

KEPPEL MANAGEMENT LTD.
(Formerly known as Keppel Land Limited)
Co. Reg. No. 189000001G
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 December 2023

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KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

DIRECTORS' STATEMENT**For the financial year ended 31 December 2023**

The Directors present their statement to the member together with the audited consolidated financial statements of Keppel Management Ltd. (formerly known as Keppel Land Limited) (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Loh Chin Hua, Chairman
 Louis Lim Lu-yi, Chief Executive Officer
 Kevin Chng Chee Keong (Appointed on 1 January 2024)
 Christina Tan

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

	Holdings at	
	01.01.2023	31.12.2023
Keppel Ltd. (formerly known as Keppel Corporation Limited)		
<i>Ordinary shares</i>		
Loh Chin Hua	2,949,667	3,967,246
Loh Chin Hua (Deemed interest)	38,500	38,500
Louis Lim Lu-yi	364,134	610,390
Louis Lim Lu-yi (Deemed interest)	75,000	75,000
Chan Hon Chew ⁽¹⁾	1,156,815	1,664,201
Chan Hon Chew (Deemed interest) ⁽¹⁾	7,770	7,770
Christina Tan	814,530	1,222,234
<i>Unvested restricted shares to be delivered after 2020</i>		
Loh Chin Hua	86,958	-
Louis Lim Lu-yi	17,931	-
Chan Hon Chew ⁽¹⁾	47,982	-
Christina Tan	37,139	-
<i>Unvested restricted shares to be delivered after 2021</i>		
Loh Chin Hua	264,650	189,225
Louis Lim Lu-yi	74,040	52,940
Chan Hon Chew ⁽¹⁾	151,229	108,129
Christina Tan	120,794	86,398
<i>Unvested restricted shares to be delivered after 2022 ⁽⁵⁾</i>		
Loh Chin Hua	-	426,747
Louis Lim Lu-yi	-	120,286
Chan Hon Chew ⁽¹⁾	-	258,033
Christina Tan	-	186,966

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

DIRECTORS' STATEMENT**For the financial year ended 31 December 2023****2. DIRECTORS (continued)**

	Holdings At	
	01.01.2023	31.12.2023
Keppel Ltd. (formerly known as Keppel Corporation Limited)		
(continued)		
<i>Contingent award of performance shares issued in 2019 to be delivered after 2022</i> ^{(2),(3)}		
Loh Chin Hua	365,000	-
Louis Lim Lu-yi	80,000	-
Chan Hon Chew ⁽¹⁾	150,000	-
Christina Tan	130,000	-
<i>Contingent award of performance shares issued in 2020 to be delivered after 2023</i> ^{(2),(4)}		
Loh Chin Hua	365,000	365,000
Louis Lim Lu-yi	70,000	70,000
Chan Hon Chew ⁽¹⁾	140,000	140,000
Christina Tan	120,000	120,000
<i>Contingent award of performance shares issued in 2021 to be delivered after 2023</i> ⁽²⁾		
Loh Chin Hua	365,000	365,000
Louis Lim Lu-yi	80,000	80,000
Chan Hon Chew ⁽¹⁾	140,000	140,000
Christina Tan	120,000	120,000
<i>Contingent award of performance shares issued in 2022 to be delivered after 2024</i> ⁽²⁾		
Loh Chin Hua	400,000	400,000
Louis Lim Lu-yi	100,000	100,000
Chan Hon Chew ⁽¹⁾	170,000	170,000
Christina Tan	150,000	150,000
<i>Contingent award of performance shares issued in 2023 to be delivered after 2023</i> ^{(2), (5)}		
Loh Chin Hua	-	313,900
Louis Lim Lu-yi	-	64,500
Chan Hon Chew ⁽¹⁾	-	120,400
Christina Tan	-	103,200
<i>Contingent award of performance shares issued in 2023 to be delivered after 2024</i> ^{(2), (5)}		
Loh Chin Hua	-	172,000
Louis Lim Lu-yi	-	43,000
Chan Hon Chew ⁽¹⁾	-	73,100
Christina Tan	-	64,500
<i>Contingent award of performance shares issued in 2023 to be delivered after 2025</i> ⁽²⁾		
Loh Chin Hua	-	450,000
Louis Lim Lu-yi	-	120,000
Chan Hon Chew ⁽¹⁾	-	200,000
Christina Tan	-	170,000
<i>Contingent award of performance shares – Transformation Incentive Plan issued in 2021 to be delivered after 2025</i> ⁽²⁾		
Loh Chin Hua	970,000	970,000
Louis Lim Lu-yi	255,000	255,000
Chan Hon Chew ⁽¹⁾	455,000	455,000
Christina Tan	365,000	365,000

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

DIRECTORS' STATEMENT**For the financial year ended 31 December 2023****2. DIRECTORS (continued)**

	Holdings At	
	01.01.2023	31.12.2023
Keppel Ltd. (formerly known as Keppel Corporation Limited)		
(continued)		
<i>Contingent award of performance shares – Transformation Incentive Plan issued in 2023 to be delivered after 2025 ⁽²⁾, ⁽⁵⁾</i>		
Loh Chin Hua	-	417,100
Louis Lim Lu-yi	-	109,650
Chan Hon Chew ⁽¹⁾	-	195,650
Christina Tan	-	156,950

Notes:

1. Chan Hon Chew stepped down as director on 1 January 2024.
2. Depending on the achievement of pre-determined performance targets, the actual number of performance shares to be released can range from zero to 150% of the numbers stated.
3. The performance period of the Keppel PSP award issued in 2019 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2019, 2021 and 2022 will be used to determine the vesting level of the award at the end of the extended performance period.
4. The performance period of the Keppel PSP award issued in 2020 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2021, 2022 and 2023 will be used to determine the vesting level of the award at the end of the extended performance period.
5. The unvested restricted shares and contingent award of performance shares include adjustments made on 27 March 2023 to certain unvested shares under the Keppel Share Plans arising from the dividend in specie of the Sembcorp Marine Ltd's (now known as Seatrrium Ltd) shares to Keppel's shareholders.

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement, to which the Company or any of its subsidiaries is a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

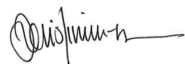
4. AUDITOR

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

On behalf of the Board



Loh Chin Hua
Chairman



Louis Lim Lu-yi
Chief Executive Officer

Singapore, 22 February 2024

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

INDEPENDENT AUDITOR'S REPORT

To the Member of Keppel Management Ltd. (Formerly known as Keppel Land Limited)

For the financial year ended 31 December 2023

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Keppel Management Ltd. (formerly known as Keppel Land Limited) ("the Company") and its subsidiaries ("the Group") and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated profit or loss account of the Group for the financial year ended 31 December 2023;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheets of the Group and Company as at 31 December 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated cash flow statement of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of material accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

INDEPENDENT AUDITOR'S REPORT**For the financial year ended 31 December 2023****Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
Valuation of properties held for sale (Refer to Note 23 to the financial statements) The Group has residential properties held for sale mainly in China, Singapore, Indonesia and Vietnam. Properties held for sale are stated at the lower of cost and net realisable values which amounted to \$2,091 million as at 31 December 2023. The determination of the carrying value and whether to recognise any foreseeable losses for properties held for sale is highly dependent on the estimated costs to complete each development and the estimated selling price. For certain development projects, fair values based on independent valuation reports are used to determine the net realisable values of these properties. We focused on this area as significant judgement is required in making estimates of future selling prices and the estimated costs to complete the development project. In instances where independent valuation reports are used, the valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the discount rate and price of comparable plots and properties. Continued unfavourable market conditions in certain markets in which the Group operates might exert downward pressure on transaction volumes and residential property prices. This could lead to future trends in these markets departing from known trends based on past experience. There is therefore a risk that the estimates of carrying values at the date of these financial statements exceed future selling prices, resulting in losses when the properties are sold. Furthermore, the current macroeconomic uncertainties has heighten the uncertainty in estimating the future selling prices and estimated costs to complete of the development properties.	We found that, in making its estimates of future selling prices and estimated costs to complete, the Group took into account macroeconomic and real estate price trend information as the basis of the estimates. Senior management applied their knowledge of the business in their regular review of these estimates. We corroborated the Group's forecast selling prices by comparing to, where available, recently transacted prices and prices of comparable properties located in the same vicinity as the properties held for sale. We compared management's budgeted total development costs against underlying contracts with vendors and supporting documents. We discussed with the project managers to assess the reasonableness of estimated costs to complete and corroborated the underlying assumptions made with our understanding of past completed projects. For projects where management has used independent valuation reports as a basis to determine the net realisable value, we evaluated the qualifications and competence of the external valuers and considered the valuation methodologies used against those applied by other valuers for similar property type. We tested the reliability of inputs used in the valuation and corroborated key inputs such as the discount rate and price of comparable plots and properties used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the inputs were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers. We focused our work on development projects with slower-than-expected sales or with low or negative margins. For projects which are expected to sell below cost, we checked the computations of the foreseeable losses.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT**For the financial year ended 31 December 2023****Key Audit Matters** (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
Valuation of properties held for sale (continued) (Refer to Note 23 to the financial statements)	We also considered the adequacy of the disclosures in the financial statements, in describing the allowance for foreseeable losses made for properties held for sale. Based on our procedures, we were satisfied that management's estimates and assumptions were reasonable. We also found the related disclosures in the financial statements to be adequate.
Valuation of investment properties (Refer to Note 16 to the financial statements) The Group owns a portfolio of investment properties comprising office buildings, hotel, retail malls and mixed-use development projects, located primarily in China, Singapore, Indonesia, Vietnam and India. As at 31 December 2023, investment properties stated at their fair values amounting to \$4,562 million were determined based on independent external valuations. We focused on this area as the valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the capitalisation rate, discount rate, estimated construction cost to complete and price of comparable plots and properties.	We evaluated the qualifications and competence of the external valuers. We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the reliability of inputs of the projected cash flows used in the valuation to supporting leases, construction contracts and other documents. We corroborated the other inputs such as the capitalisation rate, discount rate and price of comparable plots and properties used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the inputs were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers. We also considered the adequacy of the disclosure in the financial statements in describing the degree of subjectivity and the key assumptions used in estimates of investment properties as at 31 December 2023, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. The valuers are members of recognised professional bodies for external valuers. We found that the valuation methodologies used were in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be adequate.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

INDEPENDENT AUDITOR'S REPORT**For the financial year ended 31 December 2023****Key Audit Matters** (continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue recognition for trading properties (Refer to Note 4 to the financial statements) During the year, the Group recognised \$556 million of revenue from its trading properties. Revenue is recognised when control over the properties have been transferred to the purchasers. For Singapore trading properties sold under a deferred payment scheme which allows the purchasers to take possession of the completed units after making the down payment, the Group recognised \$124 million of revenue during the year. We focused on this area as significant judgement was made in assessing the point when control over the properties has been transferred to the purchasers. The determination of the timing of revenue recognition is highly dependent on the point at which the contract is enforceable, has a low risk of return and when collection of consideration is probable. Accordingly, the Group recognises revenue based on receipt of down payment and option to purchase exercised.	We evaluated if the contract is enforceable by considering the terms in the sales contracts that the Group and the purchasers have entered into, the local laws and regulations that the projects are operating in and assessing the legal opinions that management has obtained, where applicable. We assessed the point of control transferred to the purchaser by considering purchaser's acceptance of the property, the purchaser's ability to direct the use of the property and if there are any indicator that the purchaser will rescind the contract. We evaluated management's collectability assessment by considering the credit reviews performed on individual purchasers, subsequent receipts and any indicator of higher credit risk, where applicable. Based on our procedures, we were satisfied that the assumptions made in determining the timing of revenue recognition were reasonable. We also found the related disclosures in the financial statements to be adequate.

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

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

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

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

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

INDEPENDENT AUDITOR'S REPORT**For the financial year ended 31 December 2023*****Responsibilities of Management and Directors for the Financial Statements***

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Rebekah Khan.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 22 February 2024

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

CONSOLIDATED PROFIT OR LOSS ACCOUNT**For the financial year ended 31 December 2023**

	Note	2023 \$'000	2022 \$'000
Revenue	4	666,991	898,272
Cost of sales		(450,006)	(631,408)
Gross profit		216,985	266,864
Distribution costs		(24,743)	(21,335)
Administrative expenses		(152,929)	(177,324)
Other income	6	189,998	90,652
Other losses	7	(27,854)	(9,453)
Loss from dividend-in-specie	5	(139,798)	-
Investment income	5	1,840	6,151
Interest income	8	30,413	36,096
Interest expense	9	(122,429)	(84,346)
Share of results of associated companies and joint ventures	21	171,240	289,273
Pre-tax profit before fair value gain on investment properties		142,723	396,578
Fair value gain on investment properties	10	150,205	131,187
Pre-tax profit after fair value gain on investment properties		292,928	527,765
Taxation	11	(113,712)	(156,866)
Profit for the year	5	179,216	370,899
Profit attributable to:			
Shareholder of the Company	3	141,024	378,337
Non-controlling interests	3	38,192	(7,438)
		179,216	370,899

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the financial year ended 31 December 2023**

	Note	2023 \$'000	2022 \$'000
Profit for the year		179,216	370,899
Items that may be reclassified subsequently to profit or loss account:			
Cash flow hedges			
Net fair value change		(24,460)	42,265
Foreign exchange translation account			
Exchange differences on consolidation		(94,131)	(384,986)
Exchange differences transferred to profit or loss account		18,234	(24,784)
Share of other comprehensive income of associated companies and joint ventures			
Cash flow hedges			
Net fair value change		(14,327)	30,191
Fair value change transferred to profit or loss account		(5,368)	(180)
Foreign exchange translation account			
Exchange differences on consolidation		(47,246)	(175,921)
Exchange differences transferred to profit or loss account		35,804	365
Item that will not be reclassified subsequently to profit or loss account:			
Foreign exchange translation account			
Exchange differences on consolidation		(1,672)	(7,762)
Financial assets at fair value through other comprehensive income ("FVOCI")			
Net fair value change		(39,265)	(10,928)
Share of other comprehensive income of associated companies and joint ventures			
Financial assets at FVOCI		(146)	143
Other comprehensive loss for the year, net of tax	14	(172,577)	(531,597)
Total comprehensive income/(loss) for the year		6,639	(160,698)
Total comprehensive income/(loss) attributable to:			
Shareholder of the Company		(30,705)	(145,498)
Non-controlling interests		37,344	(15,200)
		6,639	(160,698)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

BALANCE SHEETS**As at 31 December 2023**

	Note	GROUP		COMPANY	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Share capital	13	2,427,916	2,427,916	2,427,916	2,427,916
Reserves	14	2,960,894	3,463,682	491,469	355,601
Share capital and reserves		5,388,810	5,891,598	2,919,385	2,783,517
Non-controlling interests		(22,359)	(46,514)	-	-
Total equity		5,366,451	5,845,084	2,919,385	2,783,517
Represented by:					
Non-current assets					
Fixed assets	15	149,727	173,901	-	-
Investment properties	16	4,562,344	4,211,432	-	-
Right-of-use assets	17	60,497	79,280	-	-
Amounts owing by related parties	18	261,819	263,158	-	-
Deferred tax assets	11	46,442	58,534	-	-
Other non-current assets	19	246,548	357,764	24,432	35,232
Investments					
Subsidiaries	20	-	-	1,501,525	1,530,947
Associated companies and joint ventures	21	2,925,011	3,445,601	57,341	57,341
Long-term investments	22	223,407	241,185	18,917	20,372
		3,148,418	3,686,786	1,577,783	1,608,660
		8,475,795	8,830,855	1,602,215	1,643,892
Current assets					
Properties held for sale	23	2,090,928	2,309,191	-	-
Stocks	24	960	1,113	-	-
Debtors	25	342,032	266,306	4,115	6,248
Amounts owing by holding company and related parties	26	180,069	292,539	3,493,851	3,808,881
Cash and cash equivalents	27	760,103	562,795	1,992	6,753
		3,374,092	3,431,944	3,499,958	3,821,882
Less:					
Current liabilities					
Creditors	28	797,069	1,036,813	17,261	21,799
Tax provision		109,492	113,032	6,595	1,453
Short-term borrowings and lease liabilities	29	2,223,265	1,551,309	429,908	499,920
Amounts owing to holding company and related parties	26	169,362	150,325	516,010	457,213
		3,299,188	2,851,479	969,774	980,385
Net current assets		74,904	580,465	2,530,184	2,841,497
Less:					
Non-current liabilities					
Long-term borrowings and lease liabilities	29	2,763,862	3,173,773	1,195,419	1,687,854
Deferred tax liabilities	11	254,422	221,895	3,200	-
Other non-current liabilities	30	165,964	170,568	14,395	14,018
		3,184,248	3,566,236	1,213,014	1,701,872
Net assets		5,366,451	5,845,084	2,919,385	2,783,517

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

STATEMENTS OF CHANGES IN EQUITY**For the financial year ended 31 December 2023**

	Share Capital \$'000	Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Revenue Reserves \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
GROUP							
Balance at 1 January 2023	2,427,916	10,457	(552,693)	4,005,918	5,891,598	(46,514)	5,845,084
Total comprehensive income for the year							
Profit for the year	-	-	-	141,024	141,024	38,192	179,216
Other comprehensive loss (see Note 14)	-	(83,566)	(88,163)	-	(171,729)	(848)	(172,577)
Total comprehensive (loss)/income for the year	-	(83,566)	(88,163)	141,024	(30,705)	37,344	6,639
Transactions with owners, recognised directly in equity							
<u>Distributions to owners</u>							
Dividends paid (see Note 12)	-	-	-	(472,294)	(472,294)	(10,937)	(483,231)
Total contributions by and distributions to owners	-	-	-	(472,294)	(472,294)	(10,937)	(483,231)
<u>Changes in ownership interest in subsidiaries</u>							
Liquidation of a subsidiary	-	-	-	-	-	(393)	(393)
Total changes in ownership interest in subsidiaries	-	-	-	-	-	(393)	(393)
<u>Others</u>							
Transfer from revenue reserve to capital reserve due to statutory reserve requirements	-	8,484	-	(8,484)	-	-	-
Transfer from translation reserve to revenue reserve	-	-	(1,371)	1,371	-	-	-
Others	-	211	-	-	211	(1,859)	(1,648)
Total others	-	8,695	(1,371)	(7,113)	211	(1,859)	(1,648)
Total transactions with owners	-	8,695	(1,371)	(479,407)	(472,083)	(13,189)	(485,272)
Balance at 31 December 2023	2,427,916	(64,414)	(642,227)	3,667,535	5,388,810	(22,359)	5,366,451

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

STATEMENTS OF CHANGES IN EQUITY**For the financial year ended 31 December 2023**

	Share Capital \$'000	Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Revenue Reserves \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
GROUP							
Balance at 1 January 2022	2,427,916	(59,174)	34,009	4,834,811	7,237,562	(20,599)	7,216,963
Total comprehensive income for the year							
Profit for the year	-	-	-	378,337	378,337	(7,438)	370,899
Other comprehensive income/(loss) (see Note 14)	-	61,491	(585,326)	-	(523,835)	(7,762)	(531,597)
Total comprehensive income/(loss) for the year	-	61,491	(585,326)	378,337	(145,498)	(15,200)	(160,698)
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Capital contribution	-	-	-	-	-	2,685	2,685
Dividends paid (see Note 12)	-	-	-	(1,189,000)	(1,189,000)	(245)	(1,189,245)
Total contributions by and distributions to owners	-	-	-	(1,189,000)	(1,189,000)	2,440	(1,186,560)
<u>Changes in ownership interest in subsidiaries</u>							
Acquisition of non-controlling interest	-	(11,466)	-	-	(11,466)	(13,138)	(24,604)
Disposal of a subsidiary	-	-	-	-	-	(17)	(17)
Total changes in ownership interest in subsidiaries	-	(11,466)	-	-	(11,466)	(13,155)	(24,621)
<u>Others</u>							
Transfer from revenue reserve to capital reserve due to statutory reserve requirements	-	19,606	-	(19,606)	-	-	-
Transfer from translation reserve to revenue reserve	-	-	(1,376)	1,376	-	-	-
Total others	-	19,606	(1,376)	(18,230)	-	-	-
Total transactions with owners	-	8,140	(1,376)	(1,207,230)	(1,200,466)	(10,715)	(1,211,181)
Balance at 31 December 2022	2,427,916	10,457	(552,693)	4,005,918	5,891,598	(46,514)	5,845,084

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

STATEMENTS OF CHANGES IN EQUITY**For the financial year ended 31 December 2023**

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Total Equity \$'000
COMPANY				
Balance at 1 January 2023	2,427,916	71,250	284,351	2,783,517
Total comprehensive income for the year				
Profit for the year	-	-	633,814	633,814
Other comprehensive loss	-	(25,652)	-	(25,652)
Total comprehensive (loss)/income for the year	-	(25,652)	633,814	608,162
<u>Distributions to owners</u>				
Dividends paid (see Note 12)	-	-	(472,294)	(472,294)
Total transactions with owners	-	-	(472,294)	(472,294)
Balance at 31 December 2023	2,427,916	45,598	445,871	2,919,385
Balance at 1 January 2022	2,427,916	33,773	1,137,860	3,599,549
Total comprehensive income for the year				
Profit for the year	-	-	335,491	335,491
Other comprehensive income	-	37,477	-	37,477
Total comprehensive income for the year	-	37,477	335,491	372,968
Transactions with owners, recognised directly in equity				
<u>Distributions to owners</u>				
Dividend paid (see Note 12)	-	-	(1,189,000)	(1,189,000)
Total transactions with owners	-	-	(1,189,000)	(1,189,000)
Balance at 31 December 2022	2,427,916	71,250	284,351	2,783,517

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

CONSOLIDATED CASH FLOW STATEMENT**For the financial year ended 31 December 2023**

	Note	2023 \$'000	2022 \$'000
Operating Activities:			
Pre-tax profit		292,928	527,765
Adjustments for:			
Depreciation charge		43,874	31,558
(Gain)/loss on sale of fixed assets		(47)	593
Gain from disposal of an investment property		(15,348)	-
Right-of-use assets written off		232	-
Lease liabilities written off		(262)	-
Interest and investment income		(32,253)	(42,247)
Interest expense		122,429	84,346
Share of results of associated companies and joint ventures		(171,240)	(289,273)
Loss/(gain) on change in interest in associated companies and joint ventures		5,706	(5,770)
Gain from sale in interest in joint ventures		(37,016)	-
Net gain from disposal of subsidiaries		(13,921)	(21,588)
Net impairment on loan to an associated company and a joint venture		4,366	-
Net gain from disposal of associated companies and joint ventures		(61,094)	(2,817)
Loss from dividend-in-specie		139,798	-
Fair value gain on call option		(11,376)	(21,002)
Net fair value gain on investment properties		(150,205)	(131,187)
Amortisation of prepaid upfront fee		841	750
Unrealised exchange loss		1,256	62
Operating cash flows before changes in working capital		118,668	131,190
Working capital changes:			
Debtors		(47,777)	83,068
Creditors		(230,632)	(424,827)
Stocks		153	53
Properties held for sale		191,351	355,771
Amount owing by/to holding company and related parties		11,396	10,450
Cash flows from operations		43,159	155,705
Interest received		30,902	35,309
Interest paid		(194,110)	(131,541)
Income taxes paid		(61,077)	(285,782)
Net cash flows used in operating activities		(181,126)	(226,309)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

CONSOLIDATED CASH FLOW STATEMENT**For the financial year ended 31 December 2023**

	Note	2023 \$'000	2022 \$'000
Investing Activities:			
Net inflow from disposal of subsidiaries ⁽¹⁾	20	82,268	196,079
Net inflow from disposal of associated companies and joint ventures		362,706	56,800
Net investment in associated companies and joint ventures		(183,320)	(29,805)
Refund received/(advanced payments) for acquisition of subsidiaries		9,666	(9,666)
Advanced payment for acquisition of a fixed asset		-	(34,234)
Inflow from disposal of an investment property		32,348	-
Net investment in investments at FVOCI		(25,360)	(19,471)
Investment in investments at FVPL		-	(1,887)
Net repayment received/(loan extended) in relation to a potential acquisition		53,301	(67,625)
Purchase of fixed assets		(35,418)	(8,845)
Expenditure on investment properties		(241,146)	(174,793)
Proceeds from sale of fixed assets		1,406	210
Repayment from/(loans to) holding company and related parties		566	(18,086)
Advances/repayment from associated companies and joint ventures		150,217	241,223
Advances/repayment to associated companies and joint ventures		(30,025)	(205,630)
Redemption of investments at FVOCI		-	5,483
Dividends received from associated companies and joint ventures ⁽²⁾		113,177	116,848
Dividends received from investee companies		1,840	6,151
Net cash flows from investing activities		292,226	52,752
Financing Activities:			
Drawdown of borrowings		1,732,721	1,323,778
Repayment of borrowings and prepayment of upfront fees		(1,602,587)	(2,060,835)
Principal payment of lease liabilities		(10,140)	(16,557)
Dividends paid to shareholder ⁽³⁾		(10,561)	-
Acquisition of non-controlling interests		-	(27,761)
Contributions by non-controlling shareholders		-	2,685
Advances/repayment to non-controlling shareholders		(199)	(6,982)
Dividends paid to non-controlling shareholders		(10,937)	(245)
Net cash flows from/(used in) financing activities		98,297	(785,917)
Net increase/(decrease) in cash and cash equivalents		209,397	(959,474)
Cash and cash equivalents at beginning of year		562,795	1,677,977
Exchange adjustments		(12,089)	(155,708)
Cash and cash equivalents at end of year	27	760,103	562,795

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

**CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2023****Reconciliation of liabilities arising from financing activities:**

	1 January \$'000	Net proceeds/ (payment) of principal \$'000	Non-cash changes					31 December \$'000
			Addition during the year \$'000	Foreign exchange movement \$'000	Dividends payments ⁽³⁾ \$'000	Disposal of a subsidiary \$'000	Others \$'000	
GROUP								
2023								
External borrowings, including under MTN Programme	3,098,219	(343,099)	-	(21,771)	-	-	841	2,734,190
Loans from related companies	1,590,744	473,233	-	(3)	167,439	-	-	2,231,413
Loans from non-controlling shareholders of certain subsidiaries	141,598	(199)	-	(674)	-	-	2,084	142,809
Lease liabilities	36,119	(10,140)	5,447	(939)	-	(8,640)	(323)	21,524
	4,866,680	119,795	5,447	(23,387)	167,439	(8,640)	2,602	5,129,936
2022								
External borrowings, including under MTN Programme	3,036,715	118,319	-	(57,565)	-	-	750	3,098,219
Loans from related companies	1,257,119	(855,376)	-	1	1,189,000	-	-	1,590,744
Loans from non-controlling shareholders of certain subsidiaries	144,806	(3,982)	-	(68)	-	-	842	141,598
Lease liabilities	47,258	(16,557)	9,778	(1,773)	-	-	(2,587)	36,119
	4,485,898	(757,596)	9,778	(59,405)	1,189,000	-	(995)	4,866,680

Notes:

1. Inflow from disposal of subsidiaries for 2022 of \$196,079,000 included an offset against advances from a joint venture of \$127,822,000.
2. Dividends received from associated companies and joint ventures during the year of \$113,177,000 (2022: \$116,848,000) was after netting off amount owing by/to associated companies of \$12,933,000 (2022: \$24,027,000).
3. Of the \$472,294,000 dividends declared in 2023, \$167,439,000 were settled via loans with a related company, \$294,294,000 were settled via issuing of Keppel REIT units and the remaining \$10,561,000 were paid in cash (2022: Dividends of \$1,189,000,000 declared in 2022 were settled via loans with a related company).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

1. GENERAL

Keppel Management Ltd. (formerly known as Keppel Land Limited) (the “Company”) is a limited liability company incorporated in Singapore.

The registered office of the Company is located at 1 Harbourfront Avenue, #18-01 Keppel Bay Tower, Singapore 098632. The principal place of business of the Company is located at 1 Harbourfront Avenue, Level 2 Keppel Bay Tower, Singapore 098632.

The financial statements of Keppel Management Ltd. for the financial year ended 31 December 2023 were authorised for issue on 22 February 2024 in accordance with a resolution of the Board of Directors.

The principal activity of the Company is that of a holding, management and investment company.

The immediate and ultimate holding company is Keppel Ltd. (formerly known as Keppel Corporation Limited), incorporated in Singapore, and is listed on the Singapore Exchange Securities Trading Limited.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore dollars (“SGD” or “\$”), which is the functional currency of the Company, and all values are rounded to the nearest thousand (“\$’000”), except where otherwise indicated.

(b) Adoption of New and Revised Standards

The Group adopted the amendments to SFRS(I)s that are effective for annual periods beginning on or after 1 January 2023. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective amendments to SFRS(I)s.

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

- SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12 *Income Taxes: International Tax Reform – Pillar Two Model Rules*

The adoption of the above amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group in the current or future periods except as follows:

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(b) Adoption of New and Revised Standards (continued)****Amendments to SFRS(I) 1-12 Income Taxes: *International Tax Reform – Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023)***

The amendments to SFRS(I) 1-12 have been introduced in response to the Organisation for Economic Co-operation and Development's Base Erosion and Profit Shifting Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023.

For the financial year ended 31 December 2023, the Group had applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to SFRS (I)1-12 issued in May 2023. The Group accounts for Pillar Two income taxes as current tax when it is incurred.

(c) Basis of Consolidation and Business Combinations**(i) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the profit or loss account;
- re-classifies the Group's share of components previously recognised in other comprehensive income to the profit or loss account or revenue reserves, as appropriate.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(c) Basis of Consolidation and Business Combinations (continued)****(ii) Business Combinations**

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the profit or loss account.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the acquiree's identifiable net assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the profit or loss account on the acquisition date.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where a business combination involves entities under common control, it is outside the scope of SFRS(I) 3 and accounted for using the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in their respective financial statements.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any differences between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities from the date of acquisition.

The Group has adopted the no restatement approach for which comparatives will not be re-presented. Any pre-acquisition reserves transferred over will not be recorded as revenue reserves as the intention was not to restate comparative information. SFRS(I) 1-27 requires the Group to only include the profit or loss from acquisition date.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(d) Fixed Assets**

Fixed assets are initially recorded at cost and subsequently measured at cost less accumulated depreciation and any impairment in value. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Gains or losses on disposal of fixed assets are included in the profit or loss account.

All fixed assets, except for freehold land and assets under construction, are depreciated on a straight-line basis over their estimated useful lives and residual values have also been taken into account where appropriate. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives of the Group's fixed assets are as follows:

Freehold building	30 years
Leasehold land and buildings	Over period of lease (range from 20 to 50 years)
Machinery and equipment	3 to 10 years
Motor vehicles	4 to 8 years

The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of changes in estimates accounted for on a prospective basis.

(e) Investment Properties

Investment properties comprise completed properties and properties under construction or redevelopment held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, 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. Changes in fair value are recognised in the profit or loss account in the year in which they arise.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

Any gain or loss on the disposal of investment properties is recognised in the profit or loss account in the year of disposal.

(f) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of a subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the profit or loss account.

(g) Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(g) Joint Arrangements (continued)**

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change.

Joint Operations

The Group recognises in relation to its interest in a joint operation,

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The accounting policies of the assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

When the Group enters into transaction involving a sale or contribution of assets with a joint operation in which it is a joint operator, the Group recognises gains and losses resulting from such a transaction only to the extent of the interests held by the other parties to the joint operation.

When the Group enters into a transaction involving purchase of assets with a joint operation in which it is a joint operator, the Group does not recognise its share of the gains and losses until it resells those assets to a third party. When such transactions provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, the Group recognises its share of those losses.

Joint Ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2(h).

(h) Associated Companies and Joint Ventures

An associated company is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(h) Associated Companies and Joint Ventures (continued)**

Associated companies and joint ventures (collectively the “equity-accounted investees”) are accounted for using the equity method of accounting less impairment losses, if any. In applying the equity method of accounting, the Group's share of profits or losses and other comprehensive income of the equity-accounted investees are included in the Group's profit or loss account and other comprehensive income respectively, and the Group's share of net assets of the equity-accounted investees is included in the balance sheet from the date that the significant influence or joint control commences until the date that significant influence or joint control ceases. Distributions received from equity-accounted investees reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and the equity-accounted investees are eliminated to the extent of the interest in the equity-accounted investees.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the equity-accounted investee recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the profit or loss account as part of the Group's share of results of the equity-accounted investee in the year in which the investment is acquired.

When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the equity-accounted investee, the Group does not recognise further losses, unless it has legal or constructive obligations or made payments on behalf of the equity-accounted investee.

The most recently available audited financial statements of the equity-accounted investees are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting year. Where necessary, adjustments are made to align the accounting policies with those of the Group.

Upon loss of significant influence or joint control over the equity-accounted investee, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the equity-accounted investee upon loss of significant influence or joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the profit or loss account.

When an investment in an associated company becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associated company, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associated company or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to the profit or loss account the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to the profit or loss account on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in equity-accounted investees are accounted for at cost less impairment losses. On disposal of an equity-accounted investee, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the profit or loss account.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(i) Goodwill**

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, at least annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

(j) Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognised at fair value on the dates the derivative contracts are entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

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

Hedge Accounting

The Group applies hedge accounting for certain qualifying hedging transactions.

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

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Notes 36(a) and (b). The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

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

For fair value hedges, changes in the fair value of the designated hedging instrument are recognised in the profit or loss account within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of the hedging instrument are recognised separately in profit or loss account.

Hedges of net investments in foreign operations, including hedges of monetary items that are accounted for as part of the net investments, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the profit or loss account. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the profit or loss account.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(k) Properties Held for Sale**

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overheads expenditure, and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate temporary occupation permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

(l) Contract Assets and Contract Liabilities

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

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits with banks, deposits with related companies and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(n) Financial AssetsClassification and Measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss account ("FVPL").

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

At Initial Recognition

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

At Subsequent Measurement*Debt Instruments*

Debt instruments mainly comprise cash and cash equivalents, investments, trade and other receivables, amounts owing by holding company and related parties and other non-current assets.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(n) Financial Assets (continued)**At Subsequent Measurement (continued)*Debt Instruments (continued)*

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

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

Equity Investments

Equity investments comprise certain long-term investments. The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss account in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of certain equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "net fair value change" in other comprehensive income. Dividends from equity investments are recognised in profit or loss account as "investment income".

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group determines whether there has been a significant increase in credit risk as disclosed under Note 35(c).

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(o) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(p) Impairment of Non-Financial Assets

At each balance sheet date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less cost of disposal and value-in-use.

Impairment losses are recognised in the profit or loss account. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of goodwill allocated to the CGU and then, to reduce the carrying amount of the other assets of the CGU on a pro-rata basis.

An impairment loss recognised for goodwill is not reversed in a subsequent period. In respect of other non-financial assets, a previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. A reversal of impairment loss is recognised in the profit or loss account.

(q) Financial Liabilities

Financial liabilities within the scope of SFRS(I) 9 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities include trade and other creditors, amounts owing to holding company and related parties, borrowings, lease liabilities and other non-current liabilities. All financial liabilities, other than financial liabilities at fair value through the profit or loss account, are recognised initially at fair value, plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss is recognised in the profit or loss account when the liability is derecognised, and through the amortisation process.

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

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

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(r) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(s) Revenue Recognition

The Group develops and sells trading properties to purchasers through fixed-price contracts. Revenue is recognised when the control over the asset has been transferred to the purchaser. At contract inception, the Group assesses whether the Group transfers control of the asset over time or at a point in time by determining if:

- (i) its performance does not create an asset with an alternative use to the Group; and
- (ii) the Group has an enforceable right to payment for performance completed to date.

The trading properties have no alternative use for the Group due to contractual restriction. Where the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the trading property. The stage of completion is measured by reference to the proportion of the total construction cost incurred to date, as per certification by quantity surveyors, to the total estimated construction costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised at a point in time when the purchaser obtains control over the asset and the Group's right to payment becomes enforceable.

Rental and related income from leases on investment properties are recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Dividend income is recognised when the Group's right to receive payment is established.

Interest income is recognised on a time proportion basis (using the effective interest method).

Service charges, management fees and car park fees are recognised in the year in which the performance obligation is satisfied.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(t) Borrowing Costs**

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

For Singapore trading properties under progressive payment scheme, borrowing costs on portion of property not ready for transfer of control to the purchasers are capitalised until the time when control is capable of being transferred to the purchasers.

(u) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined Contribution Plan

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

Employee Leave Entitlement

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

Share Plans

The Company's ultimate holding company, Keppel Ltd. ("Keppel" or formerly known as Keppel Corporation Limited and the name was changed to Keppel Ltd. with effect from 1 January 2024), operates share-based compensation plans and eligible employees in the Group are granted shares in Keppel under the Keppel Restricted Share Plan ("Keppel RSP") and/or Keppel Performance Share Plan ("Keppel PSP") for services rendered.

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

At each balance sheet date, profit or loss account is adjusted for the impact of the revision in the estimates of the share plan awards that are expected to vest on the vesting dates. No expense is recognised for share plan awards that do not ultimately vest, except for share plan awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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Current tax assets and liabilities for the current and prior years are measured at the amounts expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax is recognised in the profit or loss account except to the extent that the tax relates to items recognised outside the profit or loss account, either in other comprehensive income or directly in equity.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the balance sheet date. The principal temporary differences arise from fair value gain on investment properties, fair value adjustments on acquisition of subsidiaries, depreciation of fixed assets, unremitted offshore income and certain provisions or charges in the financial statements for which the tax relief is not immediately available.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investment in subsidiaries, associated companies and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised as an expense or income in the profit or loss account, except where it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Land Appreciation Tax

Land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including cost of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(w) Foreign Currencies**Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from settlement or translation of monetary items are taken to the profit or loss account, except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation account.

Exchange differences arising on translation of the financial liabilities designated as hedges of net investments in foreign operations are recognised in other comprehensive income to the extent that the hedge is effective, and are accumulated under foreign currency translation account. The exchange differences relating to the ineffective portion of the hedge are recognised in the profit or loss account. On disposal of the hedged net investment, the relevant amount of the exchange differences shall be reclassified from equity to the profit or loss account as part of the gain or loss on disposal.

Foreign Currency Translation

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

For inclusion in the Group's financial statements, all assets and liabilities of foreign subsidiaries, associated companies and joint ventures that are in functional currencies other than Singapore dollars are translated into Singapore dollars at the exchange rates ruling at the balance sheet date. The trading results of foreign subsidiaries, associated companies and joint ventures are translated into Singapore dollars using the average exchange rates for the financial year. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in the foreign currency translation account. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation shall be reclassified from equity to the profit or loss account as part of the gain or loss on disposal.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in the profit or loss account. For partial disposal of associated companies and joint ventures that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the profit or loss account.

Goodwill and fair value adjustments arising on acquisition of a foreign entity on or after 1 January 2005 are treated as foreign currency assets and liabilities of the acquiree and recorded at the closing exchange rate.

(x) Segment Reporting

For management reporting purposes, the Group is organised into strategic business units based on their products, services and geography. Management monitors the results of each of the operating segments for the purpose of making decisions on resource allocation and performance assessment.

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

Right-of-use Assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use asset which meets the definition of an investment property is presented within "investment properties" (Note 16) and accounted for in accordance with Note 2(e).

Lease Liabilities

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

Lease payments include the following:

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

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

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

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

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

Short-term and Low Value Leases

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

Variable Lease Payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

As Lessor*Finance Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lessee. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Operating Leases

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

(z) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

(aa) Share Capital

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

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

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

(ac) Assets Classified as Held for Sale

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

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

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

(ad) Critical Accounting Estimates and Judgement**(i) Key Sources of Estimation Uncertainty**

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

Allowance for Foreseeable Losses on Properties Held for Sale

For properties held for sale, allowance for foreseeable losses is made when the net realisable value has fallen below cost. The carrying amount of properties held for sale and the key assumptions used in estimating net realisable value and total construction costs are disclosed in Note 23.

Revaluation of Investment Properties

The Group carries its investment properties at fair value with changes in fair value being recognised in profit or loss account. In determining fair values, the valuers based on the highest and best use basis and have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, discount rate and price of comparable plots and properties and estimated construction costs to complete.

In relying on the valuation reports, management has exercised its judgement to ensure that the valuation methods and estimates are reflective of current market conditions.

The carrying amount of investment properties and the key assumptions used to determine the fair value of the investment properties are disclosed in Notes 16 and 36.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(ad) Critical Accounting Estimates and Judgement (continued)****(i) Key Sources of Estimation Uncertainty (continued)**Revenue Recognition

For Singapore property trading projects under progressive payment scheme, the Group recognises revenue from partly completed projects based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2(s). Significant assumptions are required in determining the stage of completion and the total estimated development costs. In making the assumptions, the Group evaluates them by relying on past experience and the work of specialists. Revenue from partly completed projects is disclosed in Note 4.

For Singapore trading properties sold under a deferred payment scheme which allows the purchasers to take possession of the completed units after making down payment, the Group recognises revenue based on receipt of down payment and option to purchase exercised. Significant judgement is needed in assessing the point of revenue recognition. In making the judgement, the Group evaluates based on the point at which the contract is enforceable and if collection of consideration is probable. During the financial year, the Group has recognised revenue of \$124,115,000 under the deferred payment scheme.

For overseas trading properties where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the purchaser obtains control of the asset and the Group's right to payment becomes enforceable. Significant judgement is needed in assessing the point when the purchaser obtains control of the asset such as when the property is accepted by the purchaser, or deemed as accepted according to past experience with risk of return assessed to be low, or when title has passed to the purchaser.

Impairment of Non-Financial Assets

The Group assesses at each balance sheet date whether there are any indicators of impairment for all non-financial assets.

Determining whether the carrying values of fixed assets, right-of-use assets, investments in subsidiaries and investments in associated companies and joint ventures are impaired requires an estimation of the recoverable amount. This requires the Group to assess the fair value of these assets to determine the recoverable amounts. The carrying amounts of fixed assets, right-of-use assets, investments in subsidiaries and investments in associated companies and joint ventures at the balance sheet date are disclosed in Notes 15, 17, 20 and 21 respectively.

Valuation of Investments

The Group carries its investments at fair value through profit or loss account and fair value through other comprehensive income at fair value with changes in fair value being recognised in profit or loss account and other comprehensive income respectively.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Methods such as estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies are also used to determine the fair values of the investments. The fair value of these investments is disclosed in Note 22.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****2. MATERIAL ACCOUNTING POLICIES (continued)****(ad) Critical Accounting Estimates and Judgement (continued)****(i) Key Sources of Estimation Uncertainty (continued)**Land Appreciation Tax

The Group is subject to land appreciation tax in the People's Republic of China ("PRC"). However, the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation tax. The Group recognised the land appreciation tax of its property projects based on management's best estimates according to its understanding of the tax rules and latest practice of local tax jurisdictions in the cities where the Group's projects are located. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact income tax and deferred tax provisions in the periods in which such taxes are finalised with local tax authorities.

3. (LOSS)/PROFIT FROM OPERATIONS AND FAIR VALUE GAIN ON INVESTMENT PROPERTIES

	2023			2022		
	Operations	Fair Value Gain	Total	Operations	Fair Value Gain	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Pre-tax profit	117,412	175,516	292,928	278,565	249,200	527,765
Taxation	(88,498)	(25,214)	(113,712)	(125,023)	(31,843)	(156,866)
	28,914	150,302	179,216	153,542	217,357	370,899
Non-controlling interests	(34,694)	(3,498)	(38,192)	10,089	(2,651)	7,438
(Loss)/profit attributable to shareholder	(5,780)	146,804	141,024	163,631	214,706	378,337

Included in pre-tax fair value gain is share of associated companies' and joint ventures' fair value gain on investment properties (net of tax) of \$25,311,000 (2022: \$118,013,000) (See Note 10).

4. REVENUE

	GROUP	
	2023	2022
	\$'000	\$'000
Trading of properties:		
Recognised on completion of construction method	310,699	661,001
Recognised on percentage of completion method	212,326	120,595
Service and other income related to trading projects	32,682	22,091
	555,707	803,687
Rental and related income	95,123	79,973
Property services and others	16,161	14,612
	666,991	898,272

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****5. PROFIT FOR THE YEAR**

	GROUP	
	2023	2022
	\$'000	\$'000
The following amounts have been charged/(credited) in arriving at the profit for the year:		
(a) Gross dividends from unquoted investments	(1,840)	(6,151)
(b) Loss from dividend-in-specie	139,798	-
(c) Staff costs:		
Key managers' emoluments:		
Short-term benefits (including annual base salaries and annual performance incentives)	5,008	5,222
Employer's contribution to defined contribution plans, including the Central Provident Fund	114	115
Cost of share-based payments	2,624	2,218
	7,746	7,555
Other staff costs:		
Short-term benefits (including annual base salaries and annual performance incentives)	120,927	120,544
Employer's contribution to defined contribution plans, including the Central Provident Fund	13,274	14,636
Cost of share-based payments	3,877	5,095
	138,078	140,275
Total staff costs	145,824	147,830
(d) Others:		
Depreciation of fixed assets (see Note 15)	31,345	17,097
Depreciation of right-of-use assets (see Note 17)	12,529	14,461
(Gain)/loss on sale of fixed assets	(47)	593
Fees and other remuneration to Directors of the Company	315	336
Cost of properties held for sale recognised in cost of sales	305,269	525,005
Foreign exchange loss - Unhedged	3,520	4,664
Allowance/(write-back) of allowance for doubtful debts	4,640	(774)
Bad debts written off	-	7
Net allowance for foreseeable losses on properties held for sale	6,137	76
Direct expenses of investment properties that generate rental income	60,127	32,000
Lease expense of low value assets	297	200
Right-of-use assets written off	232	-
Lease liabilities written off	(262)	-

Staff costs capitalised during the year under properties held for sale and investment properties amounted to \$11,628,000 (2022: \$17,509,000).

Total share-based payments of \$6,501,000 in 2023 were settled by cash (2022: \$7,313,000) to holding company.

In 2023, the Group has declared and distributed dividend in specie of units in Keppel REIT to its holding company. The fair value of the distribution in kind based on the closing market price of Keppel REIT units as of completion date amounted to \$292,294,000 and net loss of \$139,798,000 was recognised in the profit or loss account.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****5. PROFIT FOR THE YEAR (continued)**Keppel Ltd. Share Plan (formerly known as Keppel Corporation Limited Share Plan)

The Keppel Ltd. ("Keppel") Restricted Share Plan ("Keppel RSP") and Keppel Performance Share Plan ("Keppel PSP") are share plans approved by Keppel's shareholders on 23 April 2010. The Keppel Performance Share Plan 2020 ("Keppel PSP 2020") and Keppel Restricted Share Plan 2020 ("Keppel RSP 2020") were approved by the Keppel's shareholders on 2 June 2020, replacing the Keppel PSP and Keppel RSP respectively. The Keppel PSP and Keppel RSP were terminated on the same day.

Information on Keppel RSP – Deferred Shares, Keppel RSP 2020 – Deferred Shares, Keppel PSP, Keppel PSP 2020, Keppel PSP – Transformation Incentive Plan ("Keppel PSP-TIP") and Keppel PSP 2020 Transformation Incentive Plan ("Keppel PSP 2020 TIP") are as follows:

(i) Keppel RSP – Deferred Shares and Keppel RSP 2020 – Deferred Shares

Award of fully-paid ordinary shares of Keppel which will vest equally over three years subject to fulfilment of service requirements.

(ii) Keppel PSP and Keppel PSP 2020

Award of fully-paid ordinary shares of Keppel, conditional on Keppel Group achieving the pre-determined targets over a three-year performance period. The pre-determined targets for awards granted from Year 2019 to Year 2021 are absolute total shareholder's return, return on capital employed and net profit. The predetermined targets for awards granted from Year 2022 onwards are absolute total shareholder's return, return on equity, net profit and reduction in carbon emission. If the pre-determined targets are achieved, awards will vest at the end of the three-year performance period subject to fulfilment of service requirements.

(iii) Keppel PSP-TIP

Award of fully-paid ordinary shares of Keppel, conditional on the employee achieving the pre-determined individual performance target and Keppel Group achieving the pre-determined targets of absolute total shareholder's return and certain financial and non-financial measures over a six-year performance period. If pre-determined targets are achieved, awards will vest at the end of the six-year performance period subject to fulfilment of service requirements. Performance conditions may be subject to re-testing at the end of the six-year performance period.

(iv) Keppel PSP 2020 TIP

Award of fully-paid ordinary shares of Keppel, conditional on the employee achieving the pre-determined individual performance target and Keppel Group achieving the pre-determined targets of absolute total shareholder's return, asset monetisation and cross-business unit revenue targets and certain financial and non-financial measures over a five-year performance period. If pre-determined targets are achieved, awards will vest at the end of the five-year performance period subject to fulfilment of service requirements. Performance conditions may be subject to re-testing at the end of the five-year performance period.

The fair values of the contingent award of shares for the above plans are determined at the grant date using Monte Carlo simulation method which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility.

On 15 February 2023, eligible employees were granted awards of 902,529 shares under the Keppel RSP 2020-Deferred Shares and the estimated fair value of the shares granted were \$6.73. On 15 February 2022, eligible employees were granted awards of 1,248,345 shares under the Keppel RSP 2020-Deferred Shares and the estimated fair value of the shares granted were \$5.84.

On 28 April 2023, eligible employees were granted contingent awards of 240,000 shares under the Keppel PSP 2020 and the estimated fair value of the Shares granted was \$5.10. On 29 April 2022, eligible employees were granted contingent awards of 270,000 shares under the Keppel PSP 2020 and the estimated fair value of the Shares granted was \$6.07.

On 29 April 2022, eligible employees were granted contingent awards of 170,000 shares under the Keppel PSP 2020 TIP and the estimated fair value of the shares granted was \$3.53.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****5. PROFIT FOR THE YEAR (continued)**Keppel Ltd. Share Plan (formerly known as Keppel Corporation Limited Share Plan) (continued)

Following the dividend in specie of the Sembcorp Marine Ltd's (now known as Seatrium Ltd) shares to Keppel's shareholders, adjustments have been made on 27 March 2023 to certain unvested shares under the Keppel Share Plans:

- 64,500 unvested shares under the Keppel PSP;
- 49,450 unvested shares under the Keppel PSP 2020;
- 464,400 under the Keppel PSP 2020-TIP; and
- 730,660 under the Keppel RSP 2020-Deferred Shares.

The significant inputs into the model are as follows:

	2023		
	<u>Keppel RSP 2020 – Deferred Shares</u>	<u>Keppel PSP 2020</u>	<u>Keppel PSP 2020 TIP</u>
Date of grant	08.02.2023 15.02.2023 01.03.2023	28.04.2023	-
Prevailing share price at date of grant	\$7.08 \$7.08 \$5.48	\$6.17	-
Expected volatility of Keppel	22.09% 22.09% 21.41%	23.84%	-
Expected term	0.17 - 2.08 years 0 - 2.00 years 0.08 – 2.00 years	2.83 years	-
Risk free rate	2.99% - 3.70% 3.17%-3.42% 3.65% - 4.01%	2.93%	-
Expected dividend yield	*	*	-

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****6. OTHER INCOME**

	GROUP	
	2023	2022
	\$'000	\$'000
Gain from disposal of subsidiaries	13,921	31,041
Gain from disposal of associated companies	78,100	2,817
Gain from sale in interest in joint ventures	37,016	-
Gain from disposal of an investment property	15,348	-
Gain on change in interest in associated companies	-	5,770
Guarantee fee	6,794	-
Fair value gain on call option (see Note 19)	11,376	21,002
Write-back of cost accruals	12,457	3,064
Write-back of impairment on loan to a joint venture	776	-
Write-back of provision for delay in completion of development and handover of properties	14,210	-
Write-back of provision for litigation claim	-	26,958
	189,998	90,652

7. OTHER LOSSES

	GROUP	
	2023	2022
	\$'000	\$'000
Loss from disposal of a subsidiary	-	(9,453)
Loss from disposal of a joint venture	(17,006)	-
Loss on change in interest in associated companies	(5,706)	-
Impairment on loan to an associated company	(5,142)	-
	(27,854)	(9,453)

8. INTEREST INCOME

	GROUP	
	2023	2022
	\$'000	\$'000
Interest from deposits and loans with:		
Banks	9,637	15,382
Associated companies and joint ventures	9,528	10,008
Related companies	6,209	4,886
Interest from investments at FVPL	4,727	5,150
Others	312	670
	30,413	36,096

Related companies are subsidiaries of Keppel Ltd. (formerly known as Keppel Corporation Limited) in which the Company has no shareholding interest.

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****9. INTEREST EXPENSE**

	GROUP	
	2023	2022
	\$'000	\$'000
Interest expense on:		
Term loans and overdrafts from:		
A related company	28,877	13,020
Banks	89,004	67,274
Lease liabilities	1,996	2,592
Loans from non-controlling shareholders of certain subsidiaries and others	2,552	1,460
	<u>122,429</u>	<u>84,346</u>

10. FAIR VALUE GAIN ON INVESTMENT PROPERTIES

Analysis of the Group's net fair value gain on investment properties is as follows:

	2023				2022			
	Non-controlling				Non-controlling			
	Gross	Taxation	Interests	Net	Gross	Taxation	Interests	Net
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Subsidiaries	150,205	(25,214)	(3,498)	121,493	131,187	(31,843)	813	100,157
Associated companies and joint ventures (see Note 21)	32,280	(6,969)	-	25,311	123,750	(5,737)	(3,464)	114,549
	<u>182,485</u>	<u>(32,183)</u>	<u>(3,498)</u>	<u>146,804</u>	<u>254,937</u>	<u>(37,580)</u>	<u>(2,651)</u>	<u>214,706</u>

The fair value gains/(losses) for associated companies and joint ventures was included in share of results of associated companies and joint ventures.

The non-controlling interests of \$3,464,000 in 2022 represent the non-controlling shareholders' share of the fair value gain of an underlying associated company of a non-wholly owned subsidiary.

11. TAXATION

	GROUP	
	2023	2022
	\$'000	\$'000
Current tax:		
Current income tax	66,533	55,027
Withholding tax	7,672	14,290
Over provision in respect of previous years	(6,979)	(5,123)
	67,226	64,194
Deferred tax:		
Origination of temporary differences	46,768	31,828
	113,994	96,022
Land appreciation tax	(282)	60,844
	<u>113,712</u>	<u>156,866</u>

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****11. TAXATION (continued)**

The reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows:

	GROUP	
	2023	2022
	\$'000	\$'000
Pre-tax profit	292,928	527,765
Less: Share of results of associated companies and joint ventures	(171,240)	(289,273)
Pre-tax profit before share of results of associated companies and joint ventures	121,688	238,492
Tax calculated at tax rate of 17% (2022: 17%)	20,687	40,544
Adjustments:		
Non-deductible expenses	72,660	44,331
Income not subject to tax	(28,712)	(26,829)
Over provision in respect of previous years	(6,979)	(5,123)
Different tax rates in other jurisdictions	27,514	17,776
Utilisation of previously unrecognised tax benefits	(6,182)	(8,316)
Tax benefits not recognised	27,263	34,560
Withholding taxes	7,672	14,290
Land appreciation tax	(282)	60,844
Tax effect of land appreciation tax	71	(15,211)
	113,712	156,866

Under the group tax relief system introduced by the Inland Revenue Authority of Singapore ("IRAS"), a Singapore incorporated company may, upon satisfaction of the criteria set out by the IRAS, transfer its current year's unabsorbed capital allowances, trade losses and donations to another company belonging to the same group, to be deducted against the assessable income of the latter company.

The Group has certain unutilised tax losses and capital allowances of \$438,226,000 (2022: \$386,572,000) as at 31 December 2023 for which related tax benefits totaling \$108,092,000 (2022: \$95,158,000) have not been included in the financial statements. The tax losses are available for offset against future taxable profits of the companies in which the losses arose but for which no deferred tax asset has been recognised due to uncertainty of their recoverability. The use of tax losses is subject to the agreement by the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates. Tax losses amounting to \$434,607,000 (2022: \$381,434,000) can be carried forward for a period of 3 to 8 years subsequent to the year of the loss, while the remaining tax losses have no expiry dates.

Pillar Two Income Taxes

The Base Erosion and Profit Shifting (BEPS) Pillar Two model rules is applicable to the Group as the Group is part of a multinational enterprise group with consolidated revenue in excess of EUR 750 million. As at the balance sheet date, the Pillar Two legislation has been enacted or substantively enacted, but not yet in effect, in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group is in the process of assessing the potential exposure arising from Pillar Two legislation. The assessment that is being carried out is based on the latest available tax filings and country-by-country reporting for 2022, and the latest financial information for 2023. In certain jurisdictions, information required for the assessment is still being gathered and, therefore, the assessment is not complete.

Based on the assessment performed out so far, the Pillar Two effective tax rates in all jurisdictions in which the Group operates are likely to be above 15% and management is not currently aware of any circumstances under which this might change. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****11. TAXATION (continued)****Deferred Taxation**

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities	254,422	221,895	3,200	-
Deferred tax assets	(46,442)	(58,534)	-	-
Net deferred tax liabilities	207,980	163,361	3,200	-

	At 1 January \$'000	Charged/ (credited) to profit or loss account \$'000	Charged to other comprehensive income \$'000	Company disposed \$'000	Reclassification \$'000	Exchange differences \$'000	At 31 December \$'000
GROUP							
2023							
Deferred tax liabilities							
Fair value on investment properties	178,952	25,214	-	-	-	(5,165)	199,001
Differences in depreciation	10,174	1,350	-	-	-	(282)	11,242
Fair value adjustments on acquisition of subsidiaries	15,736	(295)	-	-	-	(460)	14,981
Fair value adjustments on remeasurement of retained interest in a joint venture	16,130	-	-	-	-	(476)	15,654
Fair value on interest rate swaps	-	-	3,200	-	-	-	3,200
Accrual and others	1,840	9,382	-	-	1,012	(408)	11,826
	222,832	35,651	3,200	-	1,012	(6,791)	255,904
Deferred tax assets							
Accruals and others	(59,283)	11,117	-	-	(1,012)	1,434	(47,744)
Lease liabilities	(188)	-	-	-	-	8	(180)
	(59,471)	11,117	-	-	(1,012)	1,442	(47,924)
	163,361	46,768	3,200	-	-	(5,349)	207,980
2022							
Deferred tax liabilities							
Fair value on investment properties	167,283	29,670	-	-	-	(18,001)	178,952
Differences in depreciation	12,009	(858)	-	-	-	(977)	10,174
Fair value adjustments on acquisition of subsidiaries	51,676	(1,514)	-	(32,544)	-	(1,882)	15,736
Fair value adjustments on remeasurement of retained interest in a joint venture	17,927	-	-	-	-	(1,797)	16,130
Accrual and others	1,541	632	-	97	-	(430)	1,840
	250,436	27,930	-	(32,447)	-	(23,087)	222,832
Deferred tax assets							
Fair value on an investment property	(2,261)	2,173	-	-	-	88	-
Accruals and others	(65,716)	1,369	-	-	-	5,064	(59,283)
Lease liabilities	(577)	356	-	-	-	33	(188)
	(68,554)	3,898	-	-	-	5,185	(59,471)
	181,882	31,828	-	(32,447)	-	(17,902)	163,361

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****11. TAXATION (continued)****Deferred Taxation**

	At 1 January \$'000	Charged to other comprehensive income \$'000	At 31 December \$'000
COMPANY			
2023			
Deferred tax liabilities			
Fair value on interest rate swaps	-	3,200	3,200

As at 31 December 2023, deferred tax liabilities amounting to \$10,200,000 (2022: \$13,434,000) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future.

There was no tax recognised in the Group's other components of other comprehensive income in 2022.

There was no deferred taxation charged or credited to profit or loss account during the year for the Company.

12. DIVIDENDS

	GROUP AND COMPANY	
	2023	2022
	\$'000	\$'000
Dividends on ordinary shares:		
Final one-tier tax exempt ordinary dividend of 30 cents per share in respect of the previous financial year (2022: 77 cents per share)	472,294	1,189,000

13. SHARE CAPITAL

	GROUP AND COMPANY			
	2023	2022	2023	2022
	Number of	Number of	\$'000	\$'000
	shares	shares		
	'000	'000		
Issued and fully paid: 1,553,741,612				
(2022: 1,553,741,612) ordinary shares	1,553,741	1,553,741	2,427,916	2,427,916

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****14. RESERVES**

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Capital reserves:				
Fair value reserve	(92,290)	(52,879)	16,030	17,486
Hedging reserve	22,577	66,732	15,624	39,820
Revaluation reserve	15,475	15,475	-	-
Gain on disposal of interest in a subsidiary without loss of control	12,932	12,932	-	-
Net premium paid on acquisition of non-controlling interests	(84,894)	(84,894)	-	-
Merger reserve	(102,764)	(102,975)	-	-
Statutory reserve	144,009	135,525	-	-
Others	20,541	20,541	13,944	13,944
	(64,414)	10,457	45,598	71,250
Foreign currency translation account	(642,227)	(552,693)	-	-
Revenue reserves	3,667,535	4,005,918	445,871	284,351
	2,960,894	3,463,682	491,469	355,601

The fair value reserve represents the cumulative net change in fair value of financial assets at FVOCI until they are derecognised.

The hedging reserve represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

The revaluation reserve represents the share of fair value change of fixed assets recognised by certain joint ventures up to the date of change in use from fixed assets to investment property. These amounts are presented net of deferred tax liabilities.

The gain on disposal of interest in a subsidiary without loss of control represents the difference between the consideration received and the book value of the interest disposed of which did not result in a loss of control.

The net premium paid on acquisition of non-controlling interests represents the difference between the consideration paid and the book value of the share of net assets acquired from the non-controlling interests.

Merger reserve represents the difference between consideration paid and equity acquired in a business combination involving entities under common control using pooling of interest method.

Statutory reserve represents mainly appropriation of profit in respect of the subsidiaries incorporated in China in accordance with local requirements.

Others comprise capital redemption reserve, treasury shares reserve and other movements.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****14. RESERVES (continued)**

The foreign currency translation account represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the translation of monetary items that forms part of the Group's net investment in foreign operations.

Movements in the Group's and the Company's reserves are set out in the statements of changes in equity.

Other Comprehensive Income, Net of Tax

	Foreign Currency Translation Account	Capital Reserves		Total	Non- controlling Interests	Total Other Comprehensive Income
	\$'000	Fair Value Reserve \$'000	Hedging Reserve \$'000	\$'000	\$'000	\$'000
GROUP						
<u>2023</u>						
Financial assets at FVOCI:						
Net fair value change	-	(39,265)	-	(39,265)	-	(39,265)
Cash flow hedges:						
Net fair value change	-	-	(24,460)	(24,460)	-	(24,460)
Exchange differences on consolidation	(94,131)	-	-	(94,131)	(1,672)	(95,803)
Exchange differences transferred to profit or loss account	17,410	-	-	17,410	824	18,234
Share of other comprehensive loss of associated companies and joint ventures	(11,442)	(146)	(19,695)	(31,283)	-	(31,283)
Total other comprehensive loss, net of tax	(88,163)	(39,411)	(44,155)	(171,729)	(848)	(172,577)
<u>2022</u>						
Financial assets at FVOCI:						
Net fair value change	-	(10,928)	-	(10,928)	-	(10,928)
Cash flow hedges:						
Net fair value change	-	-	42,265	42,265	-	42,265
Exchange differences on consolidation	(384,986)	-	-	(384,986)	(7,762)	(392,748)
Exchange differences transferred to profit or loss account	(24,784)	-	-	(24,784)	-	(24,784)
Share of other comprehensive (loss)/income of associated companies and joint ventures	(175,556)	143	30,011	(145,402)	-	(145,402)
Total other comprehensive (loss)/income, net of tax	(585,326)	(10,785)	72,276	(523,835)	(7,762)	(531,597)

The other comprehensive income of the Company relates to changes in fair value of its financial assets at FVOCI and cash flow hedge.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****15. FIXED ASSETS**

	Freehold Land and Building \$'000	Leasehold Buildings \$'000	Machinery, Equipment and Vehicles \$'000	Assets under Construction \$'000	Total \$'000
GROUP					
Cost					
At 1 January 2023	156	325,971	187,087	15,545	528,759
Additions	-	33,775	31,810	3,608	69,193
Disposals	-	-	(4,568)	-	(4,568)
Companies disposed	-	(151,203)	(106,366)	-	(257,569)
Reclassification	-	-	2,284	(2,284)	-
Exchange differences on consolidation	-	(6,413)	(2,538)	(101)	(9,052)
At 31 December 2023	156	202,130	107,709	16,768	326,763
Accumulated Depreciation and Impairment					
At 1 January 2023	156	193,287	161,415	-	354,858
Depreciation charge	-	20,194	11,151	-	31,345
Disposals	-	-	(3,209)	-	(3,209)
Companies disposed	-	(98,199)	(102,555)	-	(200,754)
Exchange differences on consolidation	-	(3,151)	(2,053)	-	(5,204)
At 31 December 2023	156	112,131	64,749	-	177,036
Net Carrying Amount	-	89,999	42,960	16,768	149,727
Cost					
At 1 January 2022	156	338,762	192,086	15,033	546,037
Additions	-	45	7,190	1,610	8,845
Disposals	-	-	(8,285)	-	(8,285)
Companies disposed	-	-	(8)	-	(8)
Reclassification	-	8	11	(19)	-
Reclassified to right-of-use assets	-	(303)	-	-	(303)
Exchange differences on consolidation	-	(12,541)	(3,907)	(1,079)	(17,527)
At 31 December 2022	156	325,971	187,087	15,545	528,759
Accumulated Depreciation and Impairment					
At 1 January 2022	156	191,574	161,379	-	353,109
Depreciation charge	-	7,328	9,769	-	17,097
Disposals	-	-	(7,482)	-	(7,482)
Companies disposed	-	-	(7)	-	(7)
Reclassified to right-of-use assets	-	(155)	-	-	(155)
Exchange differences on consolidation	-	(5,460)	(2,244)	-	(7,704)
At 31 December 2022	156	193,287	161,415	-	354,858
Net Carrying Amount	-	132,684	25,672	15,545	173,901

Included in addition in 2023, there is an acquisition of a senior living facility in Qixia District, Nanjing, China, amounting to \$33,775,000.

There was no interest capitalised in 2023 and 2022.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****16. INVESTMENT PROPERTIES**

	Completed Properties \$'000	Properties under Construction \$'000	Total \$'000
GROUP			
Valuation			
At 1 January 2023	1,277,604	2,933,828	4,211,432
Additions	1,790	298,053	299,843
Disposal	(17,000)	-	(17,000)
Fair value gain	5,340	144,865	150,205
Amortisation of capitalised letting fees	(1,365)	-	(1,365)
Straight-lining of rental adjustments	2,409	-	2,409
Adjustments	(8,413)	-	(8,413)
Exchange differences on consolidation	(19,366)	(55,401)	(74,767)
At 31 December 2023	<u>1,240,999</u>	<u>3,321,345</u>	<u>4,562,344</u>
At 1 January 2022	1,378,618	2,760,649	4,139,267
Additions	1,105	214,937	216,042
Fair value (loss)/gain	(13,209)	144,396	131,187
Amortisation of capitalised letting fees	(1,813)	-	(1,813)
Exchange differences on consolidation	(87,097)	(186,154)	(273,251)
At 31 December 2022	<u>1,277,604</u>	<u>2,933,828</u>	<u>4,211,432</u>

The Group's investment properties (including integral plant and machinery) are stated based on the following valuations by independent firms of professional valuers as at 31 December 2023:

- (a) Cushman & Wakefield VHS Pte Ltd and Knight Frank Pte Ltd for properties in Singapore;
- (b) Cushman & Wakefield Limited and Colliers Appraisal & Advisory Services Co., Ltd for properties in China;
- (c) KJPP Willson dan Rekan (an affiliate of Knight Frank) for properties in Indonesia;
- (d) Cushman & Wakefield Vietnam Ltd. for properties in Vietnam;
- (e) Cushman & Wakefield India Private Limited for a property in India;

The details of the valuation techniques and inputs used are disclosed in Note 36.

As at 31 December 2023, properties amounting to \$1,968,052,000 (2022: \$1,913,364,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings referred to in Note 29.

Interest capitalised during the year was \$58,697,000 (2022: \$41,249,000).

17. RIGHT-OF-USE ASSETS**Nature of the Group's leasing activities – Group as a lessee***Leasehold Land*

The Group leases several lands for use in its operations. There are no externally imposed covenants on these lease arrangements.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****17. RIGHT-OF-USE ASSETS (continued)***Office Rent and Office Equipment*

The Group has lease contracts for office space and office equipment used in its operations. The Group also has certain leases of office equipment with low value, for which the low value assets lease recognition exemptions have been applied for these leases. The lease arrangements prohibit the Group from subleasing the equipment to third parties.

	Leasehold Land \$'000	Office Rent \$'000	Office Equipment \$'000	Total \$'000
GROUP				
Net Carrying Amount				
At 1 January 2023	53,064	26,152	64	79,280
Additions	332	5,110	5	5,447
Depreciation charge	(1,812)	(10,655)	(62)	(12,529)
Companies disposed	(10,336)	-	-	(10,336)
Write-off	-	(232)	-	(232)
Exchange differences on consolidation	(1,033)	(100)	-	(1,133)
At 31 December 2023	40,215	20,275	7	60,497
Net Carrying Amount				
At 1 January 2022	58,470	29,106	125	87,701
Additions	-	9,778	-	9,778
Depreciation charge	(2,023)	(12,377)	(61)	(14,461)
Reclassified from fixed assets	148	-	-	148
Exchange differences on consolidation	(3,531)	(355)	-	(3,886)
At 31 December 2022	53,064	26,152	64	79,280

As at 31 December 2022, the right-of-use asset relating to the leasehold property presented under investment properties (see Note 16) was stated at fair value and had a carrying amount of \$58,000. In 2023, such lease agreements have expired and no right-of-use asset related to leasehold property is being presented under investment property.

Total cash outflow from all the leases in 2023 was \$12,507,000 (2022: \$19,715,000).

18. AMOUNTS OWING BY RELATED PARTIES

	GROUP	
	2023 \$'000	2022 \$'000
Advances owing by associated companies and joint ventures	256,837	262,148
Non-current accounts owing by related companies	4,982	1,010
	261,819	263,158
Allowance for doubtful debts	-	-
	261,819	263,158

\$193,571,000 (2022: \$198,154,000) of advances owing by associated companies and joint ventures are unsecured, have no fixed terms of repayment and are not expected to be repaid in the next 12 months. Interest-bearing advances of \$63,266,000 (2022: \$63,994,000) bear interest at rates ranging from 3.00% to 11.00% (2022: 3.00% to 11.00%) per annum and will mature from 2025 to 2027.

Non-current accounts owing by related companies are unsecured, bear interest at 4.73% (2022: 5.12%) per annum, have no fixed terms of repayment and are not expected to be repaid in the next 12 months. The amounts are to be settled in cash.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****19. OTHER NON-CURRENT ASSETS**

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(a) Long term trade receivables	-	60,056	-	-
(b) Other debtors:				
Accrued receivable	6,794	-	6,794	-
Advance to an investee	-	41,526	-	-
Call option	203,898	192,522	-	-
Derivative financial instruments	17,638	35,232	17,638	35,232
Deferred consideration in relation to divestment of subsidiaries	-	4,722	-	-
Loan extended in relation to a potential acquisition	14,324	-	-	-
	242,654	274,002	24,432	35,232
Allowance for doubtful debt	-	(21,722)	-	-
	242,654	252,280	24,432	35,232
(c) Non-financial asset:				
Advanced payment for acquisition of a fixed asset	-	34,234	-	-
Advanced payment for acquisition of subsidiaries	-	9,666	-	-
Others	3,894	1,528	-	-
	3,894	45,428	-	-
	246,548	357,764	24,432	35,232
<u>Analysis of allowance for doubtful debt</u>				
<u>- Non-trade:</u>				
At 1 January	(21,722)	(21,704)	-	-
Reclassified to current (see Note 25)	21,232	-	-	-
Exchange differences on consolidation	490	(18)	-	-
At 31 December	-	(21,722)	-	-

Long term trade receivables pertain to receivables from completed Singapore trading properties under a deferred payment scheme which amounted to \$60,056,000 as at 31 December 2022. These receivables have been reclassified to current account during the year as they are due in 2024.

Accrued receivable is related to the fees in respect of guarantees for the performance on contract by a related party granted to a third party, a bank loan granted to a related party and payment of contract sum to a third party by a related party.

Advance to an investee is unsecured and interest-free and has been reclassified to current account during the year as it is due in 2024.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****19. OTHER NON-CURRENT ASSETS (continued)**

The call option granted to the Group is in connection with the disposal of its 87.51% equity interest in Ocean Properties Pte. Limited to Keppel REIT in 2011. The Group has an option to acquire the same shares exercisable at the price of \$1 upon the expiry of 99 years from 14 December 2011 under the share purchase agreement. The call option may be exercised earlier upon the occurrence of certain specified events as stipulated in the call option deed. The fair value of the call option as at 31 December 2023 is determined by reference to the difference in valuations obtained from an independent professional valuer for the underlying investment property based on the remaining 838-year leasehold and 87-year leasehold (2022: based on the remaining 839-year leasehold and 88-year leasehold). Based on these valuations, the fair value gain of \$11,376,000 (2022: \$21,002,000) was taken to the profit or loss account (see Note 6). The details of the valuation techniques and inputs used for the call option are disclosed in Note 36.

The deferred consideration of \$4,722,000 for 2022 was in relation to the tax refund from prepayment of land appreciation tax for the divested residential project held by Taicang Zhuchong Business Consulting Co Ltd (see Note 20). The Group received the amount upon clearance by the local tax authority during the year.

The loan extended to a third party in relation to a potential acquisition is secured, bears interest rate at 15.00% per annum and matures in 2025.

The advance payment for acquisition of a fixed asset for 2022 related to the Group's acquisition of a senior living facility in Qixia District, Nanjing, China. The acquisition was completed during the year.

The advance payment for acquisition of subsidiaries for 2022 related to five Class A senior housing assets located in the United States. The advance payment was refunded in 2023 upon termination of the agreement.

20. SUBSIDIARIES

	COMPANY	
	2023	2022
	\$'000	\$'000
Quoted shares, at cost		
(Market value: \$24,672,000; 2022: \$14,313,000)	35,481	35,481
Unquoted shares, at cost	1,850,187	1,884,403
	1,885,668	1,919,884
Impairment	(384,143)	(388,937)
	1,501,525	1,530,947

During the year, an impairment loss amounting to \$78,105,000 (2022: \$22,240,000) and write-back of \$1,452,000 (2022: \$38,704,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of the investments to the recoverable amounts, taking into account the financial conditions of the subsidiaries. There was also a reversal of impairment of \$81,447,000 (2022: \$2,000) following the divestment and liquidation of subsidiaries.

The details of the significant subsidiaries are disclosed in Note 38.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****20. SUBSIDIARIES (continued)****Interest in Subsidiaries with Material Non-Controlling Interest (“NCI”)**

As at 31 December 2023 and 31 December 2022, there was no subsidiary with material NCI.

Acquisition of Subsidiaries in 2023 and 2022

On 10 November 2023, the Group gained control of its previously 64% owned joint ventures, VN Glory Pte. Ltd., VN Fortune Pte. Ltd. and VN Growth Pte. Ltd. via a capital reduction after the exit of a joint venture partner. Subsequent to the capital reduction, the Group holds 91% interest in these entities.

On 8 December 2022, the Company acquired 100% interest in Primus I Investment Holdings Pte Ltd (“Primus I”) and its wholly-owned subsidiary, Primus II investment Holdings Pte Ltd., from a related company for a consideration of \$29,995,000. Primus I was renamed to Keppel Sustainable Urban Renewal Pte Ltd on 14 December 2022 and subsequently renamed to Chromium Investments Pte. Ltd. on 29 January 2024. The Group adopted the no restatement approach, applying the pooling of interest method from date of acquisition. No goodwill had resulted from the acquisition.

The net assets of the subsidiaries acquired and the net cash outflow were as follows:

	2023	2022
	\$'000	\$'000
Debtors	28,202	-
Cash and cash equivalent	737	-
Amounts owing by related parties	-	29,999
Creditors	-	(4)
Less: Amount previously recognised as joint ventures	(28,939)	-
Net assets acquired	-	29,995
Purchase consideration	-	29,995
Less: Deferred consideration payable to a related party	-	(29,995)
Net cash outflow on the acquisition	-	-

Acquisition from Non-Controlling Interests in 2022

- (a) On 28 June 2022, the Group acquired the remaining 49% interest in a high-rise Grade A commercial office project (“Metro Project”) for a consideration of INR1,122.7 million (approximately \$20.0 million) through Bangalore Tower Private Limited. The excess of the consideration paid over the net book value of asset acquired amounted to \$5,485,000 was taken to equity. Following the acquisition, the Group owns 100% interest in the Metro Project.
- (b) On 23 December 2022, the Group acquired additional 4% interest in Kingsdale Development Pte Ltd (“KDPL”) for a total consideration of USD6.0 million (approximately \$8.3 million). The excess of the consideration paid over the net book value of asset acquired amounted to \$5,981,000 was taken to equity. Following the acquisition, the Group’s interest in KDPL increased from 86% to 90%.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****20. SUBSIDIARIES (continued)****Disposal of Subsidiaries in 2023 and 2022**

- (a) On 8 February 2023, the Group, through its wholly-owned subsidiary, Keppel Land Vietnam Properties Pte Ltd, divested its 100% of the issued share capital of Willowville Pte Ltd ("WPL") for a consideration of USD5.5 million (approximately \$7.3 million). WPL had a 60% stake in a project company which holds the rights to develop a site in District 1 of Ho Chi Minh City, Vietnam. The Group recognised a net gain of \$6,249,000.
- (b) On 6 March 2023, the Company and its wholly-owned subsidiary, Double Peak Holdings Limited, divested 100% of the issued share capital of Greenfield Development Pte Ltd ("GDPL") for a consideration of USD56.4 million (approximately \$75.6 million). GDPL holds 100% of the issued share capital of Straits Greenfield Limited, which has the right to build and operate a hotel in Myanmar. The Group recognised a net gain of \$12,284,000.
- (c) On 16 December 2022, the Group through its wholly-owned subsidiary, Shanghai Maowei Investment Consulting Co Ltd, divested its 99.39% effective interest in Shanghai Jinju Real Estate Development Co Ltd for a total consideration of RMB967.5 million (approximately \$186.7 million). The Group recognised a net loss of \$9,050,000.
- (d) On 22 December 2022, the Group through its indirect wholly-owned subsidiary, Gladius Pte Ltd, divested its 100% effective interest in Shanghai Fengwo Apartment Management Co Ltd ("SFAM") for a consideration of RMB783.2 million (approximately \$151.2 million). SFAM owns 100% of the equity interest in Taicang Xinwu Business Consulting Co Ltd, which in turn owns 15% equity interest in Taicang Zhuchong Business Consulting Co Ltd ("TZBC"). Prior to the divestment, TZBC was a joint venture to the Group. The Group recognised a total net gain of \$28,717,000.

The net assets of the subsidiaries disposed of and the net cash inflow were as follows:

	2023	2022
	\$'000	\$'000
Fixed assets	56,815	1
Right-of-use assets	10,336	-
Properties held for sale and stocks	92	232,392
Investment in a joint venture	-	127,215
Debtors	559	3,129
Cash and cash equivalents	1,776	9,266
Amounts owing by an associated company	-	20,420
Creditors	(547)	(73,805)
Tax provision	-	(401)
Deferred tax liabilities	-	(32,447)
Lease liabilities	(8,640)	-
Amounts owing to related parties	-	(189,180)
Net assets	60,391	96,590
Less: non-controlling interests deconsolidated	-	(17)
Net assets disposed	60,391	96,573
Sales consideration	82,991	337,889
Add:		
Deferred consideration received (Note 19)	4,722	-
Less:		
Deferred consideration (Notes 19 and 25)	(3,669)	(4,722)
Cash and cash equivalents disposed	(1,776)	(9,266)
Offset of advances from a joint venture	-	(127,822)
Net cash inflow on the disposals	82,268	196,079

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	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Associated Companies				
Investments, at cost	1,639,461	2,021,576	60,436	60,436
Share of post-acquisition reserves	526,493	656,459	-	-
	2,165,954	2,678,035	60,436	60,436
Impairment	-	-	(3,095)	(3,095)
Investments in associated companies	2,165,954	2,678,035	57,341	57,341
Joint Ventures				
Investments, at cost	664,916	658,537	-	-
Share of post-acquisition reserves	94,141	109,029	-	-
Investments in joint ventures	759,057	767,566	-	-
Total	2,925,011	3,445,601	57,341	57,341

In 2022, the Company made a reversal of impairment of \$4,404,000 following the liquidation of an associated company.

The details of the significant associated companies and joint ventures are disclosed in Note 38.

The Group's share of the capital commitments of the associated companies and joint ventures are disclosed in Note 32.

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Investments in associated companies and joint ventures are represented by:				
Quoted investments (Market value: \$1,107,582,000; 2022: \$1,397,917,000)	1,395,843	1,881,262	-	-
Unquoted investments	1,529,168	1,564,339	57,341	57,341
	2,925,011	3,445,601	57,341	57,341

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****21. ASSOCIATED COMPANIES AND JOINT VENTURES (continued)****Acquisitions and Disposals in 2023**

- (a) On 23 March 2023, the Group through its 50% owned joint venture, Taicang Jihui Real Estate Consulting Co acquired 28.57% equity interest in Taicang Xintao Real Estate Consulting Co Ltd. ("TXRE") for a total consideration of RMB 344 million (approximately \$67.0 million). TXRE holds 70% of the equity interest in the project company which holds a 2.5 hectare residential site in Jiading District, Shanghai, China.
- (b) On 26 May 2023 and 11 August 2023, the Group through its 92.5% owned subsidiaries, VN Victory Pte. Ltd. and VN Success Pte. Ltd. acquired 45.3% effective stakes in Doan Nguyen House Trading Investment Company Limited ("DN") and New Binh Trung Real Estate Company Limited ("NBT") for considerations of VND1,515 billion (approximately \$86.3 million) and VND1,661 billion (approximately \$93.8 million) respectively. DN and NBT hold rights to develop two residential sites in Thu Duc City, Ho Chi Minh City, Vietnam.
- (c) On 2 October 2023, the Group through its wholly-owned subsidiary, divested its entire 35% interest in Chengdu Taixin Real Estate Development Co Ltd for a consideration of RMB504 million (approximately \$94.1 million). The Group recorded a net loss of \$18,030,000.
- (d) On 22 December 2023, the Group through its 57% owned subsidiary, Keppel Philippines Properties, Inc. and 45% owned associated company, Opon-KE Properties, Inc. divested its 27.4% effective interest in SM Keppel Land, Inc. ("SMKL"), which holds The Podium West Tower and The Podium Mall in the Philippines for a total consideration of PHP 7,800 million (approximately \$188.0 million). The Group recognised a net gain of \$36,111,000 (after accounting for non-controlling interest of \$33,669,000).
- (e) On 25 December 2023, the Group's joint venture partner in Bellenden Investments Limited ("BIL") and Davinelle Limited ("DL"), subscribed for ordinary shares in BIL and DL for a consideration of US\$82.9 million (approximately \$110.9 million). BIL holds class A preference shares in each of Keppel Land (Saigon Centre) Limited ("KLSC") and Krystal Investments Pte. Ltd. ("KIPL"), and DL holds class B preference shares in each of KLSC and KIPL. The Group through wholly-owned subsidiaries, KLSC and KIPL, hold 61.3% effective interests in Keppel Land Watco I Company Limited ("KLW I"), Keppel Land Watco II Company Limited ("KLW II") and Keppel Land Watco III Company Limited ("KLW III"). Upon completion of the subscription, the Group's effective beneficial interests in KLW I, KLW II and KLW III were diluted to 45.3% and recognised a gain of \$37,016,000.

Acquisitions and Disposals in 2022

- (a) On 15 November 2022, the Group through its wholly-owned subsidiary, Keppel Digihub Holdings Ltd, divested its entire 30% interest in Keppel Data Centre Holdings Pte Ltd to a related company for a consideration of \$56.8 million. The Group recorded a net gain of \$2,817,000.
- (b) On 28 December 2022, the Group through its wholly-owned subsidiary, Primus II Investment Holdings Pte. Ltd. entered into a shareholders' agreement with Keppel Asia Macro Trends Fund IV and Gaenari (IV) Pte. Ltd. ("Gaenari IV"), in connection with the acquisition of a 15-storey office tower located in Seoul CBD, South Korea ("the Property"), together with KB Bank Discretionary Fund for a total consideration of KRW86.8 billion (approximately \$90.2 million). Upon completion of the subscription and purchase of the Property, the Group holds approximately 55.93% stake in Gaenari IV and indirectly holds 39.5% effective interest in the Property.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****21. ASSOCIATED COMPANIES AND JOINT VENTURES (continued)**

The Group has equity accounted for all its associated companies and joint ventures. The Group's share of net results of associated companies and joint ventures is as follows:

	2023			2022		
	Associated Companies	Joint Ventures	Total	Associated Companies	Joint Ventures	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Share of pre-tax profit before fair value gain on investment properties	147,750	27,463	175,213	168,402	27,067	195,469
Share of fair value gain on investment properties (see Note 10)	4,859	27,421	32,280	116,350	7,400	123,750
Share of pre-tax profit	152,609	54,884	207,493	284,752	34,467	319,219
Share of taxation	(17,597)	(18,656)	(36,253)	(31,535)	1,589	(29,946)
Share of net results	135,012	36,228	171,240	253,217	36,056	289,273

The material associated companies and joint ventures are as follows:

Name of Associated Companies and Joint Ventures	Principal Place of Business	Ownership Interest/ Voting Rights Held		Fair Value of Ownership Interest	
		2023	2022	2023 \$'000	2022 \$'000
Keppel REIT	Singapore	30%	39%	1,045,105	1,343,357
Nanjing Zhijun Property Development Co Ltd ("Nanjing Zhijun")	China	25%	25%	Not Applicable	Not Applicable
Keppel Group Eco-City Investment Pte Ltd ("KGEC")	China	35%	35%	Not Applicable	Not Applicable
Keppel Land Watco II Company Limited ("KL Watco II")	Vietnam	45%	61%	Not Applicable	Not Applicable

The other associated companies and joint ventures are individually immaterial to the Group. Aggregate information about the Group's investments in associated companies and joint ventures that are individually immaterial are as follows:

	Associated Companies		Joint Ventures	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Profit after tax	43,573	64,569	3,304	16,188
Other comprehensive (loss)/income	(6,362)	(32,843)	6,969	(76,477)
Total comprehensive income/(loss)	37,211	31,726	10,273	(60,289)
Carrying amount of the investments	521,500	569,309	593,609	581,994

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Summarised financial information in respect of Keppel REIT, Nanjing Zhijun, KGEC and KL Watco II based on the SFRS(I) financial statements and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

	Keppel REIT		Nanjing Zhijun		KGEC		KL Watco II	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Summarised Balance Sheet								
Non-current assets	8,090,227	8,085,514	14,233	458	660,510	618,999	553,521	516,488
Current assets	169,101	795,861	362,815	526,559	82,220	82,187	22,321	28,299
Total assets	8,259,328	8,881,375	377,048	527,017	742,730	701,186	575,842	544,787
Non-current liabilities	2,916,777	3,048,193	-	-	67,171	63,482	189,105	134,497
Current liabilities	337,930	714,266	204,934	395,153	277	187	21,412	91,710
Total liabilities	3,254,707	3,762,459	204,934	395,153	67,448	63,669	210,517	226,207
Net assets	5,004,621	5,118,916	172,114	131,864	675,282	637,517	365,325	318,580
Proportion of the Group's ownership	30%	39%	25%	25%	35%	35%	45%	61%
Group's share of net assets	1,486,838	2,019,290	43,029	32,966	236,349	223,131	165,448	195,251
Other adjustments	(135,311)	(180,210)	13,549	13,549	-	-	-	(9,679)
Carrying amount of the investments	1,351,527	1,839,080	56,578	46,515	236,349	223,131	165,448	185,572
Summarised Statement of Comprehensive Income								
Revenue	233,071	219,286	203,716	618,835	-	-	80,886	79,098
Profit after tax	168,581	405,386	45,250	119,351	56,882	17,248	72,700	32,417
Other comprehensive (loss)/income	(97,061)	12,878	(5,000)	(13,556)	(19,117)	(63,597)	(3,542)	(26,149)
Total comprehensive income	71,520	418,264	40,250	105,795	37,765	(46,349)	69,158	6,268
Dividends received	86,359	86,359	-	24,027	-	-	13,736	10,586

As at 31 December 2023 and 31 December 2022, the fair value of Keppel REIT was below the carrying amount of the Group's effective ownership interest. Management is of view that no impairment is required as it is held for long term and its recoverable amount approximates the carrying amount.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****22. INVESTMENTS**Long-term Investments

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(a) Investments at FVPL:				
Compulsorily convertible debentures in corporations	44,592	46,821	-	-
Convertible preference shares and convertible promissory note	38,717	39,487	-	-
Convertible loan	5,000	5,000	-	-
	88,309	91,308	-	-
(b) Investments at FVOCI:				
Unquoted shares in corporations	50,307	59,131	18,917	20,372
Private property funds	84,791	90,746	-	-
	135,098	149,877	18,917	20,372
Total long-term investments	223,407	241,185	18,917	20,372

In 2022, the Group converted 5,035,464 of the compulsorily convertible debentures held into equity shares of Kapstone Constructions Private Limited at a conversion rate of 1:1 amounting to INR1,280 million (approximately \$22.7 million). The remaining compulsorily convertible debentures bear interest rate at 10.00% per annum and will expire on 19 October 2040.

The Group holds convertible preference shares in Smartworks Coworking Space Pvt Ltd for USD25,000,000 (approximately \$33,421,000). The Group is entitled to convert its convertible preference shares into ordinary shares at any time up to twenty years from the date of the Investment Agreement.

The Group has elected to measure some investments at FVOCI due to the Group's intention to hold these investments for long-term appreciation.

Included in the unquoted shares in corporations, the Group holds a 97.59% (2022: 97.22%) interest in an investment amounting to \$31,385,000 (2022: \$38,754,000). As the Group has no voting rights, there is no control over the investee.

The private property funds are managed by Keppel Fund Management Limited (formerly known as Alpha Investment Partners Limited), a related company of the Group.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****23. PROPERTIES HELD FOR SALE**

		GROUP	
		2023	2022
		\$'000	\$'000
(a)	Properties under development:		
	Land costs	558,887	1,035,952
	Development cost incurred to date	213,343	425,187
	Overhead expenditure	195,181	201,881
	Allowance for foreseeable losses	(2,016)	(4,825)
		965,395	1,658,195
	<u>Analysis of allowance for foreseeable losses:</u>		
	At 1 January	(4,825)	(5,225)
	Allowance	(2,067)	-
	Company disposed	4,790	-
	Exchange differences on consolidation	86	400
	At 31 December	(2,016)	(4,825)
(b)	Completed properties held for sale:	1,142,726	660,120
	Allowance for foreseeable losses	(17,193)	(14,515)
		1,125,533	645,605
	<u>Analysis of allowance for foreseeable losses:</u>		
	At 1 January	(14,515)	(15,691)
	Write-off of allowance	-	128
	Utilisation	1,150	934
	Allowance	(4,070)	(76)
	Reclassification	-	(1,233)
	Exchange differences on consolidation	242	1,423
	At 31 December	(17,193)	(14,515)
(c)	Contract assets:		
	Properties under development:		
	Land costs	-	8,454
	Development cost incurred to date	-	2,058
	Overhead expenditure and recognised profit	-	694
	Progress billings	-	(5,815)
		-	5,391
		2,090,928	2,309,191

Properties held for sale have been classified under current in nature even though a proportion of the properties held for sale will not be realised within a year. It is not possible to determine with accuracy when specific properties held for sale will be realised as this will be subjected to a number of variables such as consumer demand and progress of the construction.

Revenues arising from contract assets were recognised based on percentage of completion basis.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****23. PROPERTIES HELD FOR SALE (continued)**

Progress billings for properties where revenue is recognised using the completion of construction method amounted to \$59,382,000 (31 December 2022: \$153,487,000; 1 January 2022: \$535,334,000). These pertain to contract liabilities that arise due to consideration received from customers for the unsatisfied performance obligations on sale of properties under development are presented as progress billings within creditors (see Note 28).

Revenue recognised during the year in relation to contract liabilities at 1 January 2023 was \$82,448,000 (2022: \$444,379,000). The aggregate amount of the revenue allocated to the remaining performance obligations is approximately \$371,905,000 (2022: \$302,084,000) and the Group expects to recognise this revenue over the next 1 to 2 years.

Interest capitalised during the year was \$11,410,000 (2022: \$10,646,000) at rates ranging from 4.26% to 4.71% (2022: 0.95% to 4.71%) per annum for Singapore properties and 4.00% to 7.00% (2022: 2.00% to 7.00%) per annum for overseas properties.

The allowance for foreseeable losses is estimated taking into account the net realisable values and estimated total construction costs. The net realisable values are based on recent selling prices for the development project or comparable projects or independent valuation and the prevailing market conditions less costs to be incurred in selling the property. The estimated total construction costs include contracted amounts plus estimated costs to be incurred taking into consideration relevant data and trend. The allowance is progressively reversed for those residential units sold above their carrying amounts.

As at 31 December 2023, properties amounting to \$273,480,000 (2022: \$248,990,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings as referred to in Note 29.

Included in the land costs and completed properties held for sale as at 31 December 2023 are payments of \$135,468,000 and \$831,000 (2022: \$136,452,000 and \$837,000) respectively for certain land parcels which have been awarded by the authorities but the issuance of title deeds are in progress.

24. STOCKS

	GROUP	
	2023	2022
	\$'000	\$'000
Spare parts and consumable stocks	960	1,113

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****25. DEBTORS**

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(a) Trade debtors	140,243	58,171	-	-
Accrued receivables	754	11,845	-	-
	140,997	70,016	-	-
Allowance for doubtful debts	(297)	(224)	-	-
	140,700	69,792	-	-
(b) Other debtors:				
Deposits paid	40,390	7,053	-	-
Interest receivable	1,048	1,537	-	-
Advances to non-controlling shareholders of certain subsidiaries	6,033	6,059	-	-
Advance to an investee	42,819	-	-	-
Deferred consideration in relation to divestment of a subsidiary	3,669	-	-	-
Derivative financial instruments	2,951	4,852	2,951	4,588
Loan extended in relation to a potential acquisition	-	67,625	-	-
Other debtors	11,572	17,418	-	-
Other recoverable amounts	15,047	15,297	-	-
	123,529	119,841	2,951	4,588
Allowance for doubtful debts	(22,729)	(1,616)	-	-
	100,800	118,225	2,951	4,588
(c) Non-financial assets:				
Prepaid project costs and prepayments	23,873	24,663	1,152	1,660
Other tax receivables	76,659	53,626	12	-
	100,532	78,289	1,164	1,660
	342,032	266,306	4,115	6,248
<u>Trade debtors that are past due but not impaired:</u>				
Past due < 3 months and not impaired	1,942	2,392	-	-
Past due 3 - 6 months and not impaired	1,381	268	-	-
Past due > 6 months and not impaired	1,177	393	-	-
	4,500	3,053	-	-

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	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Analysis of allowance for doubtful debts –</u>				
<u>Trade:</u>				
At 1 January	(224)	(161)	-	-
Allowance	(303)	(302)	-	-
Write-off against allowance	222	219	-	-
Company disposed	3	-	-	-
Exchange differences on consolidation	5	20	-	-
At 31 December	<u>(297)</u>	<u>(224)</u>	<u>-</u>	<u>-</u>
<u>Analysis of allowance for doubtful debts –</u>				
<u>Non-trade:</u>				
At 1 January	(1,616)	(2,925)	-	-
Write-back of allowance	29	1,111	-	-
Write-off against allowance	64	-	-	-
Reclassified from non-current (see Note 19)	(21,232)	-	-	-
Exchange differences on consolidation	26	198	-	-
At 31 December	<u>(22,729)</u>	<u>(1,616)</u>	<u>-</u>	<u>-</u>

Trade debtors and accrued receivables pertain to receivables from contracts with customers. The trade debtors and accrued receivables as at 31 December 2023 were \$140,243,000 and \$754,000 (31 December 2022: \$58,171,000 and \$11,845,000; 1 January 2022: \$98,717,000 and \$31,226,000) respectively.

Advances to non-controlling shareholders of certain subsidiaries are interest-free, have no fixed terms of repayment and are unsecured.

Advance to an investee is unsecured, interest-free and is maturing in 2024.

The deferred consideration of \$3,669,000 for 2023 was in relation to the remaining proceeds to be received in 2024 for the divestment of a subsidiary Willowville Pte Ltd (see Note 20(a)).

The loan extended in relation to a potential acquisition for 2022 was unsecured and bore interest rate at 8.00% per annum. The balance has been fully received during the year.

Trade and other debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and/or have defaulted on payments.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****26. AMOUNTS OWING BY/TO HOLDING COMPANY AND RELATED PARTIES**

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Amounts owing by:				
Subsidiaries (advances)	-	-	3,967,192	4,266,481
Associated companies and joint ventures				
- Trade	17,922	8,442	-	-
- Advances	94,132	170,531	-	36
Related companies				
- Trade	591	526	-	-
- Advances	85,946	123,378	588	-
Holding company				
- Trade	-	2,237	-	-
- Advances	1,288	-	-	-
	199,879	305,114	3,967,780	4,266,517
Allowance for doubtful debts	(19,810)	(12,575)	(473,929)	(457,636)
	180,069	292,539	3,493,851	3,808,881
Amounts owing to:				
Subsidiaries (advances)	-	-	465,392	385,059
Associated companies and joint ventures				
- Trade	4,526	5,329	-	-
- Advances	126,334	90,884	50,618	42,159
Related companies				
- Trade	24,150	17,084	-	-
- Advances	600	30,280	-	29,995
Holding company				
- Trade	3,200	6,748	-	-
- Advances	10,552	-	-	-
	169,362	150,325	516,010	457,213
<u>Analysis of allowance for doubtful debts:</u>				
At 1 January	(12,575)	(12,610)	(457,636)	(419,934)
Write-back of allowance	776	35	60,815	3,840
Allowance	(5,142)	-	(77,108)	(41,542)
Company acquired	(2,869)	-	-	-
At 31 December	(19,810)	(12,575)	(473,929)	(457,636)

Advances owing by/to subsidiaries are unsecured, have no fixed terms of repayment and are to be settled in cash. Interest-bearing advances of \$2,668,253,000 (2022: \$2,940,827,000) to a subsidiary bear interest at rates ranging from 2.00% to 5.05% (2022: 0.13% to 5.05%) per annum. During the year, a net allowance for doubtful debts of \$16,293,000 (2022: \$37,702,000) was made by the Company in respect of the advances owing by certain subsidiaries after taking into account the financial conditions of these subsidiaries.

Amounts owing by associated companies and joint ventures are unsecured, have no fixed terms of repayment and are to be settled in cash. Interest-bearing advances of \$30,514,000 (2022: \$102,587,000) bear interest at rates ranging from 7.00% to 12.00% (2022: 3.00% to 8.00%) per annum.

Amounts owing by related companies are unsecured, have no fixed terms of repayment and are to be settled in cash. Interest-bearing advances of \$85,650,000 (2022: \$93,059,000) bear interest at rates ranging from 4.02% to 5.55% (2022: 4.02% to 6.88%) per annum.

Amounts owing by associated companies, joint ventures, related companies and holding company that are trade in nature as at 31 December 2023 amounted to \$18,513,000 (31 December 2022: \$11,205,000; 1 January 2022: \$15,110,000).

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Amounts owing to related companies, associated companies and joint ventures are unsecured, have no fixed terms of repayment and are to be settled in cash. Interest-bearing advances of \$20,603,000 (2022: \$Nil) bear interest at 1.50% (2022: nil%) per annum..

Amounts owing by/to holding company are unsecured, interest-free, have no fixed terms of repayment and are to be settled in cash.

27. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Fixed deposits with banks	446,944	254,032	-	-
Bank balances and cash	107,270	254,063	-	-
Deposits with related companies	79,694	44,697	1,331	2,963
Cash sweep with a related company	126,195	10,003	661	3,790
	760,103	562,795	1,992	6,753

Fixed deposits with banks and deposits with related companies mature in varying periods, substantially between 1 day to 3 months (2022: substantially between 1 day to 3 months) from the financial year-end. The weighted average effective interest rates as at 31 December 2023 for the Group and the Company were 3.54% (2022: 3.69%) and 3.95% (2022: 2.85%) respectively.

The Group has a daily cash sweep arrangement with a related company for overnight deposits at interest rates of 1.22% and 2.80% (2022: 0.50% and 0.55%) per annum for Singapore dollar and United States dollar respectively, subject to an arrangement with a bank where bank balances are transferred from/to a bank account of the related company on a daily basis.

Significant Restrictions

Cash and cash equivalents of \$232,237,000 (2022: \$286,222,000) held in the People's Republic of China are subject to local exchange control regulations. These regulations place restriction on the amount of currency being exported other than through dividends and capital repatriation upon liquidations.

	GROUP	
	2023	2022
	\$'000	\$'000
(a) Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	19,030	104,421
(b) Project receipts held in escrow accounts and fixed deposits in relation to certain financing facilities	9,896	24,010
(c) Amount pledged to banks in relation to performance security of certain construction contracts	11,051	19,031

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	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade creditors	25,239	30,934	-	-
Loans from non-controlling shareholders of certain subsidiaries	13,778	17,657	-	-
Accrual for staff costs and other overheads	119,986	119,557	2,310	4,935
Accrual for share plan expenses	4,728	4,363	308	265
Accrual for development costs	334,898	413,885	-	-
Retention monies	112,854	115,434	-	-
Deposits received	31,581	64,192	-	-
Deposit received for sale of land	9,365	9,650	-	-
Interest payable	12,970	14,483	8,465	11,392
Derivative financial instruments	68	-	68	-
Other payables	39,568	64,475	6,097	5,207
	705,035	854,630	17,248	21,799
Non-financial liabilities:				
Progress billings	59,382	153,487	-	-
Accrual for business and other taxes	16,652	11,196	13	-
Provision for onerous contract	16,000	17,500	-	-
	92,034	182,183	13	-
	797,069	1,036,813	17,261	21,799
<u>Movement in provision for onerous contract</u>				
At 1 January	17,500	19,000	-	-
Credited to profit and loss account	(1,500)	(1,500)	-	-
At 31 December	16,000	17,500	-	-

The loans from the non-controlling shareholders of certain subsidiaries are unsecured and have no fixed terms of repayment. Interest-bearing loans amounted to \$4,643,000 (2022: \$1,626,000) and interest is payable at 5.05% to 6.42% (2022: 1.86%) per annum.

The provision for onerous contract represents the present value of the management's best estimate of the future outflow of economic benefits that the Group is presently obliged to make under its obligations to continue to provide marina membership to the purchasers of units at its development properties. The estimate has been made on the basis of expected net loss to operate the marina. The estimate may vary as a result of changes in the utilisation in future and expected completion of its future development properties.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****29. BORROWINGS AND LEASE LIABILITIES**

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Short-term borrowings and lease liabilities</u>				
Borrowings under MTN Programme	129,966	299,979	129,966	299,978
Bank borrowings:				
Secured	84,791	111,345	-	-
Unsecured	577,024	199,942	299,942	199,942
	661,815	311,287	299,942	199,942
Unsecured loans from a related company	1,421,413	930,744	-	-
	2,213,194	1,542,010	429,908	499,920
Lease liabilities	10,071	9,299	-	-
	2,223,265	1,551,309	429,908	499,920
<u>Long-term borrowings and lease liabilities</u>				
Borrowings under MTN Programmes	279,783	409,619	279,783	409,619
Redeemable non-convertible debentures	32,000	-	-	-
Bank borrowings:				
Secured	686,221	553,649	-	-
Unsecured	944,405	1,523,685	915,636	1,278,235
	1,630,626	2,077,334	915,636	1,278,235
Unsecured loans from a related company	810,000	660,000	-	-
	2,752,409	3,146,953	1,195,419	1,687,854
Lease liabilities	11,453	26,820	-	-
	2,763,862	3,173,773	1,195,419	1,687,854
	4,987,127	4,725,082	1,625,327	2,187,774

The Company has a USD800 million Multicurrency Medium Term Note ("USD800 million MTN") programme under which it can issue notes (the "Notes") in series or tranches and may be denominated in Singapore dollars, United States dollars or other currency deemed appropriate at the time. There was no issuance of notes under the USD800 million MTN Programme in 2023 and 2022. In 2022, the Company made a full redemption of the fixed rate notes of \$200,000,000 at an interest rate of 3.80% per annum. As at 31 December 2023 and 31 December 2022, the Company has one outstanding tranche of unsecured fixed rate notes of \$130,000,000 due in 2024 with an interest rate of 3.90% per annum.

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The Company and its wholly-owned subsidiary, Keppel Land Financial Services Pte. Ltd. ("KLFS") (collectively, the "Issuers") have a USD3 billion Multicurrency Medium Term Note ("USD3 billion MTN") Programme pursuant to which the Issuers may, from time to time, issue notes or perpetual securities (the "Securities") in series or tranches and denominated in any currency agreed between the relevant issuer and the relevant dealers in relation to each issue of Securities and as specified in the applicable pricing supplement. There was no issuance of notes under the USD3 billion MTN Programme in 2023 and 2022. In 2023, the Company made full redemptions of two tranches of \$150,000,000 at an interest rate of 2.84% and 2.68% per annum respectively. As at 31 December 2023, the Company has one outstanding tranche of unsecured fixed rate notes of \$280,000,000 due in 2026 with an interest rate of 2.00% per annum. As at 31 December 2022, the Company has one outstanding tranche of unsecured fixed rate notes of \$280,000,000 due in 2026 with an interest rate of 2.00% per annum and two tranches of \$150,000,000 each due in 2023 at an interest rate of 2.84% and 2.68% per annum respectively.

In 2023, the Group's wholly owned subsidiary, Bangalore Tower Private Limited raised INR2 billion via a private placement of listed, unsecured redeemable non-convertible debentures ("RNCD") with face value of INR100,000 each. The RNCDS bear an interest of 9.80% per annum and are redeemable in 2026.

The Group's secured bank borrowings are generally secured by:

- (a) mortgages on the borrowing subsidiaries' investment properties (see Note 16) and properties held for sale (see Note 23); and
- (b) assignment of all rights, titles and benefits with respect to some of the properties mortgaged.

The secured bank borrowings are repriced within 4 days (2022: 6 days) while the unsecured bank borrowings are repriced within 1 days to 6 months (2022: 4 days to 7 months). The borrowings bear interest at rates ranging from 1.77% to 10.62% (2022: 0.75% to 18.25%) per annum.

Unsecured loans from a related company bear interest at rates ranging from 3.77% to 5.66% (2022: 1.43% to 4.70%) per annum and are repriced within 15 to 25 days (2022: 3 days to 2 months).

30. OTHER NON-CURRENT LIABILITIES

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Staff costs payable after 1 year	14,317	15,832	12,631	14,018
Security deposits payable after 1 year	10,859	10,227	-	-
Derivative financial instruments	1,764	-	1,764	-
Loans from non-controlling shareholders of certain subsidiaries	129,031	123,941	-	-
Others	1,167	6,288	-	-
	157,138	156,288	14,395	14,018
Non-financial liabilities:				
Deferred consideration for purchase of an investment property	8,826	14,280	-	-
	8,826	14,280	-	-
	165,964	170,568	14,395	14,018

The loans from the non-controlling shareholders of certain subsidiaries are unsecured and are not expected to be repaid in the next 12 months. Interest-bearing loans amounted to \$38,914,000 (2022: \$40,498,000) and interest is payable at rates ranging from 4.29% to 7.14% (2022: 1.65% to 5.24%) per annum.

The deferred consideration of \$8,826,000 (2022: \$14,280,000) pertained to the Group's obligation to construct a retail-cum-office facility as part of the purchase consideration for a 3.09-ha commercial site in Bangalore, India.

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31. SEGMENT REPORTING

For management purposes, the Group is organised into strategic business units based on their products, services and geography. The Group has three reportable operating segments as follows:

- (a) Property Development
 - Develops residential properties and townships in Asia, primarily in Singapore, China, Vietnam and Indonesia.
- (b) Office and Retail
 - Owns/manages office and retail properties, primarily in Singapore, China, Vietnam and Indonesia.
- (c) Others
 - Is the aggregate of hotels, serviced apartments and golf courses, corporate services, property services and others.

Management monitors the results of each of the above operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss.

During the year, the Group renamed two operating segments: from Property Trading to Property Development and from Property Investment to Office and Retail. In addition, hospitality assets which were previously included under Property Trading and Property Investment segments have been reclassified to Others segment in accordance with how management monitors the results of each of the operating segments for the purpose of making decisions on resource allocation and performance assessment. The Group had accordingly restated the comparative segment information.

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Information regarding the Group's reportable segments is presented below.

2023	Property Development \$'000	Office and Retail \$'000	Others ⁽¹⁾ \$'000	Inter- segment Elimination \$'000	Total \$'000		
Sales							
External sales	538,006	89,473	39,512	-	666,991		
Inter-segment sales	17,701	5,650	45,727	(69,078)	-		
Total	555,707	95,123	85,239	(69,078)	666,991		
Results							
EBITDA ⁽²⁾	160,547	(1,577)	(46,688)	-	112,282		
Depreciation charge	(2,592)	(8,033)	(33,249)	-	(43,874)		
Investment income	-	798	1,042	-	1,840		
Net interest (expense)/income	(34,759)	(82,173)	24,916	-	(92,016)		
Share of results of associated companies and joint ventures	51,575	111,129	8,536	-	171,240		
Gain from disposal of subsidiaries	7,209	-	6,712	-	13,921		
Gain from sale in interest in joint ventures	-	33,214	3,802	-	37,016		
Net (loss)/gain from disposal of an associated company and a joint venture	(17,006)	78,100	-	-	61,094		
Loss on change in interest in associated companies	(27)	(5,679)	-	-	(5,706)		
Gain from disposal of an investment property	-	-	15,348	-	15,348		
Fair value gain on call option	-	11,376	-	-	11,376		
Loss from dividend-in-specie	-	(139,798)	-	-	(139,798)		
Pre-tax profit/(loss) before fair value gain on investment properties	164,947	(2,643)	(19,581)	-	142,723		
Fair value gain on investment properties	-	146,665	3,540	-	150,205		
Pre-tax profit/(loss) after fair value gain on investment properties	164,947	144,022	(16,041)	-	292,928		
Taxation	(44,806)	(65,233)	(3,673)	-	(113,712)		
Profit/(loss) for the year	120,141	78,789	(19,714)	-	179,216		
Non-controlling interests	(11,365)	(35,695)	8,868	-	(38,192)		
Net profit/(loss)	108,776	43,094	(10,846)	-	141,024		
Other information							
Segment assets	3,897,244	7,194,012	7,548,802	(6,790,171)	11,849,887		
Segment liabilities	(3,289,768)	(4,847,651)	(5,136,188)	6,790,171	(6,483,436)		
Net assets	607,476	2,346,361	2,412,614	-	5,366,451		
Investments in associated companies and joint ventures	1,143,426	1,682,158	99,427	-	2,925,011		
Additions to non-current assets ⁽³⁾	197,134	304,918	65,857	-	567,909		
Geographical information ⁽⁴⁾	Singapore \$'000	China \$'000	Indonesia \$'000	India \$'000	Vietnam \$'000	Other Countries \$'000	Total \$'000
External sales	262,042	275,707	44,284	60,362	22,864	1,732	666,991
Non-current assets ⁽⁵⁾	3,096,243	2,959,693	379,524	131,635	1,051,524	82,854	7,701,473

Notes:

- "Others" include corporate services, property services and others.
- EBITDA refers to profit before interest, taxation, depreciation charge, share of results of associated companies and joint ventures, divestment gains/(losses), fair value gains and other gains/(losses).
- Additions to non-current assets comprise investments in associated companies and joint ventures, purchase of fixed assets and additions to investment properties.
- The geographical information on external sales and non-current assets is determined based on the geographical location of the properties.
- Non-current assets comprise fixed assets, investment properties, right-of-use assets, investment in associated companies and joint ventures and non-financial non-current assets.

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2022	Property Development \$'000	Office and Retail \$'000	Others ⁽¹⁾ \$'000	Inter- segment Elimination \$'000	Total \$'000	
Sales						
External sales	792,737	67,713	37,822	-	898,272	
Inter-segment sales	10,950	12,260	84,949	(108,159)	-	
Total	803,687	79,973	122,771	(108,159)	898,272	
Results						
EBITDA ⁽²⁾	168,893	13,338	(52,446)	-	129,785	
Depreciation charge	(2,077)	(8,605)	(20,876)	-	(31,558)	
Investment income	-	5,023	1,128	-	6,151	
Net interest income/(expense)	8,992	(49,071)	(8,171)	-	(48,250)	
Share of results of associated companies and joint ventures	75,294	201,456	12,523	-	289,273	
Net gain from disposal of subsidiaries	21,588	-	-	-	21,588	
Gain from disposal of an associated company	-	-	2,817	-	2,817	
Fair value gain on call option	-	21,002	-	-	21,002	
Gain on change in interest in associated companies	4,150	1,620	-	-	5,770	
Pre-tax profit/(loss) before fair value gain on investment properties	276,840	184,763	(65,025)	-	396,578	
Fair value gain on investment properties	-	134,842	(3,655)	-	131,187	
Pre-tax profit/(loss) after fair value gain on investment properties	276,840	319,605	(68,680)	-	527,765	
Taxation	(109,046)	(42,054)	(5,766)	-	(156,866)	
Profit/(loss) for the year	167,794	277,551	(74,446)	-	370,899	
Non-controlling interests	4,324	(6,879)	9,993	-	7,438	
Net profit/(loss)	172,118	270,672	(64,453)	-	378,337	
Other information						
Segment assets	4,242,285	7,181,469	7,634,080	(6,795,035)	12,262,799	
Segment liabilities	(3,554,379)	(4,569,660)	(5,088,711)	6,795,035	(6,417,715)	
Net assets	687,906	2,611,809	2,545,369	-	5,845,084	
Investments in associated companies and joint ventures	1,070,375	2,270,257	104,969	-	3,445,601	
Additions to non-current assets ⁽³⁾	52,469	222,413	6,207	-	281,089	
Geographical information ⁽⁴⁾	Singapore \$'000	China \$'000	Indonesia \$'000	Vietnam \$'000	Other Countries \$'000	Total \$'000
External sales	162,813	675,665	34,603	23,187	2,004	898,272
Non-current assets ⁽⁵⁾	3,405,235	2,923,307	375,798	909,487	341,815	7,955,642

Notes:

- "Others" include corporate services, property services and others.
- EBITDA refers to profit before interest, taxation, depreciation charge, share of results of associated companies and joint ventures, divestment gains/(losses), fair value gains and other gains/(losses).
- Additions to non-current assets comprise investments in associated companies and joint ventures, purchase of fixed assets and additions to investment properties.
- The geographical information on external sales and non-current assets is determined based on the geographical location of the properties.
- Non-current assets comprise fixed assets, investment properties, right-of-use assets, investment in associated companies and joint ventures and non-financial non-current assets.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****32. CAPITAL AND LEASE COMMITMENTS**

	GROUP	
	2023	2022
	\$'000	\$'000
(a) Capital expenditure contracted on investment properties		
(i) Contracted for	205,565	375,839
(ii) Not contracted for	512,192	677,359
	717,757	1,053,198
Non-controlling interests	(4,509)	(5,923)
	713,248	1,047,275
(b) Estimated development costs for properties held for sale:		
(i) Contracted for	188,779	296,743
(ii) Not contracted for	22,130	151,705
	210,909	448,448
Non-controlling interests	(7,473)	(7,700)
	203,436	440,748
(c) Estimated funding for purchase of shares in companies	-	4,696
(d) Estimated funding in associated companies, joint ventures and joint operations for project developments	281,647	279,011
(e) Other capital expenditure and funding commitments	7,421	8,287
(f) Operating lease commitments - as lessor:		
The Group has entered into leases on its properties. The future minimum rental income receivables under non-cancellable leases are as follows:		
	2023	2022
	\$'000	\$'000
Within 1 year	60,060	63,061
Between 1 to 2 years	41,345	55,076
Between 2 to 3 years	28,413	35,406
Between 3 to 4 years	9,520	16,528
Between 4 to 5 years	6,592	8,865
After 5 years	10,750	17,695
	156,680	196,631

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	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Unsecured guarantees given to financial institutions in connection with facilities given to:				
(a) Subsidiaries	-	-	259,552	237,781
(b) Associated companies and joint ventures	97,623	102,692	97,623	98,549
(c) Certain end-purchaser of overseas residential properties	127,436	127,193	-	-
(d) Financial assets at FVOCI	226,975	243,374	226,975	243,374
	452,034	473,259	584,150	579,704
Guarantees in respect of performance on a contract by a related party granted to a third party, a bank loan granted to a related party and payment of contract sum to a third party	517,342	205,140	517,342	205,140
	969,376	678,399	1,101,492	784,844

In 2023, the Group has entered a separate indemnification contract with a related party at the point the guarantees were entered. The Group will be fully indemnified for losses which may incur in relation to the guarantees amounted to \$517,342,000 (2022: S\$205,140,000)

The financial effects of SFRS(I) 9 relating to financial guarantee contracts issued by the Group and the Company are not material to the financial statements and are, therefore not recognised. No material losses under these guarantees are expected.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the holding company and related parties:

	GROUP	
	2023	2022
	\$'000	\$'000
Transactions with holding company:		
Management fees paid	1,465	6,904
Foreign exchange transactions	278,499	2,325,000
Other service fees paid	1,422	1,727
Transactions with related companies:		
Interest expense:		
Capitalised under development cost	41,461	25,148
Management and support service fees paid	11,653	13,273
Other products and service fees paid	5,049	8,512
Other products and service fee received	855	1,299
Consideration for the sale of 30% interest in Keppel Data Centre Holdings Pte Ltd	-	56,800

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	GROUP	
	2023	2022
	\$'000	\$'000
Transactions with the Group's associated companies and joint ventures:		
Rental expense	7,187	7,373
Property management fees received	3,755	4,330
Management and support service fees received	6,183	7,638
Other products and service fees paid	48	7
Other products and service fees received	-	962

The above related party transactions are entered into based on terms agreed between the parties.

35. FINANCIAL RISK MANAGEMENT

The Group operates primarily in Singapore, China, Vietnam, India and Indonesia, and is exposed to a variety of financial risks pertaining to changes in interest rates, fluctuations in currency exchange rates, credit and liquidity risks. The Group's overall risk management strategy seeks to minimise the adverse effects from the unpredictability of financial markets on the Group's profit. The Group uses financial instruments such as currency forwards, interest rate swaps, interest rate caps and foreign currency borrowings to hedge certain financial risk exposures whenever it is appropriate.

Assessment of financial risks is carried out regularly by management and reported to the Board, which will review and guide management on the Group's risk profile, risk identification, management of significant risks, risk mitigation strategies, and risk policies.

The risk management policies are summarised as follows:

(a) Interest Rate Risk

The Group's exposure to changes in interest rates is in respect of debt obligations and deposits with related companies and financial institutions.

The interest rate management policy is aimed at optimising net interest cost and reducing volatility. The Group borrows a mix of fixed and variable rate debts with varying tenors, and also uses interest rate swaps to hedge against changes in interest rates on the underlying debt obligations whenever it is appropriate.

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from its certain variable rate term loans denominated in Singapore dollar. The Group receives variable rates based on SORA, and pays fixed rates ranging from 0.89% to 3.06% (2022: 0.34% to 2.39%) on the notional amounts. The cash flows occur on a monthly, quarterly or semi-annually basis until the maturities of the borrowings which are due within five years. The Group classifies these interest rate swaps as cash flow hedges.

The Group's contractual notional amount of interest rate swaps held for hedging which is based on SORA is \$930,000,000 (2022: \$971,428,000), arising from variable rate borrowings with interest rates ranging from 3 months to 6 months (2022: 1 month to 6 months) SORA. This amounts to 19% (2022: 21%) of the Group's total amount of borrowings.

The Company's contractual notional amount of interest rate swaps held for hedging which is based on SORA is \$930,000,000 (2022: \$900,000,000), arising from variable rate borrowings with interest rates ranging from 3 months to 6 months (2022: 1 month to 6 months) SORA. This amounts to 57% (2022: 41%) of the Company's total amount of borrowings.

The details and fair values of interest rate swaps are disclosed in Notes 35(e) and 36 respectively.

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The Group has variable rate borrowings and derivatives that are linked to SOR and USD LIBOR. The Group has completed the process of amending the financial instruments with contractual terms indexed to SOR and USD LIBOR. The transition to the alternative benchmark rate has no material impact on the financial statements.

Sensitivity analysis for interest rate risk:

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in Singapore dollar, United States dollar, Indonesian Rupiah, Indian Rupee, Vietnamese Dong and Renminbi. If interest rates increase/decrease by 0.5% (2022: 0.5%) with all other variables being held constant, the Group's profit before taxation will be lower/higher by \$13,925,000 (2022: \$11,745,000).

The Company's borrowings at variable rates on which effective hedges have not been entered into, are denominated in Singapore dollar. If interest rates increase/decrease by 0.5% (2022: 0.5%) with all other variables being held constant, the Company's profit before taxation will be lower/higher by \$1,433,000 (2022: \$2,896,000).

(b) Foreign Currency Risk

Foreign currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the various entities in the Group, and such changes will impact the Group's profit.

In addition, the Group is exposed to foreign currency movements on its net investment in foreign subsidiaries, associated companies and joint ventures, which generate revenue and incur costs denominated in foreign currencies; and such changes impact the results and reserves of the Group. This currency exposure is, as practicable as possible, managed through borrowings in the same currencies in which the assets are denominated.

The Group entered into foreign exchange forward contracts to hedge against the net assets of the Group's China subsidiaries. The details and fair values of the foreign exchange forward contracts are disclosed in Notes 35(e) and 36 respectively.

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The carrying amounts of significant financial assets and financial liabilities denominated in currencies other than the functional currencies of the respective entities:

	United States Dollar (USD) \$'000	Renminbi (RMB) \$'000	Indonesian Rupiah (IDR) \$'000	Indian Rupees (INR) \$'000	Vietnamese Dong (VND) \$'000	Hong Kong Dollar (HKD) \$'000
GROUP						
2023						
<u>Financial Assets</u>						
Debtors	8,295	-	833	-	-	-
Amounts owing by related parties	130,248	-	-	-	47,259	33,378
Cash and cash equivalents	3,953	33,383	6,773	-	2	-
Financial assets at FVOCI	103,707	-	-	-	-	-
Financial assets at FVPL	33,421	-	-	44,592	-	-
<u>Financial Liabilities</u>						
Creditors	(15,366)	-	(1,018)	-	-	-
Borrowings	(48,319)	-	-	-	-	-
Other non-current liabilities	(33,022)	-	-	-	-	-
Net financial assets	182,917	33,383	6,588	44,592	47,261	33,378
2022						
<u>Financial Assets</u>						
Debtors	647	-	394	-	-	-
Amounts owing by related parties	133,372	-	-	-	47,603	32,335
Cash and cash equivalents	58,875	301	3,282	-	-	-
Financial assets at FVOCI	111,118	-	-	-	-	-
Financial assets at FVPL	34,191	-	-	46,821	-	-
<u>Financial Liabilities</u>						
Creditors	(46,717)	-	(68)	-	-	-
Borrowings	(154,514)	(16,638)	-	-	-	-
Other non-current liabilities	(28,571)	-	-	-	-	-
Net financial assets	108,401	(16,337)	3,608	46,821	47,603	32,335
COMPANY						
<u>Financial Assets</u>						
Cash and cash equivalents				518		3,736
Financial assets at FVOCI				18,917		20,372
Net financial assets				19,435		24,108
				United States Dollar (USD)		
				2023	2022	
				\$'000	\$'000	

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If the relevant foreign currencies change against the respective functional currencies of the Group entities by 5% (2022: 5%) with all other variables being held constant, the effect arising from the net financial assets/(liabilities) position will be as follows:

	Profit before Taxation		Equity	
	Increase/(Decrease)		Increase/(Decrease)	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
GROUP				
USD against SGD				
- strengthened	3,961	(136)	5,185	5,556
- weakened	(3,961)	136	(5,185)	(5,556)
RMB against SGD				
- strengthened	1,669	(817)	-	-
- weakened	(1,669)	817	-	-
IDR against SGD				
- strengthened	329	180	-	-
- weakened	(329)	(180)	-	-
INR against SGD				
- strengthened	2,230	2,341	-	-
- weakened	(2,230)	(2,341)	-	-
VND against SGD				
- strengthened	2,363	2,380	-	-
- weakened	(2,363)	(2,380)	-	-
HKD against SGD				
- strengthened	1,669	1,617	-	-
- weakened	(1,669)	(1,617)	-	-
COMPANY				
USD against SGD				
- strengthened	26	187	946	1,019
- weakened	(26)	(187)	(946)	(1,019)

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****35. FINANCIAL RISK MANAGEMENT (continued)****(c) Credit Risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Trade debtors comprise mainly the Group's customers who bought residential units and tenants of commercial properties.

Contract assets are mainly unbilled work in progress.

Bank deposits are mainly deposits with banks that meet appropriate credit criteria.

Financial assets at FVPL comprise compulsorily convertible debentures in a corporation, convertible preference shares, convertible promissory notes and convertible loan.

The following situations may give rise to credit risk:

- (i) That the tenants of investment properties and purchasers of trading properties may default on their obligations to pay the amounts owing to the Group.
 - (a) For investment properties, the Group manages credit risks arising from tenants defaulting on their rental by requiring the tenants to furnish cash deposits, and/or banker's guarantees. The Group also has a policy of regular review of debt collection and rental contracts are entered into with customers with an appropriate credit history.
 - (b) For trading properties, the Group generally has the following recourse:
 - Forfeiture of instalments paid; and
 - Re-sale of the re-possessed properties and claim against the purchasers for any shortfall from the re-sale.
- (ii) That a counterparty will default on its contractual obligations under financial instrument contracts resulting in financial loss to the Group. It is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group. It is also the Group's policy to enter into financial instrument contracts with a diversity of prime financial institutions and creditworthy parties. Credit risks are monitored on an ongoing basis.

Overall, trade debtors and contract assets have good collection track records with the Group and has sufficient security deposits and collateral. The expected credit losses are assessed to be immaterial

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

Financial assets at FVPL have low risk of default as the investees have strong capacities to meet the contractual cash flow obligations in the near term.

Debtors and amounts due by related parties that are neither past due nor impaired are substantially companies with good collection track record with the Group or have strong financial capacity. As of 31 December 2023, \$41,042,000 (2022: \$34,297,000) of the loans to a joint venture, an associate and an investee were impaired as disclosed in Notes 19, 25 and 26 while \$473,929,000 (2022: \$457,636,000) of the advances to subsidiaries were impaired as disclosed in Note 26.

As at 31 December 2023 and 31 December 2022, there was no significant concentration of credit risks.

The maximum exposure to credit risk for the Group is the carrying amount of financial assets which are mainly trade and other debtors, amounts owing by holding company and related parties, cash and cash equivalents, amounts owing by associated companies and joint ventures, other non-current assets and financial guarantees. The maximum exposure for the Company is the carrying amount of financial assets which are mainly amounts owing by related parties and cash and cash equivalents.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****35. FINANCIAL RISK MANAGEMENT (continued)****(d) Liquidity Risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group manages the liquidity risk by maintaining sufficient cash, internally generated cash flows, and the availability of funding resources through adequate committed credit facilities from related party to refinance the short term obligation. The Group also maintains a mix of short-term money market borrowings as well as the ability to tap the capital market through the MTN Programmes to fund working capital requirements and capital expenditure/investments.

The following table summarises the maturity profile of the Group's and the Company's financial liabilities and derivative financial instruments at the balance sheet date based on contractual undiscounted cash flows obligations, including interest payables and excluding the impact of netting agreements.

	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
GROUP				
<u>2023</u>				
<u>Non Derivative Financial Liabilities</u>				
Creditors (excluding non-financial liabilities)	704,967	-	-	704,967
Amounts owing to holding company and related parties	169,362	-	-	169,362
Other non-current liabilities	-	155,374	-	155,374
Borrowings	2,327,107	2,426,237	617,992	5,371,336
Lease liabilities	9,215	49,157	-	58,372
Financial guarantees	452,034	-	-	452,034
	3,662,685	2,630,768	617,992	6,911,445
<u>Derivative Financial Assets/(Liabilities)</u>				
Net-settled interest rate swaps				
- Net cash inflow	13,568	5,835	-	19,403
<u>2022</u>				
<u>Non Derivative Financial Liabilities</u>				
Creditors (excluding non-financial liabilities)	854,630	-	-	854,630
Amounts owing to holding company and related parties	150,325	-	-	150,325
Other non-current liabilities	-	156,288	-	156,288
Borrowings	1,670,074	2,981,023	507,519	5,158,616
Lease liabilities	11,175	19,676	25,875	56,726
Financial guarantees	473,259	-	-	473,259
	3,159,463	3,156,987	533,394	6,849,844
<u>Derivative Financial Assets/(Liabilities)</u>				
Net-settled interest rate swaps				
- Net cash inflow	19,923	24,653	-	44,576

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****35. FINANCIAL RISK MANAGEMENT (continued)****(d) Liquidity Risk (continued)**

	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
COMPANY				
<u>2023</u>				
<u>Non Derivative Financial Liabilities</u>				
Creditors	17,180	-	-	17,180
Amounts owing to holding company and related parties	516,010	-	-	516,010
Other non-current liabilities	-	12,631	-	12,631
Borrowings	477,950	1,279,325	-	1,757,275
Financial guarantees	584,150	-	-	584,150
	1,595,290	1,291,956	-	2,887,246
<u>Derivative Financial Assets/(Liabilities)</u>				
Net-settled interest rate swaps				
- Net cash inflow	13,568	5,835	-	19,403
<u>2022</u>				
<u>Non Derivative Financial Liabilities</u>				
Creditors	21,799	-	-	21,799
Amounts owing to holding company and related parties	457,213	-	-	457,213
Other non-current liabilities	-	14,018	-	14,018
Borrowings	560,660	1,804,270	-	2,364,930
Financial guarantees	579,704	-	-	579,704
	1,619,376	1,818,288	-	3,437,664
<u>Derivative Financial Assets/(Liabilities)</u>				
Net-settled interest rate swaps				
- Net cash inflow	19,667	24,653	-	44,320

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****35. FINANCIAL RISK MANAGEMENT (continued)****(e) Derivative Financial Instruments**

	Fair Value		Weighted Average Hedged Rate	Maturity Date
	Contractual Notional Amount \$'000	Liabilities \$'000		
GROUP				
2023				
Cash Flow Hedge				
Interest rate risk				
- Interest rate swap to hedge floating rate borrowings	930,000	(1,764)	20,589	1.96% September 2024 – August 2027
Net Investment Hedge				
Foreign exchange risk				
- Foreign exchange forward to hedge net investments in foreign operations	137,050	(68)	-	Approximate SGD 1: RMB 5.29 24 June 2024
2022				
Cash Flow Hedge				
Interest rate risk				
- Interest rate swap to hedge floating rate borrowings	971,428	-	40,084	1.31% January 2023 – January 2027
COMPANY				
2023				
Cash Flow Hedge				
Interest rate risk				
- Interest rate swap to hedge floating rate borrowings	930,000	(1,764)	20,589	1.96% September 2024 – August 2027
Net Investment Hedge				
Foreign exchange risk				
- Foreign exchange forward to hedge net investments in foreign operations	137,050	(68)	-	Approximate SGD 1: RMB 5.29 24 June 2024
2022				
Cash Flow Hedge				
Interest rate risk				
- Interest rate swap to hedge floating rate borrowings	900,000	-	39,820	1.37% July 2023 – January 2027

Hedge Effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****35. FINANCIAL RISK MANAGEMENT (continued)****(f) Categories of Financial Assets and Financial Liabilities**

The following table sets out the financial instruments as at the balance sheet date:

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Financial Assets</u>				
Financial assets at FVOCI	135,098	149,877	18,917	20,372
Financial assets at FVPL	88,309	91,308	-	-
Derivative financial instruments	224,487	232,606	20,589	39,820
Financial assets at amortised costs (including cash and cash equivalents)	1,461,658	1,386,239	3,502,637	3,815,634
<u>Financial Liabilities</u>				
Derivative financial instruments	1,832	-	1,832	-
Liabilities at amortised cost	6,016,830	5,886,325	2,171,148	2,680,804

(g) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the net debt-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as borrowings (including lease liabilities) less cash and cash equivalents, and total capital is calculated as equity including non-controlling interests in subsidiaries.

	GROUP		COMPANY	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Net debt	4,227,024	4,162,287	1,623,335	2,181,021
Total capital	5,366,451	5,845,084	2,919,385	2,783,517
Net debt-equity ratio (times)	0.79	0.71	0.56	0.78

There were no changes in the Group's approach to capital management during the year.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2023 and 2022.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****36. FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES****(a) Fair Value Hierarchy**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. There are three fair value hierarchy levels, as follows:

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 or indirectly; and

Level 3 – Unobservable inputs for the asset or liability.

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

(b) Assets and Liabilities Measured at Fair Value

The following table shows an analysis of assets and liabilities carried at fair value by fair value hierarchy level:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
GROUP				
<u>2023</u>				
<u>Financial Assets</u>				
Investments at FVOCI	-	-	135,098	135,098
Investments at FVPL	-	-	88,309	88,309
Derivative financial instruments				
- Call option	-	-	203,898	203,898
- Interest rate swaps	-	20,589	-	20,589
	-	20,589	427,305	447,894
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Foreign currency contracts	-	68	-	68
- Interest rate swaps	-	1,764	-	1,764
	-	1,832	-	1,832
<u>Non-financial Assets</u>				
Investment properties				
- Commercial and hospitality, completed	-	-	1,240,999	1,240,999
- Commercial, under construction	-	-	3,321,345	3,321,345
	-	-	4,562,344	4,562,344

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	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
GROUP				
<u>2022</u>				
<u>Financial Assets</u>				
Investments at FVOCI	-	-	149,877	149,877
Investments at FVPL	-	-	91,308	91,308
Derivative financial instruments				
- Call option	-	-	192,522	192,522
- Interest rate swaps	-	40,084	-	40,084
	-	40,084	433,707	473,791
<u>Non-financial Assets</u>				
Investment properties				
- Commercial and hospitality, completed	-	-	1,277,604	1,277,604
- Commercial, under construction	-	-	2,933,828	2,933,828
	-	-	4,211,432	4,211,432
COMPANY				
<u>2023</u>				
<u>Financial Assets</u>				
Investments at FVOCI	-	-	18,917	18,917
Derivative financial instruments				
- Interest rate swaps	-	20,589	-	20,589
	-	20,589	18,917	39,506
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Foreign currency contracts	-	68	-	68
- Interest rate swaps	-	1,764	-	1,764
	-	1,832	-	1,832
<u>2022</u>				
<u>Financial Assets</u>				
Investments at FVOCI	-	-	20,372	20,372
Derivative financial instruments				
- Interest rate swaps	-	39,820	-	39,820
	-	39,820	20,372	60,192

There have been no transfers between Level 1 and Level 2 during 2023 and 2022.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****36. FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES (continued)****(c) Level 1 Fair Value Measurement**

The fair values of investments are determined directly by reference to their published market bid price at the balance sheet date.

(d) Level 2 Fair Value Measurement

Foreign exchange forward contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

(e) Level 3 Fair Value Measurement**(i) Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements**

The following table presents the information about fair value measurements using significant unobservable inputs:

Description	Fair Value \$'000	Valuation Techniques	Unobservable Inputs	Range
2023				
Investments at FVOCI	135,098	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investments at FVPL	88,309	Discounted cash flow method and binomial option pricing method	Discount rate Growth rate Discount for lack of control Discount for lack of marketability	15.25% to 28.00% 1.09% to 4.10% 15.00% to 23.30% 10.70%
Derivative financial instruments - 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%
Investment properties - Commercial completed	1,240,999	Investment method, discounted cash flow method and/or direct comparison method	Discount rate Capitalisation rate Offering price of comparable land plots (psm) Transacted price of comparable properties (psf)	7.25% to 11.62% 4.25% to 7.50% \$4,862 to \$6,188 \$159 to \$3,274
- Commercial, under construction	3,321,345	Direct comparison method, discounted cash flow method, and/or residual value method	Discount rate Capitalisation rate Offering price of comparable land plots (psm) Transacted price of comparable properties (psf) Gross development value (\$'million)	7.00% to 17.00% 4.00% to 8.50% \$10,829 to \$11,492 \$2,781 to \$3,617 \$199 to \$1,891

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****36. FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES (continued)****(e) Level 3 Fair Value Measurement (continued)****(i) Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements (continued)**

The following table presents the information about fair value measurements using significant unobservable inputs:

Description	Fair Value \$'000	Valuation Techniques	Unobservable Inputs	Range
2022				
Investments at FVOCI	149,877	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investments at FVPL	91,308	Discounted cash flow method and binomial option pricing method	Discount rate Growth rate Discount for lack of control	15.71% to 20.00% 1.10% to 4.32% 15.00% to 23.30%
Derivative financial instruments - Call option	192,522	Discounted cash flow method and investment method	Transacted price of comparable properties (psf) Capitalisation rate Discount rate	\$1,586 to \$3,617 3.40% 6.25% to 6.50%
Investment properties - Commercial completed	1,277,604	Investment method, discounted cash flow method and/or direct comparison method	Discount rate Capitalisation rate Transacted price of comparable land plots (psm) Transacted price of comparable properties (psf)	7.25% to 13.00% 4.25% to 10.00% \$3,974 to \$5,610 \$239 to \$1,304
- Commercial, under construction	2,933,828	Direct comparison method, discounted cash flow method, and/or residual value method	Discount rate Capitalisation rate Transacted price of comparable land plot (psm) Transacted price of comparable properties (psf) Gross development value (\$'million)	7.00% to 17.00% 4.00% to 10.00% \$6,569 to \$9,163 \$2,376 to \$3,617 \$216 to \$1,949

Note:

- The fair value of investments at FVOCI is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value. When the net asset value of these investments increase/decrease by 5% (2022: 5%), it would lead to a \$6,755,000 (2022: \$7,494,000) increase/decrease in fair valuation.

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

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The following table presents the reconciliation for financial assets and instruments measured at fair value based on significant unobservable inputs:

The detailed movement for investment properties are disclosed in Note 16.

			Derivative Financial Instruments	
	Investments at FVOCI	Investments at FVPL	Call Option	Total
	\$'000	\$'000	\$'000	\$'000
GROUP				
At 1 January 2023	149,877	91,308	192,522	433,707
Net fair value loss recognised in other comprehensive income	(39,265)	-	-	(39,265)
Fair value gain recognised in profit or loss account	-	-	11,376	11,376
Additions	25,360	-	-	25,360
Exchange differences on consolidation	(874)	(2,999)	-	(3,873)
At 31 December 2023	<u>135,098</u>	<u>88,309</u>	<u>203,898</u>	<u>427,305</u>
At 1 January 2022	146,800	116,606	171,520	434,926
Net fair value loss recognised in other comprehensive income	(10,928)	-	-	(10,928)
Fair value gain recognised in profit or loss account	-	-	21,002	21,002
Additions	19,471	1,887	-	21,358
Redemption/conversion of shares	(5,483)	(22,671)	-	(28,154)
Exchange differences on consolidation	17	(4,514)	-	(4,497)
At 31 December 2022	<u>149,877</u>	<u>91,308</u>	<u>192,522</u>	<u>433,707</u>

During the year, the movement for investments at FVOCI for the Company arose from net fair value loss of \$1,455,000 (2022: \$4,653,000) recognised in other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****36. FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES (continued)****(e) Level 3 Fair Value Measurement (continued)****(iii) Valuation Policies and Procedures**

The assessment of the fair value of investments at FVOCI is performed by the Group's finance department on a quarterly basis. The assessment of the fair value of the investments at FVPL, call option and investment properties is performed by the Group's operation teams on an annual basis.

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.

(f) Assets and Liabilities not Carried at Fair Value but for Which Fair Value is Disclosed

The carrying amounts of the following financial assets and liabilities of the Group and Company approximate their fair values due to their short-term nature: Cash and cash equivalents, trade and other debtors, trade and other creditors, amounts owing by/to holding company and related parties and short-term borrowings.

The fair values of other non-current assets, fixed rate long-term borrowings, other non-current liabilities and investments in listed associated companies are as stated below. The fixed rate long-term borrowings and other non-current liabilities are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements. The fair values of the investments in listed associated companies are determined by reference to the published market bid prices at the balance sheet date.

	2023			2022		
	Carrying Amount \$'000	Fair Value Level 1 \$'000	Level 3 \$'000	Carrying Amount \$'000	Fair Value Level 1 \$'000	Level 3 \$'000
GROUP						
Other non-current assets	21,118	-	21,118	106,304	-	106,304
Investment in listed associated companies	1,395,843	1,107,582	-	1,881,262	1,397,917	-
Fixed rate long-term borrowings	1,251,749	-	1,228,651	1,369,598	-	1,312,695
Other non-current liabilities	155,374	-	155,374	156,288	-	156,288
COMPANY						
Other non-current assets	6,794	-	6,794	-	-	-
Investment in a listed subsidiary	35,481	24,672	-	35,481	14,313	-
Fixed rate long-term borrowings	409,749	-	392,986	705,598	-	675,570
Other non-current liabilities	12,631	-	12,631	14,018	-	14,018

Floating rate borrowings, amounts owing by associated companies and joint ventures are charged at floating interest rates and their carrying amounts approximate their fair values.

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NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 December 2023****37. COMPARATIVES**

The following comparative figures have been reclassified to conform with current year's presentation:

	As previously reported \$'000	Impact \$'000	As adjusted \$'000
GROUP			
Consolidated Profit or Loss Account			
<u>2022</u>			
Cost of sales	640,371	(8,963)	631,408
Distribution costs	12,372	8,963	21,335

The above arose from reclassification of commission expenses previously presented within cost of sales to distribution costs.

38. SIGNIFICANT GROUP COMPANIES

Information relating to the significant subsidiaries consolidated in these financial statements and the significant associated companies and joint ventures whose results are included in the financial statements is given on pages 90 to 93.

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SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES**For the financial year ended 31 December 2023**

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2023	2022		
	%	%		
Subsidiaries				
Corredance Pte Ltd	100	100	Singapore	Investment holding
Crystal Rise Investment Pte Ltd*	100	100	Singapore	Investment holding
Da Di Investment Pte Ltd*	100	100	Singapore	Investment holding
DC REIT Holdings Pte Ltd*	100	100	Singapore	Investment holding
Domenico Pte Ltd*	100	100	Singapore	Investment holding
Flemmington Investments Pte Ltd*	100	100	Singapore	Investment holding
Ibeworthy Pte Ltd*	100	100	Singapore	Investment holding
Joysville Investment Pte Ltd*	100	100	Singapore	Investment holding
K-Commercial Pte Ltd*	100	100	Singapore	Property development/ investment
Katong Retail Trust*	100	100	Singapore	Investment trust
Keppel Bay Pte Ltd	100	100	Singapore	Property development
Keppel Land Realty Pte Ltd	100	100	Singapore	Property development
Keppel REIT Investment Pte Ltd*	100	100	Singapore	Investment holding
Keppel Land China Limited	100	100	Singapore	Investment holding
Keppel Land Estate Pte Ltd	100	100	Singapore	Investment holding
Lipalton Pte Ltd*	100	100	Singapore	Investment holding
Mansfield Developments Pte Ltd	100	100	Singapore	Investment holding
Merryfield Investment Pte Ltd*	100	100	Singapore	Investment holding
Monestine Pte Ltd*	100	100	Singapore	Investment holding
Parksville Development Pte Ltd*	100	100	Singapore	Property development
Pasir Panjang Realty Pte Ltd*	100	100	Singapore	Investment holding
Peplamo Pte Ltd*	100	100	Singapore	Investment holding
Primus II Investment Holdings Pte Ltd*	100	100	Singapore	Investment holding
Straits Property Investments Pte Ltd	100	100	Singapore	Investment holding
VN Success Pte Ltd*	100	100	Singapore	Investment holding
VN Victory Pte Ltd*	100	100	Singapore	Investment holding
Aintree Assets Limited (C)	100	100	British Virgin Islands	Investment holding
Jency Limited* (C)	100	100	British Virgin Islands	Investment holding
Saigon Centre Investment Limited* (C)	100	100	British Virgin Islands	Investment holding
Beijing Changsheng Consultant Co Ltd* (A)	100	100	China	Property investment
Beijing Changsheng Property Management Co Ltd* (A)	100	100	China	Property investment
Changzhou Fushi Housing Development Pte Ltd* (A)	100	100	China	Property development
China The9 Interactive (Shanghai) Ltd* (A)	100	100	China	Property investment
Hongyan (Nanjing) Senior Care Pte Ltd (A)	100	100	China	Provision of senior care services
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd* (A)	100	100	China	Property development
Keppel Hongxiang Management (Shanghai) Co Ltd* (A)	100	100	China	Property service
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd* (A)	100	100	China	Property development
Keppel Lakefront (Wuxi) Property Development Co Ltd* (A)	100	100	China	Property development
Keppel Seasons Residences Property Development (Wuxi) Co Ltd* (A)	100	100	China	Property development

KEPPEL MANAGEMENT LTD. AND ITS SUBSIDIARIES

(Formerly known as Keppel Land Limited and its Subsidiaries)

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES**For the financial year ended 31 December 2023**

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2023 %	2022 %		
Subsidiaries (continued)				
Shanghai Floraville Land Co Ltd* (A)	99	99	China	Property investment
Shanghai Ji Lu Land Co Ltd* (A)	99	99	China	Property investment
Shanghai Jixiang Land Co Ltd* (A)	100	100	China	Property development
Shanghai Merryfield Land Co Ltd* (A)	99	99	China	Property development
Spring City Golf & Lake Resort Co Ltd* (A)	72	72	China	Golf club operations and development and property development
The9 Computer Technology Consulting (Shanghai) Ltd.* (A)	100	100	China	Property investment
Tianjin Fulong Property Development Co Ltd* (A)	100	100	China	Property development
Keppel Land (Saigon Centre) Ltd* (A)			Hong Kong	Investment holding
Ordinary Shares	100	100		
Preference shares (Class A and Class B)	67	67		
PT Harapan Global Niaga* (A)	100	100	Indonesia	Property development
PT Kepland Investama* (A)	100	100	Indonesia	Property investment
PT Ria Bintan* (A)	46	46	Indonesia	Golf course ownership and operations
PT Straits-CM Village* (A)	39	39	Indonesia	Hotel ownership and operations
PT Sukses Manis Tangguh* (A)	100	100	Indonesia	Property development
PT Sukses Manis Indonesia* (A)	100	100	Indonesia	Property development
Straits Greenfield Limited* (B)	-	100	Myanmar	Hotel ownership and operations
Keppel Philippines Properties Inc* (A)	57	57	Philippines	Property development
Estella Joint Venture Company Limited* (A)	98	98	Vietnam	Property development/ investment
Keppel Land Watco IV Company Limited* (A)	84	84	Vietnam	Property development
Keppel Land Watco V Company Limited* (A)	84	84	Vietnam	Property development
Riviera Point Limited Liability Company* (A)	100	100	Vietnam	Property development
Saigon Sports City Limited* (A)	100	100	Vietnam	Property development
Bangalore Tower Pvt Ltd* (B)	100	100	India	Property investment
Keppel Puravankara Development Pvt Ltd* (B)	51	51	India	Property development

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	2023	2022		
	%	%		
Associates and Joint Ventures				
EM Services Pte Ltd	25	25	Singapore	Property management
Gaenari (IV) Pte Ltd* (B)	56	56	Singapore	Property management
Keppel REIT*	30	39	Singapore	Real estate investment trust
Keppel Group Eco-City Investments Pte Ltd*	35	35	Singapore	Investment holding
Keppel Point Pte Ltd	30	30	Singapore	Investment holding
Raffles Quay Asset Management Pte Ltd* (B)	33	33	Singapore	Property management
North Bund Pte Ltd* (B)	30	30	Singapore	Investment holding
Suzhou Property Development Pte Ltd* (B)	25	25	Singapore	Investment holding
Vision (III) Pte Ltd* (B)	30	30	Singapore	Investment holding
Chengdu Taixin Real Estate Development Co Ltd* (B)	-	35	China	Property development
Nanjing Zhijun Property Development Co Ltd* (B)	25	25	China	Property development
Taichang Jihui Real Estate Consulting Co Ltd* (B)	50	50	China	Property development
Tianjin Fushi Property Development Co Ltd* (A)	49	49	China	Property development
Win Up Investment Limited* (B)	30	30	China	Investment holding
Renown Property Holdings (M) Sdn Bhd (A)	40	40	Malaysia	Investment holding
City Square Office Co Ltd* (B)	40	40	Myanmar	Property investment
Buena Homes (Sandoval) Inc (A)	57	57	Philippines	Property development
Opon-KE Properties Inc* (A)	45	45	Philippines	Investment holding
Opon Realty and Development Corporation* (A)	23	23	Philippines	Investment holding
Opon Venture Inc* (A)	37	37	Philippines	Property development
SM-Keppel Land Inc* (A)	-	27	Philippines	Property investment
Empire City Limited Liability Company* (A)	40	40	Vietnam	Property development
Keppel Land Watco I Company Limited* (A)	45	61	Vietnam	Property investment/ development
Keppel Land Watco II Company Limited* (A)	45	61	Vietnam	Property investment/ development
Keppel Land Watco III Company Limited* (A)	45	61	Vietnam	Property investment/ development
Nam Long Investment Corporation* (B)	8	8	Vietnam	Trading of development properties
New Binh Trung Real Estate Company Limited* (A)	45	-	Vietnam	Property development
South Rach Chiec LLC* (A)	42	42	Vietnam	Property development
Phu Loc Real Estate Investment Joint Stock Company* (A)	60	60	Vietnam	Property development
Kapstone Construction Private Limited* (A)	49	49	India	Real estate construction and development

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For the financial year ended 31 December 2023

Notes:

1. The holding in the equity shown for each subsidiary, associated companies and joint venture is the proportion attributable to Keppel Management Ltd. (formerly known as Keppel Land Limited).
2. Associated companies are those in which the Group has significant influence, but not control, in the operating and financial policy decisions.
3. Joint ventures are those in which the Group has joint control in the strategic financial and operating decisions.
4. Companies indicated with an asterisk (*) are indirectly held by Keppel Management Ltd. (formerly known as Keppel Land Limited).
5. All the active companies operate in their respective countries of incorporation, unless otherwise specified.
6. All the companies are audited by PricewaterhouseCoopers LLP, Singapore except for the following:
 - (A) Audited by member firms of PricewaterhouseCoopers International Limited in the respective countries
 - (B) Audited by other firms of auditors
 - (C) Not required to be audited by law in the country of incorporation