</b>	<b>401,521</b>	<b>8,637,938</b>

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

**KEPPEL LTD. & ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the half year ended 30 June 2024**

		Half Year	
	Note	30.06.2024 \$'000	30.06.2023 \$'000
<b>OPERATING ACTIVITIES</b>			
Operating profit		505,498	3,768,845
Adjustments:			
Depreciation and amortisation		100,576	100,476
Share-based payment expenses		28,153	18,608
Gain on sale of fixed assets		(8,360)	(38,065)
Gain on disposal of subsidiaries	B	(256)	(3,299,407)
Gain on disposal of a business		(2,301)	–
Gain on disposal of associated companies and joint ventures		(1,237)	(45)
Gain from sale of investments		–	(5,099)
(Gain)/loss from sale of interests in associated companies and joint ventures		(1)	125
Provision of impairment of right-of-use assets and fixed assets		–	700
Impairment of joint venture and associated company		13,560	–
Fair value gain on investment properties		(146,616)	(43,161)
(Gain)/loss from change in interest in associated companies		(3,565)	2,148
Fair value (gain)/loss on investments and associated companies and joint ventures		19,860	(51,234)
Net fair value (gain)/loss on notes receivables		21,182	(158)
Unrealised foreign exchange differences		18,794	(119,950)
Operational cash flow before changes in working capital		<u>545,287</u>	<u>333,783</u>
Working capital changes:			
Stocks		101,619	211,359
Contract assets		(49,864)	(306,872)
Debtors		(276,187)	(271,381)
Creditors		583	165,606
Contract liabilities		(45,522)	(114,317)
Trade amount due from/(to) associated companies and joint ventures		7,484	(107,180)
		<u>283,400</u>	<u>(89,002)</u>
Interest received		35,975	30,763
Interest paid		(193,551)	(187,243)
Income taxes paid, net of refunds received		<u>(222,092)</u>	<u>(68,812)</u>
<b>Net cash used in operating activities</b>		<u>(96,268)</u>	<u>(314,294)</u>
<b>INVESTING ACTIVITIES</b>			
Acquisition and further investment in associated companies and joint ventures		(200,368)	(173,914)
Acquisition of fixed assets, investment properties, intangible assets and investments		(327,294)	(362,872)
Disposal of subsidiaries	B	4,060	(960,887)
Disposal of a business		2,002	–
Proceeds from disposal of fixed assets, investment properties and investments		111,860	296,392
Proceeds from disposal of associated companies and joint venture and return of capital		103,949	72,592
Repayment from/(advances to) associated companies, joint ventures and joint venture partner		(67,914)	95,661
Repayment received from notes receivables		71,288	–
Deposit received from divestment of a subsidiary		7,464	–
Dividends received from investments, associated companies and joint ventures		<u>174,903</u>	<u>115,141</u>
<b>Net cash used in investing activities</b>		<u>(120,050)</u>	<u>(917,887)</u>

## KEPPEL LTD. & ITS SUBSIDIARIES

	Half Year	
	30.06.2024	30.06.2023
	\$'000	\$'000
<b>FINANCING ACTIVITIES</b>		
Proceeds from non-controlling shareholders of subsidiaries	16,433	–
Proceeds from term loans	4,851,861	2,233,925
Repayment of term loans	(4,075,237)	(822,410)
Principal element of lease payments	(21,439)	(21,595)
Dividend paid to shareholders of the Company	(337,185)	(317,190)
Dividend paid to non-controlling shareholders of subsidiaries	(26,128)	(15,719)
Net repayment to non-controlling shareholders of certain subsidiaries	(110)	(90)
Distribution to perpetual securities holders	(5,784)	(5,752)
<b>Net cash from financing activities</b>	<b>402,411</b>	<b>1,051,169</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>186,093</b>	<b>(181,012)</b>
<b>Cash and cash equivalents as at beginning of period</b>	<b>1,265,091</b>	<b>1,444,773</b>
<b>Effects of exchange rate changes on the balance of cash held in foreign currencies</b>	<b>(11,515)</b>	<b>(3,078)</b>
<b>Cash and cash equivalents as at end of period</b>	<b>1,439,669</b>	<b>1,260,683</b>

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## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

#### A. Acquisition of subsidiaries

During the periods ended 30 June 2024 and 2023, there were no acquisition of subsidiaries.

#### B. Disposal of subsidiaries

During the periods ended 30 June 2024 and 2023, the book values of net assets of subsidiaries disposed were as follows:

	Half Year	
	30.06.2024	30.06.2023
	\$'000	\$'000
Fixed assets and investment properties	(103)	(61,927)
Debtors and other assets	(892)	(960)
Bank balances and cash	(41)	(3)
Disposal group classified as held for sale	–	(9,710,455)
Creditors and other liabilities	892	72,193
Liabilities directly associated with disposal group classified as held for sale	–	4,438,520
Non-controlling interests deconsolidated	–	5,513
Net assets disposed, less provision for transaction costs and other liabilities	(144)	(5,257,119)
Net gain on disposal	(256)	(3,299,407)
Realisation of cashflow hedge reserve	–	42,719
Realisation of foreign currency translation reserve	–	(102,506)
Sale proceeds	(400)	(8,616,313)
Less: Bank balances and cash disposed	41	968,029
Less: Deferred proceeds received	(3,701)	–
Less: Consideration in relation to disposal of discontinued operations	–	8,609,171
<b>Cash (inflow)/outflow on disposal</b>	<b>(4,060)</b>	<b>960,887</b>

During the period ended 30 June 2024, disposal of subsidiary relates to the divestment of Keppel Digi Pte Ltd.

Deferred proceeds received were in respect of the disposal of Willowville Pte Ltd during the period in 2023.

During the period ended 30 June 2023, disposals relate to the Asset Co Transaction and the Proposed Combination, Willowville Pte Ltd and Keppel Sakra Cogen Pte Ltd.

#### 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:

	30.06.2024	30.06.2023
	\$'000	\$'000
Bank balances, deposits and cash	1,169,162	1,111,719
Amounts held under a segregated account in relation to the proceeds from sale of the Retained Consideration Shares (as defined in Note 4)	271,057	195,238
	1,440,219	1,306,957
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and other liabilities	(550)	(46,274)
	<b>1,439,669</b>	<b>1,260,683</b>

## KEPPEL LTD. & ITS SUBSIDIARIES

### D. Cash flow analysis

#### Half year ended 30 June 2024

Net cash used in operating activities was \$96 million as compared to \$314 million used in the prior period mainly due to higher operational cash inflows and lower working capital requirements, partly offset by higher income tax paid.

Net cash used in investing activities was \$120 million. This was mainly due to investments & capex of \$528 million and advances to associated companies and joint ventures of \$68 million partly offset by divestments & dividend income of \$405 million and repayment received from notes receivables of \$71 million.

Net cash from financing activities was \$402 million. This was mainly attributable to the net drawdown of term loans of \$777 million offset by dividend of \$363 million paid to shareholders of the Company and non-controlling shareholders of subsidiaries during the period.

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### 1. MATERIAL ACCOUNTING POLICY INFORMATION

##### 1.1 Basis of Preparation

With effect from 1 January 2024, the name of the Company has been changed from “Keppel Corporation Limited” to “Keppel Ltd.”.

The condensed consolidated interim financial statements for the half year ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting* (SFRS(I) 1-34). This 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 2023 and any public announcements made by Keppel Ltd. during the interim reporting period.

##### 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 2023, except for the adoption of new and revised standards effective as of 1 January 2024 and those as disclosed below.

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) 1-1 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current* (effective for annual periods beginning on or after 1 January 2024)
- Amendments to SFRS(I) 16 *Leases: Lease liability in a Sale and Leaseback* (effective for annual periods beginning on or after 1 January 2024)

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 2023.

The key assumptions, applied by management as at and for the half year ended 30 June 2024, 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) Revaluation of investment properties

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

For the purpose of this condensed consolidated interim financial statements for the half year ended 30 June 2024, valuations were obtained from the valuers for certain significant investment properties, and the resultant fair value changes were recognised in the profit or loss account.

In determining the fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, price of comparable plots and properties, net initial yield and discount rate.

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

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.

(ii) Revenue recognition and contract cost

The Group recognises contract revenue over time for long term construction 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 2023. 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 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.

Revenue from construction contracts is disclosed in Note 7.

(iii) Fair value measurement of unquoted investments

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

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

- a. Last quoted bid price for all quoted investments;
- b. 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.

For other unquoted investments, the Group uses various valuation techniques including the income and market approaches to determine the fair value. 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.

(iv) Fair value measurement of notes receivables

In 2023, the Group subscribed to notes ("vendor notes") amounting to approximately \$4,251,144,000 issued by Rigco Holding Pte Ltd ("Rigco"). The transaction price of the Asset Co Transaction agreed with Rigco was based on the carrying values of the underlying assets as of 27 February 2023. Given the unique business and risk profile of Rigco, the transaction price was assessed to be not representing the fair value of the vendor notes. As the fair value of vendor notes is neither evidenced by a quoted price in an active market (i.e. Level 1 input) nor based on a valuation technique that uses only data from observable markets and as such, in accordance with SFRS(I) 9, paragraph B5.1.2A(b), the difference between the fair value at

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

initial recognition and the transaction price was deferred. The deferred loss will be recognised as a loss on a systematic basis over time.

Management engaged an independent professional advisor to assist in the determination of the fair value of the vendor notes issued by Rigco, which is based on the Discounted Cash Flow ("DCF") calculations using the estimated cash flows available for repayment of the vendor notes, derived based on a probability weighted range of scenarios per Rigco's business plan and financial projections. In addition to the independent professional firm responsible for estimating the fair value based on the DCF calculations and calculating the discount rates, management also engaged an independent industry expert to provide the estimated future asset sale values used in the financial projections, taking into consideration the market outlook, assumptions and industry parameters.

As at 30 June 2024, the carrying value of the vendor notes, measured at fair value, amounted to \$4,219,845,000 (31 December 2023: \$4,286,354,000) which included an unamortised deferred loss amounting to \$1,034,387,000 (31 December 2023: \$1,107,501,000) (Note 3).

The determination of the fair value of the vendor notes require significant judgement as the inputs to the DCF calculations are not market observable. Such inputs used in the valuation include estimated future asset sale values, dayrates, cost assumptions, utilisation rates, discount rates, duration of charters and estimated timing of future asset sales. These inputs are subject to risk and uncertainty. The valuation of the vendor notes based on the DCF calculations was most sensitive to discount rates and the estimated future asset sale values. With all other variables held constant, the following demonstrates the sensitivity to a reasonably possible change in discount rates and the estimated future asset sale values on the fair value of vendor notes:

- Discount rates of 5.15% to 10.26% as computed by the independent professional advisor were used in the valuation as at 30 June 2024 (31 December 2023: 5.62% to 10.04%). A 1% increase in discount rate would lead to approximately \$127,705,000 (31 December 2023: \$129,217,000) decrease in fair value.
- Estimated future oil rig sale values of \$176 million to \$608 million as provided by an independent industry expert engaged by Rigco were used in the valuation as at 30 June 2024 (31 December 2023: \$174 million to \$602 million). A 10% decrease in estimated future oil rig sale values would lead to approximately \$278,006,000 (31 December 2023: \$260,932,000) decrease in fair value.

Further details on these unobservable key inputs that require significant judgement are disclosed in Note 12.

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2024

#### 2. ASSOCIATED COMPANIES AND JOINT VENTURES

	2024 \$'000
<b>At 1 January</b>	<b>6,601,853</b>
Share of profits for the period – continuing operations	53,226
Dividends received	(142,504)
Share of reserves	(13,647)
Impairment loss	(13,560)
Additions	615,865
Advances to associated companies and joint ventures	(1,144)
Disposals and return of capital	(102,372)
Gain from change in interest in associated companies	3,565
Reclassification from/(to)	
- Subsidiary upon acquisition of additional interest	(744)
- Associate upon loss of control	39
Others	(2,663)
<b>At 30 June</b>	<b>6,997,914</b>

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

	2024 \$'000
<b>At 1 January</b>	<b>94,159</b>
Impairment loss	13,560
Disposal	(1,050)
<b>At 30 June</b>	<b>106,669</b>

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

	30.06.2024 \$'000	31.12.2023 \$'000
Keppel REIT	1,629,061	1,633,309
Keppel DC REIT	492,942	480,349
Sino-Singapore Tianjin Eco-City Investment and Development Co., Limited	653,860	660,983
Aermont Capital S.à r.l	525,558	–
Other associated companies and joint ventures	3,696,493	3,827,212
	<b>6,997,914</b>	<b>6,601,853</b>

On 29 November 2023, the Group entered into an agreement to acquire an initial 50% stake in a real estate manager in 2024 (Phase 1) with full acquisition in 2028 (Phase 2). The maximum consideration payable to the Seller for the Phase 1 and Phase 2 is approximately €357 million and €575 million respectively which can be funded through a combination of cash and treasury shares. The Group paid cash deposit for Phase 1 amounting to \$45 million (equivalent to €31 million) in 2023.

On 29 April 2024, the Group completed the acquisition of Phase 1 and paid the purchase consideration, comprising cash of \$139 million (equivalent to €95 million) and issued 31,348,093 of treasury shares at fair value of \$214 million (equivalent to €154 million). The balance consideration, based on maximum consideration payable for Phase 1, of approximately \$113 million (equivalent to €77 million) is expected to be paid by first half of 2025 and is recorded under Creditors.

Maximum consideration payable for Phase 2 of approximately \$834 million (equivalent to €575 million) is expected to be paid on the completion of Phase 2 in 2028.

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### 3. NOTES RECEIVABLES

The Group had subscribed to notes (“vendor notes”) issued by Rigco Holding Pte Ltd (“Rigco”) as described in Note 1.3 (iv).

As of 30 June 2024, the carrying amount of the vendor notes, measured at fair value, was \$4,219,845,000 (31 December 2023: \$4,286,354,000) which included an unamortised deferred loss amounting to \$1,034,387,000 (31 December 2023: \$1,107,501,000).

Movements in the note receivables for the period ended 30 June 2024 are as follows:

	<u>Fair value</u> \$'000	<u>Deferred loss</u> \$'000	<u>Carrying value</u> \$'000
At 1 January 2024	3,178,853	1,107,501	4,286,354
Fair value changes, including interest income <sup>1</sup>	58,201	–	58,201
Amortisation to profit or loss <sup>1</sup>	–	(79,383)	(79,383)
Repayment received	(71,288)	–	(71,288)
Exchange differences <sup>2</sup>	19,692	6,269	25,961
<b>At 30 June 2024</b>	<b><u>3,185,458</u></b>	<b><u>1,034,387</u></b>	<b><u>4,219,845</u></b>

<sup>1</sup> The fair value changes, including interest income and amortisation of the deferred loss are recognised in the profit or loss and presented as “fair value (gain)/loss – Notes receivables” in Note 8.

<sup>2</sup> The foreign exchange gain arising from the USD denominated vendor notes and the USD denominated unamortised deferred loss are recognised in the profit or loss and presented as “foreign exchange loss” in Note 8.

#### 4. SHORT TERM INVESTMENTS

The cash proceeds arising from the sale of Retained Consideration Shares are placed in the segregated account, together with the remaining Retained Consideration Shares, for a duration not exceeding 48 months from 28 February 2023. As at 30 June 2024, the related cash and remaining shares amounted to approximately \$271,057,000 and \$94,668,000 and are recorded within “Bank balances, deposits & cash” and “Short term investments” respectively.

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### 5. BORROWINGS AND LEASE LIABILITIES

Group's borrowings, debt securities and lease liabilities

	30.06.2024		31.12.2023	
	Due within one year \$'000	Due after one year \$'000	Due within one year \$'000	Due after one year \$'000
<b>Group</b>				
Keppel Medium Term Notes	655,360	1,290,030	150,000	1,845,968
Keppel Management Ltd. Medium Term Notes	129,986	279,828	129,966	279,783
Bank and other loans				
- secured	82,990	697,590	85,515	686,256
- unsecured	1,378,436	7,240,541	2,056,199	5,725,951
Lease liabilities	30,492	127,090	37,408	142,055
	<b>2,277,264</b>	<b>9,635,079</b>	<b>2,459,088</b>	<b>8,680,013</b>

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

As at 30.06.2024		As at 31.12.2023	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
113,482	2,163,782	122,923	2,336,165

(ii) Amount repayable after one year

As at 30.06.2024		As at 31.12.2023	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
824,680	8,810,399	828,311	7,851,702

(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 \$ 2,210,442,000 (31 December 2023: \$2,242,773,000) to banks for loan facilities. Included in secured borrowings as at 30 June 2024 are current lease liabilities of \$30,492,000 (31 December 2023: \$37,408,000) and non-current lease liabilities of \$127,090,000 (31 December 2023: \$142,055,000) which are secured over the right-of-use assets of \$193,318,000 (31 December 2023: \$213,730,000).

(iv) The fair values of term loans for the Group are \$11,528,033,000 (31 December 2023: \$10,699,937,000).

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### 6. SHARE CAPITAL

##### Issued share capital and treasury shares

	Number of ordinary shares	
	Issued Share Capital	Treasury Shares
As at 1 January 2024	1,820,557,767	58,263,601
Treasury shares transferred pursuant to share plans	–	(12,406,252)
Treasury shares transferred pursuant to acquisition (Note 2)	–	(31,348,093)
<b>As at 30 June 2024</b>	<b>1,820,557,767</b>	<b>14,509,256</b>

##### Treasury shares

During the six months ended 30 June 2024, the Company transferred 12,406,252 (30 June 2023: 10,237,426) treasury shares to employees upon vesting of shares released under the Keppel Share Plans and 31,348,093 treasury shares for an acquisition of a real estate asset manager (Note 2). There were no treasury shares purchased during the period ended 30 June 2024 and 30 June 2023.

As at 30 June 2024, the number of treasury shares held by the Company represented 0.80% (30 June 2023: 3.31%) of the total number of issued shares (excluding treasury shares). Other than as disclosed above, there was no other sale, disposal, cancellation and/or other use of treasury shares during the period ended 30 June 2024.

##### Keppel Performance Share Plan (“Keppel PSP”)

As at 30 June 2024, there was no contingent shares granted but not released (30 June 2023: 1,972,017) for Keppel PSP.

##### Keppel Performance Share Plan – M1 Transformation Incentive Plan (“Keppel PSP-M1 TIP”)

As at 30 June 2024, the number of contingent shares granted but not released were 349,349 (30 June 2023: 378,664) for Keppel PSP-M1 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 524,024 under Keppel PSP-M1 TIP.

##### Keppel Performance Share Plan 2020 (“Keppel PSP 2020”)

As at 30 June 2024, the number of contingent shares granted but not released were 5,677,720 (30 June 2023: 5,934,617) for Keppel 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 8,516,580 under Keppel PSP 2020.

##### Keppel PSP 2020 Transformation Incentive Plan (“Keppel PSP 2020-TIP”)

As at 30 June 2024, the number of contingent shares granted but not released were 12,935,151 (30 June 2023: 13,716,420) for Keppel 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 19,402,727 under Keppel PSP 2020 TIP.

##### Keppel Restricted Share Plan 2020 – Deferred Shares (“Keppel RSP 2020-Deferred Shares”)

There are no contingent shares granted but not released as at 30 June 2024 and 30 June 2023. As at 30 June 2024, the number of awards released but not vested was 5,825,686 (30 June 2023: 7,631,294) for Keppel RSP 2020-Deferred Shares.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the half year ended 30 June 2024**

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

<b>Contingent awards:</b>		<b>Number of shares</b>				
<b>Date of Grant</b>	<b>At 1.1.24</b>	<b>Contingent awards granted</b>	<b>Adjustments</b>	<b>Released</b>	<b>Cancelled</b>	<b>At 30.06.24</b>
<u>Keppel PSP</u>						
31.3.2020	1,972,017	–	986,009	(2,958,026)	–	–
	1,972,017	–	986,009	(2,958,026)	–	–
<u>Keppel PSP-M1 TIP</u>						
17.2.2020	378,664	–	–	–	(29,315)	349,349
	378,664	–	–	–	(29,315)	349,349
<u>Keppel PSP 2020</u>						
30.4.2021	1,892,322	–	946,162	(2,838,484)	–	–
29.4.2022	2,197,295	–	–	–	(81,181)	2,116,114
28.4.2023	1,845,000	–	–	–	(133,394)	1,711,606
29.4.2024	–	1,850,000	–	–	–	1,850,000
	5,934,617	1,850,000	946,162	(2,838,484)	(214,575)	5,677,720
<u>Keppel PSP 2020-TIP</u>						
30.7.2021	12,234,451	–	–	–	(171,600)	12,062,851
29.4.2022	872,300	–	–	–	–	872,300
	13,106,751	–	–	–	(171,600)	12,935,151
<b>Awards:</b>		<b>Number of shares</b>				
<b>Date of Grant</b>	<b>At 1.1.24</b>	<b>Awards granted</b>	<b>Adjustment upon release</b>	<b>Released</b>	<b>Cancelled</b>	<b>At 31.12.24</b>
<u>Keppel RSP 2020-Deferred Shares</u>						
15.2.2024	–	5,159,276	–	(5,159,276)	–	–
	–	5,159,276	–	(5,159,276)	–	–

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2024

Awards released but not vested:	Number of shares						
	Date of Grant	At 1.1.24	Released	Vested	Cancelled	Other adjustments	At 30.06.24
<u>Keppel PSP</u>							
31.3.2020	–	2,958,026	(2,958,026)	–	–	–	–
	–	2,958,026	(2,958,026)	–	–	–	–
<u>Keppel PSP 2020</u>							
30.4.2021	–	2,838,484	(2,838,484)	–	–	–	–
	–	2,838,484	(2,838,484)	–	–	–	–
<u>Keppel RSP 2020- Deferred Shares</u>							
15.2.2022	2,364,540	–	(2,355,901)	(4,223)	–	–	4,416
08.2.2023	93,373	–	(46,686)	–	–	–	46,687
15.2.2023	4,462,449	–	(2,273,091)	(32,555)	–	–	2,156,803
01.3.2023	429,664	–	(214,821)	–	–	–	214,843
15.2.2024	–	5,159,276	(1,719,243)	(37,096)	–	–	3,402,937
	7,350,026	5,159,276	(6,609,742)	(73,874)	–	–	5,825,686

## 7. REVENUE

	Half Year	
	30.06.2024 \$'000	30.06.2023 \$'000
<b><u>Revenue from contracts with customers</u></b>		
Sale of electricity, utilities and gases	1,941,271	2,226,414
Revenue from telecommunication services	374,413	281,268
Sale of goods	211,320	317,300
Revenue from construction contracts	192,259	132,721
Sale of property	179,225	414,382
Revenue from other services rendered	164,802	222,412
Revenue from asset management services	123,397	87,362
	<b>3,186,687</b>	3,681,859
<b><u>Other sources of revenue</u></b>		
Rental income from investment properties	36,861	33,766
	<b>3,223,548</b>	3,715,625

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2024

#### 8. OPERATING PROFIT

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

	Half Year		+/- %	
	30.06.2024 \$'000	30.06.2023 \$'000		
Share-based payment expenses	28,153	18,608	+51.3	(i)
(Gain)/loss on sale of fixed assets	(8,360)	110	n.m.f.	(ii)
Provision for/(write-back of) stocks	5,014	(85)	n.m.f.	(iii)
Expected credit loss				
- Debtors & receivables	4,370	7,623	-42.7	(iv)
Fair value (gain)/loss				
- Investments, associated companies and joint ventures	19,860	(51,234)	n.m.f.	(v)
- Notes receivables, comprising of:	21,182	(158)	n.m.f.	
a) Fair values changes including interest income	(58,201)	(59,565)	-2.3	
b) Amortisation of the deferred loss	79,383	59,407	+33.6	
- Financial derivatives	(246)	6,662	n.m.f.	
Foreign exchange loss	2,541	6,600	-61.5	(vi)
Impairment of a joint venture	13,560	-	n.m.f.	(vii)
Write-off of fixed assets	-	700	n.m.f.	(viii)
Gain on disposal of subsidiaries	(256)	(7,215)	-96.5	(ix)
Gain on disposal of associated company and joint venture	(1,237)	(45)	>+500.0	(x)
(Gain)/loss from sale of interests in associated company	(1)	125	n.m.f.	
Fair value gain on investment properties	(146,616)	(43,161)	+239.7	(xi)
(Gain)/loss from change in interest in associated companies	(3,565)	2,148	n.m.f.	(xii)

*n.m.f. - No Meaningful Figure*

- (i) Higher share-based payment expenses due to higher vesting level of performance share plans, and higher share price.
- (ii) Gain on sale of fixed assets for the current period was largely attributable to disposal of fixed assets under Corporate Activities. Loss on sale of fixed assets in the prior year was largely attributable to disposal of fixed assets in the Connectivity business.
- (iii) The provision for stocks for current period is related to certain overseas projects in the Real Estate segment.
- (iv) Expected credit loss on debtors and receivables for the current period was mainly attributable to the Connectivity segment. The expected credit loss in the prior period was attributable to the Connectivity and Infrastructure segments.
- (v) Fair value loss on investment portfolio for the current period was driven largely by quoted investments, partly offset by fair value gain on unquoted investments.
- (vi) The foreign exchange loss for the current period was mainly attributable to the revaluation of USD denominated loan, with USD having appreciated against functional currency of a subsidiary in Connectivity segment. The foreign exchange loss in the prior period was mainly attributable to the revaluation of Renminbi denominated bank deposits, with the Renminbi having depreciated against the functional currency of a subsidiary in Infrastructure segment.
- (vii) Impairment of a joint venture was attributable to Real Estate segment.
- (viii) Write-off of fixed assets for prior period was attributable to Infrastructure segment.

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For the half year ended 30 June 2024

- (ix) Gain on disposal of subsidiary arose from Corporate Activities. In the prior period, gain on disposal of subsidiary arose from Real Estate segment divestment of Willowville Pte Ltd.
- (x) Gain on disposal of an associated company arose from Infrastructure segment.
- (xi) Fair value gain on investment properties arose from the Group's mid-year revaluation of significant investment properties.
- (xii) Gain/(loss) from change in interest in associated companies was mainly due to change in interest in Keppel REIT.

#### 9. SIGNIFICANT COMMITMENTS

The Group had no additional significant capital expenditure or commitments entered into during the period ended 30 June 2024 that were not disclosed, in the audited financial statements for the financial year ended 31 December 2023.

#### 10. SIGNIFICANT CONTINGENT LIABILITIES AND GUARANTEES

The Group has the following significant contingent liabilities and guarantees during the period ended 30 June 2024:

	Group 30.06.2024 \$'000
Guarantee in favour of a third party in respect to performance by a related party	<u>340,360</u>

The Group has entered into a back-to-back indemnification contract with a related party which the Group has an effective equity interest of 21%, for losses which may be incurred in relation to the guarantee.

#### 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:

	Half Year Group	
	30.06.2024 \$'000	30.06.2023 \$'000
Sales of goods, services and/or fixed assets to - other related parties	<u>-</u>	<u>96,102</u>
Purchase of goods and/or services from - associated companies	45,139	46,216
- other related parties	<u>129,280</u>	<u>26,020</u>

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### 12. FINANCIAL RISK MANAGEMENT

The Group operates internationally and is exposed to various financial risks, comprising market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Keppel Central Finance Committee has oversight of financial risk management which is carried out by the Keppel Treasury department in accordance with established Keppel policies and guidelines that are updated from time to time to take into account changes in the operating environment. The Keppel Central Finance committee is chaired by the Chief Financial Officer of the Company and includes senior finance management personnel and support function specialists.

There was no instance of significant updates to the Group's financial risk management since the audited financial statements as at 31 December 2023, except for the following:

(a) 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.

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
<b>Group</b>				
<b>30 June 2024</b>				
<b>Financial assets</b>				
Derivative financial instruments	-	171,106	-	171,106
Notes receivables	-	-	4,219,845	4,219,845
Call option	-	-	203,898	203,898
Investments				
- Investments at fair value through other comprehensive income	468,157	1,848	268,133	738,138
- Investments at fair value through profit or loss	10,869	-	880,290	891,159
Short term investments				
- Investments at fair value through other comprehensive income	1,010	-	-	1,010
- Investments at fair value through profit or loss	97,064	-	5,629	102,693
	<u>577,100</u>	<u>172,954</u>	<u>5,577,795</u>	<u>6,327,849</u>
<b>Financial liabilities</b>				
Derivative financial instruments	-	126,212	-	126,212

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For the half year ended 30 June 2024

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
<b>Non-financial assets</b>				
Investment properties				
- Commercial, completed	-	-	1,343,676	1,343,676
- Commercial, under construction	-	-	3,612,129	3,612,129
Associates and joint venture at fair value through profit or loss	-	-	429,789	429,789
	<u>-</u>	<u>-</u>	<u>5,385,594</u>	<u>5,385,594</u>

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

	<b>Group</b> <b>2024</b> <b>\$'000</b>
At 1 January	5,579,067
Purchases	28,162
Redemption	(475)
Notes receivables	
- Fair value gain recognised in profit or loss, including interest income	58,201
- Amortisation to profit or loss	(79,383)
- Repayment	(71,288)
- Exchange differences	25,961
Fair value loss recognised in other comprehensive income	(13,677)
Fair value gain recognised in profit or loss <sup>1</sup>	49,425
Exchange differences	1,802
At 30 June	<u>5,577,795</u>

<sup>1</sup> The fair value gain recognised in profit or loss of \$49,425,000 comprises \$43,678,000 fair value gain attributable to an unquoted investment operating as an office space provider.

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

	<b>Group</b> <b>2024</b> <b>\$'000</b>
At 1 January	4,665,064
Development expenditure	169,569
Fair value gain	146,616
Exchange differences	(25,444)
At 30 June	<u>4,955,805</u>

There have been no significant transfers between Level 1, Level 2 and Level 3 for the Group in the first half ended 30 June 2024.

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.

**KEPPEL LTD. & ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the half year ended 30 June 2024**

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 30 June 2024 \$'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
Investments	1,154,052	Net asset value, discounted cash flow and binomial option pricing method	Net asset value* Discount rate Growth rate Discount for lack of control Discount for Lack of Marketability	Not applicable 15.25% to 28.00% 1.09% to 4.10% 15.00% to 25.60% 10.70%
Notes receivables (Vendor notes)	4,219,845	Discounted cash flow method	Discount rate Estimated future sale values of Rigco's rigs (\$million)	5.15% to 10.26% \$176 to \$608
Call option	203,898	Discounted cash flow method and investment method	Transacted price of comparable properties (psf) Capitalisation rate Discount rate	\$2,781 to \$3,617 3.30% to 3.40% 6.75%
Associates and joint venture at fair value through profit or loss	429,789	Net asset value	Net asset value	Not applicable
Investment properties				
- Commercial, completed	1,343,676	Discounted cash flow method and/or direct comparison method Income capitalisation method	Discount rate Capitalisation rate Net initial yield Offering price of comparable land plots (psm) Transacted price of comparable properties in different geographical/cities (psf)	7.25% to 14.50% 4.25% to 7.50% 5.80% \$4,681 to \$5,957 \$156 to \$3,352
- Commercial, under construction	3,612,129	Discounted cash flow method, direct	Discount rate Capitalisation rate	6.50% to 17.00% 2.75% to 8.50%

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the half year ended 30 June 2024**

Description	Fair value as at 30 June 2024 \$'000	Valuation Techniques	Unobservable Inputs	Range of unobservable Inputs
		comparison method and/or residual value method	Offering price of comparable land plot (psm)	\$10,425 to \$11,063
			Transacted price of comparable properties (psf)	\$2,950 to \$3,620
			Gross development value (\$'million)	\$198 to \$1,784

\* Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value or assets measured using valuation techniques that take into account key inputs such as revenue multiples, long term growth rate and discount rate. (see further details in Note 1.3 (iii)).

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.

As at 30 June 2024, the total fair value on investments of \$1,154,052,000 comprises \$1,007,379,000 which are valued based on net asset value, of which \$437,591,000 is attributable to an unquoted investment fund which primarily invests in high-performance batteries for electric vehicles and energy storage systems business. A reasonably possible alternative assumption is when the net asset value of investments increase/decrease by 5%, which would lead to a \$50,369,000 increase/decrease in fair value.

The notes receivables under Level 3 of the fair value hierarchy are 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 notes receivables. A reasonably possible alternative assumption is when the discount rate increase by 1%, which would lead to \$127,705,000 decrease in fair value. Another reasonably possible alternative assumption is when the estimated future asset sale values of Rigco's rigs decrease by 10%, which would lead to \$278,006,000 decrease in fair value.

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

Other than as disclosed above, the fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### 13. SEGMENT ANALYSIS

The Group is organised in a simplified horizontally integrated model with four reportable segments, namely Infrastructure, Real Estate, Connectivity and Corporate Activities.

(i) **Infrastructure**

The Infrastructure segment business provide energy and environmental solutions and services that are essential for sustainable development. Principal activities include commercial power generation, renewables, environmental engineering, construction, and infrastructure operation and maintenance. The operating segment has operations in China, Singapore, Switzerland, the United Kingdom, and other countries.

(ii) **Real Estate**

The Real Estate segment business provide sustainable and innovative urban space solutions, focusing on sustainable urban renewal and senior living. 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 development and operation of data centres, provision of telecommunications services, sale of telecommunications and information technology equipment and provision of system integration solutions and services. The segment has operations in China, Singapore and other countries.

(iv) **Corporate Activities**

The Corporate Activities segment consists mainly of treasury operations, research & development, investment holdings (including notes receivables issued by Rigco), provision of management and other support services.

Management monitors the results of each of the above 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:

**KEPPEL LTD. & ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the half year ended 30 June 2024**

**Half year ended 30 June 2024**

	<u>Infrastructure</u> \$'000	<u>Real Estate</u> \$'000	<u>Connectivity</u> \$'000	<u>Corporate Activities</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<b>Revenue</b>						
External sales	2,282,901	297,699	641,819	1,129	–	3,223,548
Inter-segment sales	10,682	56	11,268	53,277	(75,283)	–
<b>Total</b>	<b>2,293,583</b>	<b>297,755</b>	<b>653,087</b>	<b>54,406</b>	<b>(75,283)</b>	<b>3,223,548</b>
<b>Segment Results</b>						
Operating profit	413,823	167,467	59,053	(135,553)	708	505,498
Investment income	9,834	901	207	21,457	–	32,399
Interest income	33,200	17,564	6,564	391,691	(413,044)	35,975
Interest expenses	(27,064)	(80,759)	(19,161)	(478,875)	412,336	(193,523)
Share of results of associated companies and joint ventures	(2,739)	47,731	46,187	(37,953)	–	53,226
Profit before tax	427,054	152,904	92,850	(239,233)	–	433,575
Taxation	(68,741)	(27,942)	(12,624)	(10,311)	–	(119,618)
Profit from continuing operations for first half	<b>358,313</b>	<b>124,962</b>	<b>80,226</b>	<b>(249,544)</b>	<b>–</b>	<b>313,957</b>
Attributable to:						
Shareholders of Company	362,745	129,193	75,835	(263,626)	–	304,147
Perpetual securities holders	–	–	–	5,721	–	5,721
Non-controlling interests	(4,432)	(4,231)	4,391	8,361	–	4,089
	<b>358,313</b>	<b>124,962</b>	<b>80,226</b>	<b>(249,544)</b>	<b>–</b>	<b>313,957</b>
Profit from discontinued operations, net of tax and NCI						–
<b>Profit for the period attributable to shareholders of the Company</b>						<b>304,147</b>
<b>External revenue from contracts with customers</b>						
- At a point in time	22,658	89,086	209,296	–	–	321,040
- Over time	2,260,243	173,568	430,728	1,108	–	2,865,647
	<b>2,282,901</b>	<b>262,654</b>	<b>640,024</b>	<b>1,108</b>	<b>–</b>	<b>3,186,687</b>
<b>Other sources of revenue</b>	–	35,045	1,795	21	–	36,861
<b>Total</b>	<b>2,282,901</b>	<b>297,699</b>	<b>641,819</b>	<b>1,129</b>	<b>–</b>	<b>3,223,548</b>

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### Other Information

Segment assets	4,621,878	13,943,026	4,243,922	13,105,128	(8,190,600)	27,723,354
Segment liabilities	2,991,444	7,396,983	2,948,645	11,388,648	(8,190,600)	16,535,120
Net assets	1,630,434	6,546,043	1,295,277	1,716,480	–	11,188,234

Investment in associated companies and joint ventures	1,158,576	4,780,001	866,441	192,896	–	6,997,914
Additions to non-current assets	57,846	335,678	104,494	117	–	498,135
Depreciation and amortisation	19,669	14,215	62,393	4,299	–	100,576
Impairment loss/(write-back) on non-financial assets	5	18,744	(175)	–	–	18,574
Allowance for expected credit loss and bad debt written-off	500	(409)	4,258	21	–	4,370

#### GEOGRAPHICAL INFORMATION

	<u>Singapore</u>	<u>China/ Hong Kong</u>	<u>Other Far East &amp; ASEAN Countries</u>	<u>Other Countries</u>	<u>Elimination</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales	3,001,653	133,594	64,824	23,477	–	3,223,548
Non-current assets	8,445,839	3,208,670	1,647,069	1,323,847	–	14,625,425

Other than Singapore, no single country accounted for 10% or more of the Group's revenue for the half year ended 30 June 2024.

#### INFORMATION ABOUT A MAJOR CUSTOMER

Revenue of \$807,941,000 is derived from a single external customer and is attributable to the Infrastructure segment for the half year ended 30 June 2024.

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

**KEPPEL LTD. & ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the half year ended 30 June 2024**

**Half year ended 30 June 2023**

	<u>Infrastructure</u> \$'000	<u>Real Estate</u> \$'000	<u>Connectivity</u> \$'000	<u>Corporate Activities</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<b>Revenue</b>						
External sales	2,540,017	531,079	642,251	2,278	–	3,715,625
Inter-segment sales	7,937	1,509	7,115	20,712	(37,273)	–
<b>Total</b>	<b>2,547,954</b>	<b>532,588</b>	<b>649,366</b>	<b>22,990</b>	<b>(37,273)</b>	<b>3,715,625</b>
<b>Segment Results</b>						
Operating profit	319,224	198,954	37,243	11,935	4,368	571,724
Investment income	28,635	2,518	158	55	–	31,366
Interest income	18,459	17,718	7,318	320,830	(338,907)	25,418
Interest expenses	(23,901)	(71,898)	(13,755)	(372,867)	334,539	(147,882)
Share of results of associated companies and joint ventures	5,948	102,901	24,802	(11,800)	–	121,851
Profit before tax	348,365	250,193	55,766	(51,847)	–	602,477
Taxation	(62,342)	(51,253)	(14,607)	(11,402)	–	(139,604)
Profit from continuing operations for first half	<b>286,023</b>	<b>198,940</b>	<b>41,159</b>	<b>(63,249)</b>	<b>–</b>	<b>462,873</b>
Attributable to:						
Shareholders of Company Perpetual securities holders	291,005	185,991	36,919	(68,970)	–	444,945
Non-controlling interests	–	–	–	5,752	–	5,752
	(4,982)	12,949	4,240	(31)	–	12,176
	<b>286,023</b>	<b>198,940</b>	<b>41,159</b>	<b>(63,249)</b>	<b>–</b>	<b>462,873</b>
Profit from discontinued operations, net of tax and NCI						<u>3,181,762</u>
<b>Profit for the period attributable to shareholders of the Company</b>						<u><b>3,626,707</b></u>
<b>External revenue from contracts with customers</b>						
- At a point in time	11,181	238,046	311,596	–	–	560,823
- Over time	2,528,836	261,027	328,913	2,260	–	3,121,036
	<b>2,540,017</b>	<b>499,073</b>	<b>640,509</b>	<b>2,260</b>	<b>–</b>	<b>3,681,859</b>
<b>Other sources of revenue</b>	–	32,006	1,742	18	–	33,766
<b>Total</b>	<b>2,540,017</b>	<b>531,079</b>	<b>642,251</b>	<b>2,278</b>	<b>–</b>	<b>3,715,625</b>

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### Other Information

Segment assets	4,702,618	14,033,208	4,069,877	11,492,174	(6,676,167)	27,621,710
Segment liabilities	3,212,202	7,354,353	2,866,695	9,380,970	(6,676,167)	16,138,053
Net assets	1,490,416	6,678,855	1,203,182	2,111,204	–	11,483,657

Investment in associated companies and joint ventures	999,597	4,892,804	798,135	239,918	–	6,930,454
Additions to non-current assets	121,515	292,833	102,700	1,055	–	518,103
Depreciation and amortisation	18,440	15,978	60,018	6,040	–	100,476
Impairment loss/(write-back) on non-financial assets	683	1	(69)	–	–	615
Allowance for expected credit loss and bad debt written-off	2,908	90	4,623	2	–	7,623

#### GEOGRAPHICAL INFORMATION

	<u>Singapore</u>	<u>China/ Hong Kong</u>	<u>Other Far East &amp; ASEAN Countries</u>	<u>Other Countries</u>	<u>Elimination</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales	3,291,356	269,528	125,501	29,240	–	3,715,625
Non-current assets	8,045,936	3,490,976	1,913,801	678,730	–	14,129,443

Other than Singapore, no single country accounted for 10% or more of the Group's revenue for the half year ended 30 June 2023.

#### INFORMATION ABOUT A MAJOR CUSTOMER

Revenue of \$1,236,032,000 is derived from a single external customer and is attributable to the Infrastructure segment for the half year ended 30 June 2023.

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

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### REVIEW OF SEGMENT PERFORMANCE

##### Revenue by Segments

Group revenue for 1H 2024 of \$3,224 million was \$492 million or 13% lower than that in the same period in 2023. Revenue from the Infrastructure segment decreased by \$254 million or 10% to \$2,294 million. The integrated power business recorded lower revenue as a result of lower aggregate consumption by consumers. Asset management fee revenue was higher year-on-year mainly due to higher management fees arising from better performance achieved by Keppel Infrastructure Trust (KIT) managed by Keppel, and acquisition fees in relation to KIT's acquisitions in Germany and Australia. Revenue from the Real Estate segment decreased by \$235 million to \$298 million largely due to lower revenue from property trading projects in China as a result of fewer units completed and handed over during the period, as well as lower revenue from property trading projects in Singapore and India. Asset management fee revenue remained stable year-on-year. Revenue from the Connectivity segment was comparable year-on-year. Higher divestment and acquisition fees from asset management, as well as higher project management revenues from data centres, were partly offset by lower revenue from M1.

##### Net profit by Segments

Group net profit, excluding effects of legacy O&M assets, rose by 7% or \$32 million year-on-year to \$513 million. The Infrastructure segment registered a net profit of \$363 million in 1H 2024, which was \$72 million or 25% higher than the \$291 million net profit recorded in 1H 2023. This was driven by higher asset management net profit mainly due to higher fee revenue (as mentioned above), as well as the integrated power business which continued to deliver stronger results underpinned by higher margins. The segment also saw higher fair value gains from sponsor stakes, which was partly offset by lower share of results from an associated company and lower distributions received. Net profit from the Real Estate segment decreased by \$57 million to \$129 million, mainly due to lower contribution from property trading projects in China and Singapore, as well as higher net interest expense. The segment also recorded lower share of results and higher fair value losses from associated companies and joint ventures, mainly in Keppel REIT, which were partly offset by higher fair value gains from investment properties, and fair value gains from investments. In addition, there was no asset monetisation in 1H 2024 as compared to 1H 2023 which benefited from monetisation of two assets in India and Vietnam. Asset management net profit was comparable year-on-year arising from maiden contribution from Aermont Capital S.à r.l following the completion of the acquisition in April 2024, which were offset by higher overheads and net interest expense. The Connectivity segment's net profit of \$76 million was \$39 million higher than that in 1H 2023, mainly due to improved asset management and project management revenues, lower overheads, higher returns from sponsor stakes, as well as higher gains from divestments. Excluding effects of legacy O&M assets, net loss from Corporate Activities was \$55 million as compared to \$33 million in 1H 2023, mainly due to lower fair value gains from investments, lower net interest income earned from treasury operations, and higher share plan expense, which were partly offset by gains from asset disposals. The legacy O&M assets recorded higher net loss of \$209 million in 1H 2024 mainly due to fair value loss on Seatrium shares compared to fair value gain in 1H 2023, higher financing costs and amortisation expense on note receivables (as the Asset Co transaction was completed at the end of February 2023), as well as higher share of loss from an associated company. The Group's taxation decreased mainly due to lower taxable profit from the Real Estate segment. Taking into account income tax expenses, non-controlling interests and profit attributable to holders of perpetual securities, the Group's net profit attributable to shareholders for 1H 2024 was \$513 million, and \$304 million if the effects of legacy O&M assets were included. In 1H 2023, including discontinued operations, the Group's net profit attributable to shareholders was \$3,627 million. The discontinued operations in 1H 2023 recorded a net profit of \$3,182 million, comprising 2 months performance from Keppel Offshore & Marine (KOM), excluding certain out-of-scope assets, for the period 1 January to 28 February 2023, as well as a gain on disposal of approximately \$3.3 billion following the completion of the disposal of KOM at the end of February 2023.

## KEPPEL LTD. & ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

#### Revenue by Geographical Segments

Revenue from Singapore of \$3,002 million was \$289 million lower than that of corresponding period, due largely to lower revenue from all segments.

#### 14. **ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE**

Details of the assets classified as held for sale and liabilities directly associated with assets classified as held for sale are as follows:

	<b>As at 30 June 2024</b>
	<b>\$'000</b>
<b>Assets classified as held for sale</b>	
Long term assets	319,664
Debtors	21,871
Derivative assets	215
Bank balances, deposits & cash	24,003
	<b>365,753</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	
Creditors	2,623
Derivative liabilities	5,138
Current term loans	9,874
Non-current term loans	277,759
Taxation	22
	<b>295,416</b>

## KEPPEL LTD. & ITS SUBSIDIARIES

### OTHER INFORMATION

For the half year ended 30 June 2024

#### 1. AUDIT

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

#### 2. AUDITORS' REPORT

Not applicable.

#### 3. REVIEW OF GROUP PERFORMANCE

Half year ended 30 June 2024

Group net profit from continuing operations attributable to shareholders was \$304 million as compared to \$445 million for the same period in 2023. Consequently, earnings per share was 16.7 cents for the current half year as compared to 24.9 cents for the corresponding period in 2023. Annualised return on equity was 6.5%. Excluding net loss from legacy O&M assets, group net profit increased by 7% to \$513 million from \$481 million in 1H 2023, and earnings per share was 28.2 cents as compared to 26.9 cents in the same period last year. Annualised return on equity improved to 9.8% from 8.7% in 1H 2023. The effects of legacy O&M assets comprise the profit or loss impact from Seatrium shares, the Rigco notes receivables and contributions from stakes in Floatel International Ltd and Dyna-Mac Holdings Ltd.

Group revenue for 1H 2024 of \$3,224 million was \$492 million or 13% lower than that in the same period in 2023. Revenue from the Infrastructure segment decreased by \$254 million or 10% to \$2,294 million. The integrated power business recorded lower revenue as a result of lower aggregate consumption by consumers. Asset management fee revenue was higher year-on-year mainly due to higher management fees arising from better performance achieved by Keppel Infrastructure Trust (KIT) managed by Keppel, and acquisition fees in relation to KIT's acquisitions in Germany and Australia. Revenue from the Real Estate segment decreased by \$235 million to \$298 million largely due to lower revenue from property trading projects in China as a result of fewer units completed and handed over during the period, as well as lower revenue from property trading projects in Singapore and India. Asset management fee revenue remained stable year-on-year. Revenue from the Connectivity segment was comparable year-on-year. Higher divestment and acquisition fees from asset management, as well as higher project management revenues from data centres, were partly offset by lower revenue from M1.

Group net profit, excluding effects of legacy O&M assets, rose by 7% or \$32 million year-on-year to \$513 million. The Infrastructure segment registered a net profit of \$363 million in 1H 2024, which was \$72 million or 25% higher than the \$291 million net profit recorded in 1H 2023. This was driven by higher asset management net profit mainly due to higher fee revenue (as mentioned above), as well as the integrated power business which continued to deliver stronger results underpinned by higher margins. The segment also saw higher fair value gains from sponsor stakes, which was partly offset by lower share of results from an associated company and lower distributions received. Net profit from the Real Estate segment decreased by \$57 million to \$129 million, mainly due to lower contribution from property trading projects in China and Singapore, as well as higher net interest expense. The segment also recorded lower share of results and higher fair value losses from associated companies and joint ventures, mainly in Keppel REIT, which were partly offset by higher fair value gains from investment properties, and fair value gains from investments. In addition, there was no asset monetisation in 1H 2024 as compared to 1H 2023 which benefited from monetisation of two assets in India and Vietnam. Asset management net profit was comparable year-on-year arising from maiden contribution from Aermont Capital S.à r.l following the completion of the acquisition in April 2024, which were offset by higher overheads and net interest expense. The Connectivity segment's net profit of \$76 million was \$39 million higher than that in 1H 2023, mainly due to improved asset management and project management revenues, lower overheads, higher returns from sponsor stakes, as well as higher gains from divestments. Excluding effects of legacy O&M assets, net loss from Corporate Activities was \$55 million as compared to \$33 million in 1H

## KEPPEL LTD. & ITS SUBSIDIARIES

### OTHER INFORMATION

For the half year ended 30 June 2024

2023, mainly due to lower fair value gains from investments, lower net interest income earned from treasury operations, and higher share plan expense, which were partly offset by gains from asset disposals. The legacy O&M assets recorded higher net loss of \$209 million in 1H 2024 mainly due to fair value loss on Seatrium shares compared to fair value gain in 1H 2023, higher financing costs and amortisation expense on note receivables (as the Asset Co transaction was completed at the end of February 2023), as well as higher share of loss from an associated company. The Group's taxation decreased mainly due to lower taxable profit from the Real Estate segment. Taking into account income tax expenses, non-controlling interests and profit attributable to holders of perpetual securities, the Group's net profit attributable to shareholders for 1H 2024 was \$513 million, and \$304 million if the effects of legacy O&M assets were included. In 1H 2023, including discontinued operations, the Group's net profit attributable to shareholders was \$3,627 million. The discontinued operations in 1H 2023 recorded a net profit of \$3,182 million, comprising 2 months performance from Keppel Offshore & Marine (KOM), excluding certain out-of-scope assets, for the period 1 January to 28 February 2023, as well as a gain on disposal of approximately \$3.3 billion following the completion of the disposal of KOM at the end of February 2023.

#### 4. VARIANCE FROM FORECAST STATEMENT

No forecast was previously provided.

#### 5. PROSPECTS

##### Global Asset Manager and Operator

Keppel Ltd. is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. The Company's operations are organised in a horizontally-integrated model comprising a Fund Management Platform, an Investment Platform and an Operating Platform.

The **Fund Management Platform** focuses on raising capital and forging stronger relationships with investors by bringing to them the best of Keppel's solutions, investments and operating teams.

The **Investment Platform** plays a central role in driving capital deployment decisions. It drives horizontal integration by bringing together the investment and value enhancement expertise from across the Group, to create value for investors.

The **Operating Platform** integrates the track records, operating capabilities, and technical know-how of Keppel's divisions and leverages the Company's shared support functions to enable capital-efficient growth. The Operating Platform, comprising the Infrastructure, Real Estate and Connectivity Divisions, bolsters Keppel's distinctive value proposition with strong track records in the development and operation of real assets.

##### Fund Management & Investment Platform

As a global asset manager and operator, Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts.

In a major step forward in the Company's strategy to be a global asset manager and operator, in November 2023, Keppel announced the proposed strategic acquisition of Aermont Capital, a leading European real estate asset manager, to be executed over two phases in 2024 and 2028 respectively. The transaction brings together two like-minded asset managers with complementary capabilities to accelerate growth and provide better value propositions to private fund investors. The acquisition of the initial 50% stake in Aermont Capital was completed in April 2024, and has

## **KEPPEL LTD. & ITS SUBSIDIARIES**

### **OTHER INFORMATION**

**For the half year ended 30 June 2024**

significantly expanded Keppel's asset management business beyond the Asia-Pacific, giving Keppel an immediate and strong foothold in Europe, as well as broadened the Company's global network of Limited Partners.

As at end-June 2024, Keppel had approximately \$98 billion of total assets under management, including some \$13 billion of real assets on the Group's balance sheet<sup>^</sup>, that can be potentially converted into fee-bearing Funds Under Management (FUM). To drive growth, Keppel plans to significantly scale its FUM of \$85 billion at the end of June 2024 to \$200 billion by 2030, with an interim target to achieve \$100 billion of FUM by end 2026.

The Company will also continue to drive its asset monetisation programme. Following the achievement of its \$3-\$5 billion asset monetisation target by end-2023, Keppel is working towards a cumulative \$10-\$12 billion asset monetisation target by the end of 2026. Proceeds from asset monetisation will be invested in new growth engines and also used to reward shareholders. As at end-June 2024, Keppel has announced a total of \$5.6 billion in asset monetisation.

Amidst the volatile environment, the Company sees a growing pool of investors, including sovereign wealth funds and pension funds, seeking to allocate capital to alternative assets, which can serve as a hedge against inflation. Investors are also seeking opportunities in assets that can contribute to global sustainable development and to combating climate change. With strong capabilities in sustainability solutions, Keppel is in the right space at the right time, and can harness its strengths to seize growth opportunities.

#### **Operating Platform**

The Infrastructure Division has strong expertise and track records in the development of end-to-end solutions for power, decarbonisation and resource circularity, as well as in the execution, operations and maintenance of essential infrastructure.

By leveraging and complementing Keppel's asset management expertise, the Infrastructure Division is well-poised to capture burgeoning opportunities in the energy transition and sustainable development. Its pioneering work includes cross-border importation of renewable energy into Singapore, developing Singapore's first hydrogen-ready power plant, and exploring the low-carbon energy value chain such as hydrogen, ammonia and bioenergy with international partners. The Infrastructure Division is also expanding its Energy-as-a-Service (EaaS) portfolio in Asia with long-term subscription contracts secured for supply of cooling, electric vehicle charging and machine-learning based energy management.

The Real Estate Division harnesses Keppel's complementary strengths across real estate solutions and asset management to tap third party funds and invest in quality projects as well as deliver innovative, sustainable solutions. As it pivots to an asset-light model, the Real Estate Division has been reinvesting in new growth engines to generate recurring income by developing Real Estate-as-a-Service solutions and shoring up capabilities in areas such as sustainable urban renewal and senior living. The Real Estate Division deploys in-house design and delivery capabilities to enhance real estate value, further harnessing digital and green technologies to reduce an asset's carbon footprint as well as augment user experience.

The Connectivity Division, comprising the Data Centre and Networks business and M1, combines Keppel's capabilities and deep domain knowledge in data centres, sub-sea cables as well as 5G and digital connectivity solutions. The Division is actively pursuing new investment and development opportunities in digital infrastructure, leveraging Keppel's asset management expertise to expand its geographical presence while creating more energy-efficient and sustainable data centre assets. The Division is also currently developing the Bifrost Subsea Cable System, which will be the largest capacity high-speed transmission cable across the Pacific Ocean, connecting Singapore directly to the west coast of North America when completed.

## KEPPEL LTD. & ITS SUBSIDIARIES

### OTHER INFORMATION

For the half year ended 30 June 2024

M1 continues to transform to sharpen its competitive edge and increase its momentum in digital transformation. The migration of all mass mobile and fixed broadband consumers to the new cloud native digital platform has been completed, while M1's legacy technology stack is being decommissioned in phases in 2H 2024. M1 is strengthening its enterprise business with the active rollout of enterprise solutions to boost 5G adoption and deployment, as well as growing new revenue streams from scalable 5G industry solutions, both in Singapore and abroad. Through its subsidiaries AsiaPac and Glocomp, M1 continues to scale up its enterprise business as it pursues its regional growth plans.

<sup>^</sup> Includes carrying values of identified assets on the balance sheet, as well as gross asset values of certain identified underlying assets held in joint ventures, that can be potentially converted into fee-bearing Funds Under Management (FUM). Notes receivables (vendor notes issued by Rigco Holding Pte Ltd) amounting to c. S\$4.2 billion are included.

#### 6. DIVIDEND

##### 6a. Current Financial Period Reported On

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

Name of Dividend	Interim
Dividend type	Cash
Dividend per share	15.0 cents
Tax rate	Tax exempt

##### Cash Dividend

The Directors are pleased to declare a tax exempt one-tier interim cash dividend of 15.0 cents per share (2023: tax exempt one-tier interim cash dividend of 15.0 cents per share) in respect of the half year ended 30 June 2024. The interim dividend will be paid to shareholders on 23 August 2024.

##### 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	Interim
Dividend type	Cash
Dividend per share	15.0 cents
Tax rate	Tax exempt

Dividend *in specie* of Seatrium Limited ("Seatrium") shares

On 1 March 2023, the Company effected a dividend *in specie* of approximately 19.1 Seatrium shares for every one Keppel Ltd. share ("KL Share") held by eligible Shareholders, fractional entitlements disregarded.

## KEPPEL LTD. & ITS SUBSIDIARIES

### OTHER INFORMATION

For the half year ended 30 June 2024

Based on the closing price of Seatrium shares as at 1 March 2023 of 11.5 cents per share (the first trading day of Seatrium following completion of the combination transaction between Keppel Offshore & Marine and Seatrium), the cash equivalent amount of the dividend declared by the Company was \$3,845 million, equivalent to approximately \$2.19 per KL Share, based on the Company's issued and paid-up share capital as at the record date (for such dividend *in specie*) of 1,751,959,918 KL Shares (excluding treasury shares).

6c. Date Payable

23 August 2024

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 14 August 2024 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 14 August 2024 will be registered to determine shareholders' entitlement to the interim dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 14 August 2024 will be entitled to the interim dividend.

## KEPPEL LTD. & ITS SUBSIDIARIES

### OTHER INFORMATION

For the half year ended 30 June 2024

#### 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 19 April 2024. 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)
		Half Year 30.6.2024 \$'000	Half Year 30.6.2024 \$'000
<b>Transaction for the Sale of Goods and Services</b>			
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.	3,677	1,344
CapitaLand Group		1,581	–
Clifford Capital Group		3,894	–
Keppel Infrastructure Trust Group		72,180	300,344
PSA International Group		7,388	–
Seatrium Group		1,832	6,640
SIA Engineering Company Group		–	9,800
Singapore Airlines Group		1,673	–
Singapore Power Group		1,994	13
Singapore Telecommunications Group		6,421	–
StarHub Group		92,551	234
<b>Transaction for the Purchase of Goods and Services</b>			
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.	33	5,458
Keppel Infrastructure Trust Group		1,422,840	194,600
Lan Ting Holdings Group		11,900	–
Mapletree Investments Group		23,570	–
Singapore Technologies Engineering Group		3	9,229
Singapore Telecommunications Group		–	31,711
StarHub Group		24	106,702

**KEPPEL LTD. & ITS SUBSIDIARIES**

**OTHER INFORMATION**

**For the half year ended 30 June 2024**

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)
		<b>Half Year 30.6.2024 \$'000</b>	<b>Half Year 30.6.2024 \$'000</b>
<b>Treasury Transactions</b>			
Temasek Holdings Group (other than the below) Keppel Infrastructure Trust Group	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	3 1,342	– –
<b>Divestment</b>			
Seatrium Group	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The named interested persons are its associates.	400	–
<b>Joint Venture</b>			
Keppel Infrastructure Trust Group	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The named interested persons are its associates.	9,738	–
<b>Total Interested Person Transactions</b>		<b>1,663,044</b>	<b>666,075</b>

**KEPPEL LTD. & ITS SUBSIDIARIES**

**OTHER INFORMATION**

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**8. 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**

KAREN TEO/SAMANTHA TEONG  
Company Secretaries  
1 August 2024

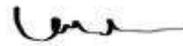
**CONFIRMATION BY THE BOARD**

We, DANNY TEOH and LOH CHIN HUA, being two directors of Keppel Ltd. (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the half year ended 30 June 2024 financial statements to be false or misleading in any material respect.

On behalf of the board of directors



**DANNY TEOH**  
Chairman



**LOH CHIN HUA**  
Chief Executive Officer

Singapore, 1 August 2024