

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 2021

CONTENTS

	Page
DIRECTORS' STATEMENT	1
INDEPENDENT AUDITOR'S REPORT	4
CONSOLIDATED PROFIT OR LOSS ACCOUNT	10
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	11
BALANCE SHEETS	12
STATEMENTS OF CHANGES IN EQUITY	13
CONSOLIDATED CASH FLOW STATEMENT	16
NOTES TO THE FINANCIAL STATEMENTS	19
SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES	97

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

The Directors present their statement to the member together with the audited consolidated financial statements of 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 2021.

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 2021 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 (Appointed on 15 February 2021)
 Penny Goh (Appointed on 1 October 2021)
 Chan Hon Chew
 Christina Tan (Appointed on 1 October 2021)
 Tan Swee Yiow
 Francois Van Raemdonck (Appointed on 1 October 2021)

According to the Register of Directors' shareholdings kept by the Company for the purpose of Section 164 of the Singapore Companies Act, 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	
	01.01.2021 / Date of Appointment	31.12.2021
Keppel Corporation Limited		
Ordinary shares		
Loh Chin Hua	1,860,772	2,135,826
Loh Chin Hua (Deemed interest)	38,500	38,500
Louis Lim Lu-yi	125,966	178,136
Louis Lim Lu-yi (Deemed interest)	-	83,000
Penny Goh	37,000	37,000
Chan Hon Chew	593,173	732,250
Chan Hon Chew (Deemed interest)	7,770	7,770
Christina Tan	473,160	473,160
Tan Swee Yiow	179,575	247,229
Francois Van Raemdonck	5,335	5,335
Unvested restricted shares to be delivered after 2018		
Loh Chin Hua	87,469	-
Louis Lim Lu-yi	15,169	-
Chan Hon Chew	40,677	-
Tan Swee Yiow	19,076	-

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

2. DIRECTORS (continued)

	Holdings At	
	01.01.2021 / Date of Appointment	31.12.2021
Keppel Corporation Limited (continued)		
<i>Unvested restricted shares to be delivered after 2019</i>		
Loh Chin Hua	201,258	100,629
Louis Lim Lu-yi	38,140	19,070
Chan Hon Chew	100,839	50,420
Christina Tan	37,639	37,639
Tan Swee Yiow	49,151	24,576
<i>Unvested restricted shares to be delivered after 2020</i>		
Loh Chin Hua	-	173,914
Louis Lim Lu-yi	53,793	35,862
Chan Hon Chew	-	95,963
Christina Tan	74,276	74,276
Tan Swee Yiow	-	48,008
Francois Van Raemdonck	10,671	10,671
<i>Contingent award of performance shares issued in 2018 to be delivered after 2021 ^{(1),(2)}</i>		
Loh Chin Hua	320,000	320,000
Louis Lim Lu-yi	80,000	80,000
Chan Hon Chew	140,000	140,000
Christina Tan	120,000	120,000
<i>Contingent award of performance shares issued in 2019 to be delivered after 2022 ^{(1),(3)}</i>		
Loh Chin Hua	365,000	365,000
Louis Lim Lu-yi	80,000	80,000
Chan Hon Chew	150,000	150,000
Christina Tan	130,000	130,000
Tan Swee Yiow	80,000	80,000
<i>Contingent award of performance shares issued in 2020 to be delivered after 2022 ⁽¹⁾</i>		
Loh Chin Hua	365,000	365,000
Louis Lim Lu-yi	70,000	70,000
Chan Hon Chew	140,000	140,000
Christina Tan	120,000	120,000
Tan Swee Yiow	80,000	80,000
<i>Contingent award of performance shares issued in 2021 to be delivered after 2023 ⁽¹⁾</i>		
Loh Chin Hua	-	365,000
Louis Lim Lu-yi	-	80,000
Chan Hon Chew	-	140,000
Christina Tan	120,000	120,000
Tan Swee Yiow	-	50,000
Francois Van Raemdonck	45,000	45,000
<i>Contingent award of performance shares – Transformation Incentive Plan issued in 2016 to be delivered after 2021 ⁽¹⁾</i>		
Loh Chin Hua	750,000	750,000
Chan Hon Chew	350,000	350,000
Christina Tan	225,000	225,000
Tan Swee Yiow	100,000	100,000

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**DIRECTORS' STATEMENT****For the financial year ended 31 December 2021****2. DIRECTORS (continued)**

	Holdings At	
	01.01.2021 / Date of Appointment	31.12.2021
Keppel Corporation Limited (continued)		
<i>Contingent award of performance shares – Transformation Incentive Plan issued in 2017 to be delivered after 2021⁽¹⁾</i>		
Louis Lim Lu-yi	150,000	150,000
Christina Tan	50,000	50,000
Tan Swee Yiow	100,000	100,000
<i>Contingent award of performance shares – Transformation Incentive Plan issued in 2020 to be delivered after 2021⁽¹⁾</i>		
Louis Lim Lu-yi	25,000	25,000
Chan Hon Chew	50,000	50,000
Christina Tan	50,000	50,000
Tan Swee Yiow	50,000	50,000
<i>Contingent award of performance shares – Transformation Incentive issued in 2021 to be delivered after 2025⁽¹⁾</i>		
Loh Chin Hua	-	970,000
Louis Lim Lu-yi	-	225,000
Chan Hon Chew	-	455,000
Christina Tan	365,000	365,000
Tan Swee Yiow	-	190,000

Notes:

- 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.
- The performance period of the KCL PSP award issued in 2018 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2018, 2019 and 2021 will be used to determine the vesting level of the award at the end of the extended performance period.
- The performance period of the KCL PSP award issued in 2019 was extended for 1 more year as the targets of the award were set before the onset of the COVID-19 pandemic. The achievements in Year 2019, 2021 and 2022 will be used to determine the vesting level of the award at the end of the extended performance period.

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

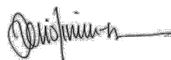
4. AUDITOR

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

On behalf of the Board



Loh Chin Hua
Chairman



Louis Lim Lu-yi
Chief Executive Officer

Singapore, 23 February 2022

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

To the Member of Keppel Land Limited

For the financial year ended 31 December 2021

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of 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") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 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 2021;
- 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 2021;
- 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 significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

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 2021. 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 matter
Assessment of allowance for foreseeable losses (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 \$3,091 million as at 31 December 2021. 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 Coronavirus Disease 2019 ("COVID-19") pandemic has resulted in significant economic uncertainty in the current and future economic environment and there is heightened uncertainty inherent in estimating the impact of the pandemic on future selling prices 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, and the consideration of the potential financial impact of the COVID-19 pandemic in 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 LAND LIMITED AND ITS SUBSIDIARIES**INDEPENDENT AUDITOR'S REPORT****For the financial year ended 31 December 2021****Key Audit Matters** (continued)

Key audit matters	How our audit addressed the matter
Assessment of allowance for foreseeable losses (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 and Vietnam. As at 31 December 2021, investment properties stated at their fair values amounting to \$4,139 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. Furthermore, the valuation reports obtained from independent property valuers for certain investment properties have highlighted the heightened uncertainty of the COVID-19 outbreak and material valuation uncertainty where a higher degree of caution should be attached to the valuation than would normally be the case. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions.	We evaluated the qualifications and competence of the external valuers. We considered the valuation methodologies used against those applied by other valuers for similar property types, and how the impact of the COVID-19 pandemic and market uncertainty has been considered by the independent property valuers in determining the valuation of investment properties. We also considered other alternative valuation methods. 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 disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions used in the estimates and the impact of COVID-19 on the valuation of investment properties as at 31 December 2021, 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 LAND LIMITED AND ITS SUBSIDIARIES**INDEPENDENT AUDITOR'S REPORT****For the financial year ended 31 December 2021****Key Audit Matters** (continued)

Key audit matters	How our audit addressed the matter
Revenue recognition for trading properties (Refer to Note 4 to the financial statements) During the year, the Group recognised \$1,538 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 \$119 million of revenue. 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 LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

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 LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

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 Magdelene Chua.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 23 February 2022

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED PROFIT OR LOSS ACCOUNT**
For the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Revenue	4	1,624,812	1,276,166
Cost of sales		(1,126,565)	(810,600)
Gross profit		498,247	465,566
Distribution costs		(12,942)	(11,425)
Administrative and other expenses		(146,435)	(112,243)
Other income	6	477,128	74,365
Other loss	7	(107,243)	(65,589)
Investment income	5	5,207	3,877
Interest income	8	36,569	39,545
Interest expense	9	(68,649)	(76,509)
Share of results of associated companies and joint ventures	21	164,995	66,118
Pre-tax profit before fair value gain on investment properties		846,877	383,705
Fair value gain on investment properties	10	238,875	261,453
Pre-tax profit after fair value gain on investment properties		1,085,752	645,158
Taxation	11	(335,387)	(282,153)
Profit for the year	5	750,365	363,005
Profit attributable to:			
Shareholder of the Company	3	771,165	368,053
Non-controlling interests	3	(20,800)	(5,048)
		750,365	363,005

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Profit for the year		750,365	363,005
Items that may be reclassified subsequently to profit or loss account:			
Cash flow hedges			
Net fair value change		20,761	(13,372)
Foreign exchange translation account			
Exchange differences on consolidation		202,617	129,505
Exchange differences transferred to profit or loss account		(211)	4,691
Share of other comprehensive income of associated companies and joint ventures			
Cash flow hedges			
Net fair value change		17,416	(15,310)
Fair value change transferred to profit or loss account		1,556	72
Foreign exchange translation account			
Exchange differences on consolidation		70,035	70,748
Exchange differences transferred to profit or loss account		(6,024)	(4,496)
Item that will not be reclassified subsequently to profit or loss account:			
Foreign exchange translation account			
Exchange differences on consolidation		2,494	1,401
Financial assets at fair value through other comprehensive income ("FVOCI")			
Net fair value change		(15,668)	(7,803)
Share of other comprehensive income of associated companies and joint ventures			
Financial assets at FVOCI		123	(329)
Other comprehensive income for the year, net of tax	14	293,099	165,107
Total comprehensive income for the year		1,043,464	528,112
Total comprehensive income attributable to:			
Shareholder of the Company		1,061,770	531,759
Non-controlling interests		(18,306)	(3,647)
		1,043,464	528,112

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

As at 31 December 2021

		GROUP		COMPANY	
	Note	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Share capital	13	2,427,916	2,427,916	2,427,916	2,427,916
Reserves	14	4,809,646	4,459,791	1,171,633	1,506,779
Share capital and reserves		7,237,562	6,887,707	3,599,549	3,934,695
Non-controlling interests		(20,599)	15,816	-	-
Total equity		7,216,963	6,903,523	3,599,549	3,934,695
Represented by:					
Non-current assets					
Fixed assets	15	192,928	269,012	-	-
Investment properties	16	4,139,267	3,556,015	-	-
Right-of-use assets	17	87,701	85,200	-	-
Amounts owing by related parties	18	165,161	262,438	-	-
Deferred tax assets	11	67,166	65,513	-	-
Other non-current assets	19	258,378	207,492	2,506	-
Investments					
Subsidiaries	20	-	-	1,483,441	1,504,456
Associated companies and joint ventures	21	3,562,945	3,614,743	57,341	57,341
Long-term investments	22	263,406	273,854	25,025	23,311
		3,826,351	3,888,597	1,565,807	1,585,108
		8,736,952	8,334,267	1,568,313	1,585,108
Current assets					
Properties held for sale	23	3,091,339	3,695,372	-	-
Stocks	24	1,235	1,256	-	-
Debtors	25	250,636	410,454	1,932	956
Amounts owing by holding company and related parties	26	386,907	345,920	5,202,323	4,943,234
Short-term investments	22	-	20,340	-	-
Cash and cash equivalents	27	1,677,977	998,810	1,589	1,741
Assets classified as held for sale	28	-	1,029,584	-	-
		5,408,094	6,501,736	5,205,844	4,945,931
Less:					
Current liabilities					
Creditors	29	1,699,850	2,136,102	22,072	24,675
Tax provision		321,828	246,163	213	3,885
Short-term borrowings and lease liabilities	30	1,321,986	1,602,236	549,978	221,604
Amounts owing to holding company and related parties	26	265,232	325,566	942,919	631,571
Liabilities directly associated with assets classified as held for sale	28	-	166,064	-	-
		3,608,896	4,476,131	1,515,182	881,735
Net current assets		1,799,198	2,025,605	3,690,662	4,064,196
Less:					
Non-current liabilities					
Long-term borrowings and lease liabilities	30	3,019,106	3,211,157	1,638,223	1,678,693
Deferred tax liabilities	11	249,048	189,095	-	-
Other non-current liabilities	31	51,033	56,097	21,203	35,916
		3,319,187	3,456,349	1,659,426	1,714,609
Net assets		7,216,963	6,903,523	3,599,549	3,934,695

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2021**

	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 2021	2,427,916	(81,699)	(232,408)	4,773,898	6,887,707	15,816	6,903,523
Total comprehensive income for the year							
Profit for the year	-	-	-	771,165	771,165	(20,800)	750,365
Other comprehensive income (see Note 14)	-	24,188	266,417	-	290,605	2,494	293,099
Total comprehensive income for the year	-	24,188	266,417	771,165	1,061,770	(18,306)	1,043,464
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Capital contribution	-	-	-	-	-	1,295	1,295
Dividends paid (see Note 12)	-	-	-	(700,000)	(700,000)	(121)	(700,121)
Total contributions by and distributions to owners	-	-	-	(700,000)	(700,000)	1,174	(698,826)
<u>Changes in ownership interest in subsidiaries</u>							
Acquisition of non-controlling interest	-	(11,922)	-	-	(11,922)	(18,680)	(30,602)
Disposal of a subsidiary	-	(27)	-	27	-	-	-
Liquidation of subsidiary	-	-	-	-	-	(603)	(603)
Total changes in ownership interest in subsidiaries	-	(11,949)	-	27	(11,922)	(19,283)	(31,205)
<u>Others</u>							
Transfer from revenue reserve to capital reserve due to statutory reserve requirements	-	10,279	-	(10,279)	-	-	-
Contribution of statutory reserves	-	7	-	-	7	-	7
Total others	-	10,286	-	(10,279)	7	-	7
Total transactions with owners	-	(1,663)	-	(710,252)	(711,915)	(18,109)	(730,024)
Balance at 31 December 2021	2,427,916	(59,174)	34,009	4,834,811	7,237,562	(20,599)	7,216,963

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2021**

	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 2020	2,427,916	(56,423)	(432,829)	5,918,890	7,857,554	8,646	7,866,200
Total comprehensive income for the year							
Profit for the year	-	-	-	368,053	368,053	(5,048)	363,005
Other comprehensive (loss)/income (see Note 14)	-	(36,742)	200,448	-	163,706	1,401	165,107
Total comprehensive (loss)/income for the year	-	(36,742)	200,448	368,053	531,759	(3,647)	528,112
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Capital contribution	-	-	-	-	-	13,879	13,879
Dividends paid (see Note 12)	-	-	-	(1,500,000)	(1,500,000)	(2,110)	(1,502,110)
Total contributions by and distributions to owners	-	-	-	(1,500,000)	(1,500,000)	11,769	(1,488,231)
<u>Changes in ownership interest in subsidiaries</u>							
Disposal of a subsidiary	-	(1,599)	-	-	(1,599)	(952)	(2,551)
Total changes in ownership interest in subsidiaries	-	(1,599)	-	-	(1,599)	(952)	(2,551)
<u>Others</u>							
Transfer from revenue reserve to capital reserve due to statutory reserve requirements	-	13,059	-	(13,059)	-	-	-
Utilisation of statutory reserves	-	(7)	-	-	(7)	-	(7)
Transfer of fair value reserves to revenue reserves	-	20	-	(20)	-	-	-
Others	-	(7)	(27)	34	-	-	-
Total others	-	13,065	(27)	(13,045)	(7)	-	(7)
Total transactions with owners	-	11,466	(27)	(1,513,045)	(1,501,606)	10,817	(1,490,789)
Balance at 31 December 2020	2,427,916	(81,699)	(232,408)	4,773,898	6,887,707	15,816	6,903,523

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2021**

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Total Equity \$'000
COMPANY				
Balance at 1 January 2021	2,427,916	11,624	1,495,155	3,934,695
Total comprehensive income for the year				
Profit for the year	-	-	342,705	342,705
Other comprehensive income	-	22,149	-	22,149
Total comprehensive income for the year	-	22,149	342,705	364,854
Transactions with owners, recognised directly in equity				
<u>Distributions to owners</u>				
Dividends paid (see Note 12)	-	-	(700,000)	(700,000)
Total transactions with owners	-	-	(700,000)	(700,000)
Balance at 31 December 2021	2,427,916	33,773	1,137,860	3,599,549
Balance at 1 January 2020	2,427,916	21,639	2,744,890	5,194,445
Total comprehensive income for the year				
Profit for the year	-	-	250,265	250,265
Other comprehensive loss	-	(10,015)	-	(10,015)
Total comprehensive (loss)/income for the year	-	(10,015)	250,265	240,250
Transactions with owners, recognised directly in equity				
<u>Distributions to owners</u>				
Dividend paid (see Note 12)	-	-	(1,500,000)	(1,500,000)
Total transactions with owners	-	-	(1,500,000)	(1,500,000)
Balance at 31 December 2020	2,427,916	11,624	1,495,155	3,934,695

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2021**

	2021 \$'000	2020 \$'000
Operating Activities:		
Pre-tax profit	1,085,752	645,158
Adjustments for:		
Depreciation charge	41,580	35,620
(Gain)/loss on sale of fixed assets	(866)	1,914
Fixed assets written off	16,486	17
Right-of-use assets written off	203	570
Lease liabilities written off	(225)	(612)
Fair value (gain)/loss on foreign currency forward contracts	(220)	270
Interest and investment income	(41,776)	(43,422)
Interest expense	68,649	76,509
Share of results of associated companies and joint ventures	(164,995)	(66,118)
Loss on change in interest in an associated company	20,546	4,573
Net gain from disposal of subsidiaries	(219,207)	(30,535)
(Write-back of impairment)/impairment on loans to a joint venture and an investee	(1,716)	36,305
Gain from disposal of associated companies and a joint venture	(163,291)	(7,525)
Impairment of fixed assets	35,969	6,919
Gain from partial disposal of interest in a joint venture by an associated company	-	(2,714)
Gain on remeasurement of retained interest in a joint venture and an associated company	(69,469)	(26,034)
Fair value (gain)/loss on call option	(14,877)	875
Fair value gain on investment properties	(238,875)	(261,453)
Amortisation of prepaid upfront fee	608	455
Unrealised exchange loss/(gain)	404	(2,119)
Operating cash flows before changes in working capital	354,680	368,653
Working capital changes:		
Debtors	52,976	(96,323)
Creditors	(404,660)	222,721
Stocks	62	813
Properties held for sale	438,287	151,921
Cash flows from operations	441,345	647,785
Interest received	37,863	39,250
Interest paid	(111,052)	(104,586)
Income taxes paid	(208,138)	(137,829)
Net cash flows from operating activities	160,018	444,620

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**CONSOLIDATED CASH FLOW STATEMENT**
For the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Investing Activities:			
Net inflow from disposal of subsidiaries	20	1,238,719	334,237
Net inflow from disposal of associated companies and a joint venture		576,565	106,840
Investment in associated companies and joint ventures		(34,751)	(255,393)
Investment in investments at FVOCI		(16,498)	(42,567)
Investment in investments at FVPL		(1,205)	(82,666)
Placement of structured deposits		-	(20,340)
Withdrawal of structured deposits		21,450	20,340
Purchase of fixed assets		(10,081)	(15,916)
Additions to and purchase of investment properties		(187,042)	(241,817)
Proceeds from sale of fixed assets		1,092	85
Loans to holding company and related parties		(25,769)	(15,862)
Advances/repayment from associated companies and joint ventures		447,381	440,666
Advances/repayment to associated companies and joint ventures		(419,420)	(205,617)
Redemption of investments at FVOCI		14,287	19,224
Dividends received from associated companies and joint ventures ⁽¹⁾		132,210	140,977
Dividends received from investee companies		5,207	3,877
Net cash flows from investing activities		1,742,145	186,068
Financing Activities:			
Drawdown of borrowings		1,408,220	650,637
Repayment of borrowings and prepayment of upfront fees		(2,625,611)	(1,048,024)
Principal payment of lease liabilities		(13,293)	(6,394)
Dividends paid to shareholder ⁽²⁾		(845)	(783)
Acquisition of non-controlling shareholders		(30,614)	-
Contributions by non-controlling shareholders		1,295	-
Advances from non-controlling shareholders		329	-
Advances/repayment to non-controlling shareholders		(8,834)	(777)
Dividends paid to non-controlling shareholders ⁽²⁾		(121)	(2,110)
Net cash flows used in financing activities		(1,269,474)	(407,451)
Net increase in cash and cash equivalents		632,689	223,237
Cash and cash equivalents at beginning of year		998,810	760,684
Exchange adjustments		46,478	14,889
Cash and cash equivalents at end of year	27	1,677,977	998,810

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

Reconciliation of liabilities arising from financing activities:

	1 January \$'000	Net proceeds/ (payment) of principal \$'000	Addition during the year \$'000	Foreign exchange movement \$'000	Dividends payments ⁽²⁾ \$'000	Non-cash changes				Others \$'000	31 December \$'000
						Liabilities directly associated with assets classified as held for sale \$'000	Remeasurement of lease liabilities \$'000				
GROUP 2021											
External borrowings, including under MTN Programme	2,618,264	395,288	-	22,555	-	-	-	-	608	-	3,036,715
Loans from related companies	2,167,719	(1,612,679)	-	2,924	699,155	-	-	-	-	-	1,257,119
Loans from non-controlling shareholders of certain subsidiaries	149,345	(6,345)	-	958	-	-	-	-	848	-	144,806
Lease liabilities	27,410	(13,293)	28,328	1,243	-	-	3,795	-	(225)	-	47,258
	4,962,738	(1,237,029)	28,328	27,680	699,155	-	3,795	-	1,231	-	4,485,898
2020											
External borrowings, including under MTN Programme	2,411,015	304,870	-	(6,109)	-	(91,967)	-	-	455	-	2,618,264
Loans from related companies	1,420,385	(702,257)	-	874	1,499,217	(50,500)	-	-	-	-	2,167,719
Loans from non-controlling shareholders of certain subsidiaries	148,854	(777)	-	(91)	-	-	-	-	1,359	-	149,345
Lease liabilities	30,679	(6,394)	3,025	712	-	-	-	-	(612)	-	27,410
	4,010,933	(404,558)	3,025	(4,614)	1,499,217	(142,467)	-	-	1,202	-	4,962,738

Notes:

- Dividends received from associated companies and joint ventures during the year of \$132,210,000 (2020: \$140,977,000) was after netting off amount owing by a joint venture of \$4,241,000 (2020: \$18,410,000).
- Of the \$700,000,000 (2020: \$1,500,000,000) declared to shareholders in 2021, \$699,155,000 (2020: \$1,499,217,000) was settled via loans with a related company and the remaining \$845,000 (2020: \$783,000) were paid in cash respectively.

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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

1. GENERAL

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 Land Limited for the financial year ended 31 December 2021 were authorised for issue on 23 February 2022 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 Corporation Limited, incorporated in Singapore, and is listed on the Singapore Exchange Securities Trading Limited.

2. SIGNIFICANT 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 Group, 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 2021. 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 amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 9 and SFRS(I) 7 *Interest Rate Benchmark Reform – Phase 2*

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Adoption of New and Revised Standards (continued)

Interest Rate Benchmark Reform – Phase 2

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

Hedge relationships

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

Note 36(a) provides further information about the reliefs applied by the Group and the hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

Financial instruments measured at amortised cost and lease liabilities

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

Effect of IBOR Reform

The Group’s risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the Singapore Swap Offer Rate (“SOR”). These floating rate borrowings are hedged using interest rate swaps, which have been designated as cash flow hedges.

SOR will cease publication after 30 June 2023, and it is expected to be replaced by the Singapore Overnight Rate Average (“SORA”). The Group hedges the variability in cash flows using SOR-linked interest rate swaps. The Group’s communication with its swap and debt counterparties is still ongoing, as specific changes required by IBOR reform have not yet been agreed. As IBOR uncertainty is still present, the Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to SOR risk, and further information on the hedging relationship has been disclosed in Note 36(a). The expected transition from SOR to SORA had no effect on the amounts reported for the current and prior financial years.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(b) Adoption of New and Revised Standards (continued)**Effect of IBOR Reform (continued)

Affected financial instruments are SOR-linked instruments, with interest rate fixing dates falling after 30 June 2023. The following table contains details of all the affected financial instruments that the Group and the Company holds as at 31 December 2021 which are referenced to SOR and have not yet transitioned to new benchmark rates:

	Carrying Amount \$'000	Of which: Not yet transitioned to an alternative benchmark rate \$'000
GROUP		
<u>2021</u>		
<u>Financial Assets</u>		
- Derivative financial instruments	628	628
<u>Financial Liabilities</u>		
- Derivative financial instruments	(1,564)	(1,564)
- Borrowings	699,351	699,351
	<u>698,415</u>	<u>698,415</u>
COMPANY		
<u>2021</u>		
<u>Financial Assets</u>		
- Derivative financial instruments	628	628
<u>Financial Liabilities</u>		
- Derivative financial instruments	(1,564)	(1,564)
- Borrowings	699,351	699,351
	<u>698,415</u>	<u>698,415</u>

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of Consolidation and Business Combinations (continued)

(ii) Business Combinations (continued)

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 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.

(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Joint Arrangements (continued)

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.

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Associated Companies and Joint Ventures (continued)

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.

(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 37(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Properties Held for Sale

Properties under development where revenue is recognised using the percentage of completion method are stated at the lower of cost plus attributable profit/loss and net realisable value, net of progress billings. Properties under development where revenue is recognised using the completion of construction method, are stated at the lower of cost and net realisable value. Progress billings received prior to completion are presented as progress billings within creditors. Cost includes cost of land and construction, related overhead 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. Upon completion of construction, they are transferred to completed properties held for sale.

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.

When losses are expected, full allowance is made in the financial statements after adequate allowance has been made for estimated costs to completion. Any expenditure incurred on abortive projects is written off in the profit or loss account.

For properties which are sold and revenue is recognised based on percentage of work completed, contract assets recognised include the cumulative revenue recognised, net of progress billings as disclosed in Note 23. For properties where revenue is recognised based on completion of construction method, contract liabilities pertaining to payments received prior to completion are included in Note 29 as progress billings.

(l) Stocks

Stocks are valued at the lower of cost and net realisable value. Allowance is made for damaged, obsolete or slow-moving stocks on an item by item basis.

(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 Assets

Classification 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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial Assets (continued)

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.

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 36(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial Assets (continued)

Recognition and Derecognition (continued)

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.

(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Revenue Recognition (continued)

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.

(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 immediate and ultimate holding company, Keppel Corporation Limited ("KCL"), operates share-based compensation plans and eligible employees in the Group are granted shares in KCL under the KCL Restricted Share Plan and KCL Performance Share Plan 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 KCL, 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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Employee Benefits (continued)

Share Plans (continued)

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.

(v) Taxation

Current Tax

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Taxation (continued)

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.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- (i) Where the sales tax incurred in a purchase of an asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Debtors and creditors are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of debtors and creditors in the balance sheet.

(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Foreign Currencies (continued)

Foreign Currency Translation (continued)

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 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.

(y) Leases

As Lessee

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

Right-of-use Assets

The Group 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).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Leases (continued)

As Lessee (continued)

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.

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Leases (continued)

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.

(ab) Government Grants

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

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

(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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ad) Critical Accounting Estimates and Judgement

(i) Critical Judgement Made in Applying the Group's Accounting Policies

Interest Rate Benchmark Reform Phase 1

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

- The existing borrowing will move to SORA at the same time as the interest rate swap (hedging instrument) with a similar adjustment spread;
- No other changes to the terms of the borrowings and interest rate swaps are anticipated; and
- The interest rate swap will not be derecognised.

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

(ii) 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:

COVID-19

The evolving COVID-19 situation could impact the assessment of the carrying amounts of the Group's assets and liabilities. As these events and conditions have significant financial reporting implications, ACRA had published a financial reporting practice guidance in May 2020 highlighting key focus areas when preparing and reviewing the financial statements, especially in areas where estimates, assumptions and judgment are required. In the assessment for the current year, management has reviewed the assumptions used in the assessment of the carrying values of certain assets of the Group. Management has exercised judgment in determining the significant assumptions used and has relied on information currently available, including the COVID-19 official updates from the authorities and the work performed by independent advisers on certain assets, in the assessment of the appropriateness of the carrying values of the Group's assets, including but not limited to the following assets as at 31 December 2021:

- Allowance for Foreseeable Losses on Properties Held for Sale
- Revaluation of Investment Properties
- Impairment of Non-Financial Assets

As the COVID-19 situation continues to evolve, the Group will proactively implement measures in mitigating the potential impact on the Group. Should the COVID-19 situation take a longer than expected period to recover, the carrying amounts of the assets of the Group could be impacted, and material provisions may be made and additional liabilities may arise in the subsequent financial periods.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ad) Critical Accounting Estimates and Judgement (continued)

(ii) Key Sources of Estimation Uncertainty (continued)

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 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. The valuation reports obtained from independent valuers for certain properties have highlighted the heightened uncertainty of the COVID-19 outbreak and material valuation uncertainty where a higher degree of caution should be attached to the valuation than would normally be the case. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions

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 37.

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.

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ad) Critical Accounting Estimates and Judgement (continued)

(ii) Key Sources of Estimation Uncertainty (continued)

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 value-in-use of the asset or the CGU. This requires the Group to estimate the future cash flows expected from the asset or the CGU and an appropriate discount rate in order to calculate the present value of the future cash flows. 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.

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****3. PROFIT FROM OPERATIONS AND FAIR VALUE GAIN ON INVESTMENT PROPERTIES**

	2021			2020		
	Fair Value			Fair Value		
	Operations \$'000	Gain \$'000	Total \$'000	Operations \$'000	Gain \$'000	Total \$'000
Pre-tax profit	818,608	267,144	1,085,752	425,147	220,011	645,158
Taxation	(287,751)	(47,636)	(335,387)	(233,906)	(48,247)	(282,153)
	530,857	219,508	750,365	191,241	171,764	363,005
Non-controlling interests	21,256	(456)	20,800	6,555	(1,507)	5,048
Profit attributable to shareholder	552,113	219,052	771,165	197,796	170,257	368,053

Included in pre-tax fair value gain is share of associated companies' and joint ventures' fair value gain (2020: fair value loss) on investment properties (net of tax) of \$28,269,000 (2020: fair value loss of \$41,442,000) (See Note 10).

4. REVENUE

	GROUP	
	2021 \$'000	2020 \$'000
Trading of properties:		
Recognised on completion of construction method	1,376,396	1,032,448
Recognised on percentage of completion method	162,081	144,142
	1,538,477	1,176,590
Rental, hospitality and related income	67,358	83,918
Property services and others	18,977	15,658
	1,624,812	1,276,166

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****5. PROFIT FOR THE YEAR**

	GROUP	
	2021	2020
	\$'000	\$'000
The following amounts have been charged/(credited) in arriving at the profit for the year:		
(a) Gross dividends from unquoted investments	(5,207)	(3,877)
(b) Staff costs:		
Key managers' emoluments:		
Short-term benefits (including annual base salaries and annual performance incentives)	5,482	4,618
Employer's contribution to defined contribution plans, including the Central Provident Fund	108	87
Cost of share-based payments	2,741	3,023
	8,331	7,728
Other staff costs:		
Short-term benefits (including annual base salaries and annual performance incentives)	137,885	126,156
Employer's contribution to defined contribution plans, including the Central Provident Fund	13,202	7,417
Cost of share-based payments	2,214	4,974
	153,301	138,547
Total staff costs	161,632	146,275
(c) Others:		
Depreciation of fixed assets (see Note 15)	29,748	29,636
Depreciation of right-of-use assets (see Note 17)	11,832	5,984
(Gain)/loss on sale of fixed assets	(866)	1,914
Fixed assets written off	16,486	17
Fees and other remuneration to Directors of the Company	494	509
Cost of properties held for sale recognised in cost of sales	974,187	683,240
Fair value (gain)/loss on foreign currency forward contracts	(220)	270
Foreign exchange (gain)/loss		
- Hedged	-	647
- Unhedged	(7,644)	(7,933)
Allowance for doubtful debts	1,151	508
Bad debts written off	77	404
Net allowance for foreseeable losses on properties held for sale	477	2,252
Direct expenses of investment properties that generate rental income	29,099	32,648
Lease expense of low value assets	492	818
Right-of-use assets written off	203	570
Lease liabilities written off	(225)	(612)

Staff costs capitalised during the year under properties held for sale and investment properties amounted to \$26,146,000 (2020: \$25,974,000).

Total share-based payments of \$4,955,000 in 2021 were settled by cash (2020: \$7,997,000).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. PROFIT FOR THE YEAR (continued)

Keppel Corporation Limited ("KCL") Share Plan

The KCL Restricted Share Plan ("KCL RSP") and KCL Performance Share Plan ("KCL PSP") are share plans approved by KCL's shareholders on 23 April 2010 and administered by the KCL Remuneration Committee ("KCL RC"), and extended to eligible employees of KCL's subsidiaries at the discretion of the KCL RC. The KCL Performance Share Plan 2020 ("KCL PSP 2020") and KCL Restricted Share Plan 2020 ("KCL RSP 2020") were approved by the KCL's shareholders on 2 June 2020, replacing the KCL PSP and KCL RSP respectively, and the termination of the KCL PSP and KCL RSP on the same day.

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

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

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

(ii) KCL PSP and KCL PSP 2020

Award of fully-paid ordinary shares of KCL, conditional on KCL Group achieving the pre-determined targets of absolute total shareholder's return, return on capital employed and net profit over a three-year performance period. 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) KCL PSP-TIP

Award of fully-paid ordinary shares of KCL, conditional on the employee achieving the pre-determined individual performance target and KCL 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.

(iv) KCL PSP 2020 TIP

Award of fully-paid ordinary shares of KCL, conditional on the employee achieving the pre-determined individual performance target and KCL 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

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 2021, eligible employees were granted awards of 1,082,773 shares under the KCL RSP 2020-Deferred Shares and the estimated fair value of the shares granted were \$4.98. On 17 February 2020, eligible employees were granted awards of 1,210,518 shares under the KCL RSP-Deferred Shares and the estimated fair value of the shares granted were \$6.48.

On 30 April 2021, eligible employees were granted contingent awards of 175,000 shares under the KCL PSP 2020 and the estimated fair value of the shares granted was \$4.18. On 31 March 2020, eligible employees were granted contingent awards of 290,000 shares under the KCL PSP and the estimated fair value of the shares granted was \$3.69.

On 30 July 2021, eligible employees were granted contingent awards of 1,400,000 shares under the KCL PSP 2020 TIP and the estimated fair value of the shares granted was \$1.95. On 28 February 2020, eligible employees were granted contingent awards of 405,000 shares under the KCL PSP-TIP and the estimated fair value of the shares granted was \$1.92.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. PROFIT FOR THE YEAR (continued)

Keppel Corporation Limited ("KCL") Share Plan (continued)

The significant inputs into the model are as follows:

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

	2020		
	<u>KCL RSP – Deferred Shares</u>	<u>KCL PSP</u>	<u>KCL PSP-TIP</u>
Date of grant	17.02.2020	31.03.2020	28.02.2020
Prevailing share price at date of grant	\$6.72	\$5.29	\$6.34
Expected volatility of KCL	23.89%	26.02%	24.07%
Expected term	0.00 - 2.00 years	2.92 years	1.99 years
Risk free rate	1.48% - 1.50%	0.87%	1.28%
Expected dividend yield	*	*	*

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

The expected volatilities are based on the historical volatilities of KCL'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.

6. OTHER INCOME

	GROUP	
	2021	2020
	\$'000	\$'000
Gain from disposal of subsidiaries	226,975	30,535
Gain from disposal of associated companies and a joint venture	163,291	7,525
Gain from partial disposal of interests in a joint venture by an associated company	-	2,714
Gain on remeasurement of retained interests in a joint venture and an associated company	69,469	26,034
Fair value gain on call option (see Note 19)	14,877	-
Net lease income	-	4,272
Write-back of impairment on loan to a joint venture	1,716	-
Government grant income	800	3,285
	<u>477,128</u>	<u>74,365</u>

Government grant income of \$800,000 (2020: \$3,285,000) was recognised during the financial year under the Job Support Scheme ("JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****7. OTHER LOSS**

	GROUP	
	2021	2020
	\$'000	\$'000
Loss from disposal of a subsidiary	(7,768)	-
Impairment on loans to a joint venture and an investee	-	(36,305)
Loss on change in interest in an associated company	(20,546)	(4,573)
Fair value loss on call option (see Note 19)	-	(875)
Impairment on fixed assets (see Note 15)	(35,969)	(6,919)
Provision for delay in completion of development	-	(16,900)
Provision for litigation claim	(26,474)	-
Fixed assets written off	(16,486)	(17)
	(107,243)	(65,589)

8. INTEREST INCOME

	GROUP	
	2021	2020
	\$'000	\$'000
Interest from deposits and loans with:		
Banks	15,885	13,319
Associated companies and joint ventures	7,329	20,774
Related companies	7,941	4,054
Interest from an investee company	5,226	120
Others	188	1,278
	36,569	39,545

Related companies are subsidiaries of Keppel Corporation Limited in which the Company has no shareholding interest.

9. INTEREST EXPENSE

	GROUP	
	2021	2020
	\$'000	\$'000
Interest expense on:		
Term loans and overdrafts from:		
A related company	10,623	14,132
Banks	54,032	58,967
Lease liabilities	2,544	2,146
Loans from non-controlling shareholders of certain subsidiaries and others	1,450	1,264
	68,649	76,509

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****10. FAIR VALUE GAIN ON INVESTMENT PROPERTIES**

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

	2021				2020			
	Gross	Taxation	Non-controlling Interests	Net	Gross	Taxation	Non-controlling Interests	Net
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Subsidiaries	238,875	(47,636)	(456)	190,783	264,653	(48,247)	(1,507)	214,899
Less: rental guarantee provided in relation to the sale of a subsidiary	-	-	-	-	(3,200)	-	-	(3,200)
	238,875	(47,636)	(456)	190,783	261,453	(48,247)	(1,507)	211,699
Associated companies and joint ventures (see Note 21)	37,445	(9,176)	-	28,269	(33,341)	(8,101)	-	(41,442)
	276,320	(56,812)	(456)	219,052	228,112	(56,348)	(1,507)	170,257

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

11. TAXATION

	GROUP	
	2021	2020
	\$'000	\$'000
Current tax:		
Current income tax	146,422	144,264
Withholding tax	33,014	18,133
Over provision in respect of previous years	(6,212)	(1,730)
	173,224	160,667
Deferred tax:		
Origination of temporary differences	55,709	15,931
	228,933	176,598
Land appreciation tax	106,454	105,555
	335,387	282,153

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****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	
	2021	2020
	\$'000	\$'000
Pre-tax profit	1,085,752	645,158
Less: Share of results of associated companies and joint ventures	(164,995)	(66,118)
Less: Land appreciation tax	(106,454)	(105,555)
Pre-tax profit excluding share of results of associated companies and joint ventures but including land appreciation tax	814,303	473,485
Tax calculated at tax rate of 17% (2020: 17%)	138,432	80,492
Adjustments:		
Non-deductible expenses	59,113	50,808
Income not subject to tax	(76,114)	(2,372)
Over provision in respect of previous years	(6,212)	(1,730)
Different tax rates in other jurisdictions	56,614	22,887
Utilisation of previously unrecognised tax benefits	(5,822)	(16,438)
Tax benefits not recognised	29,908	24,818
Withholding taxes	33,014	18,133
	228,933	176,598

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 \$240,363,000 (2020: \$192,574,000) as at 31 December 2021 for which related tax benefits totaling \$58,880,000 (2020: \$46,837,000) 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 \$232,317,000 (2020: \$179,546,000) 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.

Deferred Taxation

	GROUP	
	2021	2020
	\$'000	\$'000
Deferred tax liabilities	249,048	189,095
Deferred tax assets	(67,166)	(65,513)
Net deferred tax liabilities	181,882	123,582

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. TAXATION (continued)

Deferred Taxation (continued)

	At 1 January \$'000	Charged/ (credited) to profit or loss account \$'000	Transfer from provision for taxation \$'000	Company disposed \$'000	Reclassified to liabilities directly associated with assets classified as held for sale \$'000	Exchange differences \$'000	At 31 December \$'000
GROUP							
2021							
Deferred tax liabilities							
Fair value on investment properties	112,376	47,564	-	-	-	7,343	167,283
Differences in depreciation	10,387	1,274	-	-	-	348	12,009
Fair value adjustments on acquisition of subsidiaries	64,478	(9,696)	-	(4,091)	-	985	51,676
Fair value adjustments on remeasurement of retained interest in a joint venture	-	17,367	-	-	-	560	17,927
Accrual and others	4,325	(2,971)	-	-	-	187	1,541
	<u>191,566</u>	<u>53,538</u>	<u>-</u>	<u>(4,091)</u>	<u>-</u>	<u>9,423</u>	<u>250,436</u>
Deferred tax assets							
Fair value on an investment property	-	(2,190)	-	-	-	(71)	(2,261)
Accruals and others	(66,278)	3,178	-	-	-	(2,616)	(65,716)
Lease liabilities	(1,706)	1,183	-	-	-	(54)	(577)
	<u>(67,984)</u>	<u>2,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,741)</u>	<u>(68,554)</u>
	<u>123,582</u>	<u>55,709</u>	<u>-</u>	<u>(4,091)</u>	<u>-</u>	<u>6,682</u>	<u>181,882</u>
2020							
Deferred tax liabilities							
Fair value on investment properties	71,509	37,809	-	-	-	3,058	112,376
Differences in depreciation	13,141	1,436	-	-	(4,345)	155	10,387
Fair value adjustments on acquisition of subsidiaries	69,385	(5,708)	-	-	-	801	64,478
Accrual and others	5,522	(1,160)	-	-	-	(37)	4,325
	<u>159,557</u>	<u>32,377</u>	<u>-</u>	<u>-</u>	<u>(4,345)</u>	<u>3,977</u>	<u>191,566</u>
Deferred tax assets							
Accruals and others	(43,942)	(16,965)	(4,701)	750	-	(1,420)	(66,278)
Lease liabilities	(2,139)	519	-	-	-	(86)	(1,706)
	<u>(46,081)</u>	<u>(16,446)</u>	<u>(4,701)</u>	<u>750</u>	<u>-</u>	<u>(1,506)</u>	<u>(67,984)</u>
	<u>113,476</u>	<u>15,931</u>	<u>(4,701)</u>	<u>750</u>	<u>(4,345)</u>	<u>2,471</u>	<u>123,582</u>

As at 31 December 2021, deferred tax liabilities amounting to \$26,221,000 (2020: \$15,635,000) 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 2021 and 2020.

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****12. DIVIDENDS**

	GROUP AND COMPANY	
	2021	2020
	\$'000	\$'000
Dividends on ordinary shares:		
Interim one-tier tax exempt ordinary dividend of 32 cents per share in respect of the previous financial year	-	500,000
Final one-tier tax exempt ordinary dividend of 45 cents per share in respect of the previous financial year (2020: 64 cents per share)	700,000	1,000,000
	700,000	1,500,000

13. SHARE CAPITAL

	GROUP AND COMPANY			
	2021	2020	2021	2020
	Number of	Number of	\$'000	\$'000
	shares	shares		
	'000	'000		
Issued and fully paid: 1,553,741,612				
(2020: 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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****14. RESERVES**

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Capital reserves:				
Fair value reserve	(42,094)	(26,549)	22,139	20,425
Hedging reserve	(5,544)	(45,277)	(2,310)	(22,745)
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	(73,428)	(61,506)	-	-
Merger reserve	(102,975)	(102,948)	-	-
Statutory reserve	115,595	105,309	-	-
Others	20,865	20,865	13,944	13,944
	(59,174)	(81,699)	33,773	11,624
Foreign currency translation account	34,009	(232,408)	-	-
Revenue reserves	4,834,811	4,773,898	1,137,860	1,495,155
	4,809,646	4,459,791	1,171,633	1,506,779

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****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

	Capital Reserves					
	Foreign Currency Translation Account	Fair Value Reserve	Hedging Reserve	Total	Non- controlling Interests	Total Other Comprehensive Income
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP						
<u>2021</u>						
Financial assets at FVOCI:						
Net fair value change	-	(15,668)	-	(15,668)	-	(15,668)
Cash flow hedges:						
Net fair value change	-	-	20,761	20,761	-	20,761
Exchange differences on consolidation	202,617	-	-	202,617	2,494	205,111
Exchange differences transferred to profit or loss account	(211)	-	-	(211)	-	(211)
Share of other comprehensive income of associated companies and joint ventures	64,011	123	18,972	83,106	-	83,106
Total other comprehensive income/(loss), net of tax	266,417	(15,545)	39,733	290,605	2,494	293,099
<u>2020</u>						
Financial assets at FVOCI:						
Net fair value change	-	(7,803)	-	(7,803)	-	(7,803)
Cash flow hedges:						
Net fair value change	-	-	(13,372)	(13,372)	-	(13,372)
Exchange differences on consolidation	129,505	-	-	129,505	1,401	130,906
Exchange differences transferred to profit or loss account	4,691	-	-	4,691	-	4,691
Share of other comprehensive income/(loss) of associated companies and joint ventures	66,252	(329)	(15,238)	50,685	-	50,685
Total other comprehensive income/(loss), net of tax	200,448	(8,132)	(28,610)	163,706	1,401	165,107

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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 2021	156	303,920	183,496	64,825	552,397
Additions	-	458	7,750	1,873	10,081
Disposals	-	-	(4,830)	-	(4,830)
Companies disposed	-	-	(205)	-	(205)
Write-off	-	(11,775)	(986)	(9,973)	(22,734)
Reclassification	-	19,642	1,699	(21,341)	-
Reclassified from right-of-use assets	-	36,406	-	-	36,406
Transfer to properties held for sale	-	(19,642)	-	(19,999)	(39,641)
Exchange differences on consolidation	-	9,753	5,162	(352)	14,563
At 31 December 2021	156	338,762	192,086	15,033	546,037
Accumulated Depreciation and Impairment					
At 1 January 2021	156	133,141	150,088	-	283,385
Depreciation charge	-	18,661	11,087	-	29,748
Impairment	-	35,969	-	-	35,969
Disposals	-	-	(4,604)	-	(4,604)
Companies disposed	-	-	(183)	-	(183)
Write-off	-	(6,002)	(246)	-	(6,248)
Reclassified from right-of-use assets	-	16,596	-	-	16,596
Transfer to properties held for sale	-	(10,094)	-	-	(10,094)
Exchange differences on consolidation	-	3,303	5,237	-	8,540
At 31 December 2021	156	191,574	161,379	-	353,109
Net Carrying Amount	-	147,188	30,707	15,033	192,928
Cost					
At 1 January 2020	156	301,139	178,434	54,803	534,532
Additions	-	1,001	11,428	3,487	15,916
Disposals	-	(241)	(4,448)	(356)	(5,045)
Companies disposed	-	-	(283)	-	(283)
Write-off	-	-	(586)	-	(586)
Reclassification	-	-	999	(999)	-
Reclassified to assets classified as held for sale	-	-	(623)	-	(623)
Transfer from properties held for sale	-	-	-	7,778	7,778
Exchange differences on consolidation	-	2,021	(1,425)	112	708
At 31 December 2020	156	303,920	183,496	64,825	552,397
Accumulated Depreciation and Impairment					
At 1 January 2020	156	116,497	134,952	120	251,725
Depreciation charge	-	8,929	20,707	-	29,636
Impairment	-	6,919	-	-	6,919
Disposals	-	(127)	(2,919)	-	(3,046)
Companies disposed	-	-	(253)	-	(253)
Write-off	-	-	(569)	-	(569)
Reclassification	-	444	(318)	(126)	-
Reclassified to assets classified as held for sale	-	-	(526)	-	(526)
Exchange differences on consolidation	-	479	(986)	6	(501)
At 31 December 2020	156	133,141	150,088	-	283,385
Net Carrying Amount	-	170,779	33,408	64,825	269,012

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****15. FIXED ASSETS (continued)**

There was no interest capitalised in 2021 and 2020.

During the year, the Group recognised an impairment loss of \$35,969,000 (2020: \$6,919,000) for a hotel, which was based on the difference between the recoverable amount and the net book value. The recoverable amount of the hotel of USD49.2 million (2020: USD80.0 million) was based on an independent external valuation, which was determined using value-in-use model and discount rate of 14.5% (2020: 14.0%) per annum.

16. INVESTMENT PROPERTIES

	Completed Properties \$'000	Properties under Construction \$'000	Total \$'000
GROUP			
Valuation			
At 1 January 2021	1,048,577	2,507,438	3,556,015
Additions	46,939	182,130	229,069
Fair value (loss)/gain	(35,288)	274,163	238,875
Transfer from properties held for sale (see Note 23)	3,544	-	3,544
Transfer	290,554	(290,554)	-
Exchange differences on consolidation	24,292	87,472	111,764
At 31 December 2021	<u>1,378,618</u>	<u>2,760,649</u>	<u>4,139,267</u>
At 1 January 2020	1,785,661	1,354,269	3,139,930
Additions	124,036	140,121	264,157
Fair value gain	10,581	254,072	264,653
Transfer from properties held for sale (see Note 23)	-	714,733	714,733
Reclassified to assets classified as held for sale (see Note 28)	(877,293)	-	(877,293)
Exchange differences on consolidation	5,592	44,243	49,835
At 31 December 2020	<u>1,048,577</u>	<u>2,507,438</u>	<u>3,556,015</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 2021:

- (a) Cushman & Wakefield VHS Pte Ltd and Knight Frank Pte Ltd for properties in Singapore;
- (b) Cushman & Wakefield Shenzhen Valuation Company Limited and Beijing Colliers International Real Estate Valuation Co., Ltd for properties in China;
- (c) KJPP Willson dan Rekan (an affiliate of Knight Frank) for properties in Indonesia;
- (d) D&P Real Estate Services Company Limited (an affiliate of Colliers) for properties in Vietnam;
- (e) Cushman & Wakefield India Pvt Ltd for a property in India;

The details of the valuation techniques and inputs used are disclosed in Note 37.

As at 31 December 2021, properties amounting to \$1,875,368,000 (2020: \$1,815,790,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings referred to in Note 30.

Interest capitalised during the year was \$42,027,000 (2020: \$24,526,000).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****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.

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 2021	79,752	5,265	183	85,200
Additions	-	28,274	5	28,279
Depreciation charge	(3,624)	(8,145)	(63)	(11,832)
Write-off	-	(203)	-	(203)
Reclassified to fixed assets (see Note 15)	(19,810)	-	-	(19,810)
Remeasurement	-	3,795	-	3,795
Exchange differences on consolidation	2,152	120	-	2,272
At 31 December 2021	<u>58,470</u>	<u>29,106</u>	<u>125</u>	<u>87,701</u>
Net Carrying Amount				
At 1 January 2020	80,439	6,959	272	87,670
Additions	65	2,708	-	2,773
Depreciation charge	(1,908)	(3,987)	(89)	(5,984)
Write-off	-	(570)	-	(570)
Exchange differences on consolidation	1,156	155	-	1,311
At 31 December 2020	<u>79,752</u>	<u>5,265</u>	<u>183</u>	<u>85,200</u>

The right-of-use asset relating to the leasehold property presented under investment properties (see Note 16) is stated at fair value and has a carrying amount of \$4,742,000 at 31 December 2021 (2020: \$7,916,000).

Total cash outflow from all the leases in 2021 was \$13,492,000 (2020: \$9,310,000).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****18. AMOUNTS OWING BY RELATED PARTIES**

	GROUP	
	2021	2020
	\$'000	\$'000
Advances owing by associated companies and joint ventures	129,563	260,111
Non-current accounts owing by related companies	35,598	16,653
	165,161	276,764
Allowance for doubtful debts	-	(14,326)
	165,161	262,438
<u>Analysis of allowance for doubtful debts:</u>		
At 1 January	(14,326)	-
Allowance	-	(14,326)
Reclassified to current (see Note 26)	14,326	-
At 31 December	-	(14,326)

The 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 \$17,360,000 (2020: \$90,330,000) bear interest at 3.00% (2020: 1.05% to 3.00%) per annum. In 2020, an allowance for doubtful debts of \$14,326,000 was made in respect of the advances owing by a joint venture after taking into account the financial condition of the joint venture.

Non-current accounts owing by related companies are unsecured, have no fixed terms of repayment and are not expected to be repaid in the next 12 months. The amounts of \$35,598,000 (2020: \$16,653,000) are to be settled in cash and bear interest at rates ranging from 4.65% to 5.12% (2020: 5.23%) per annum.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19. OTHER NON-CURRENT ASSETS

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
(a) Long term trade receivables	64,436	31,245	-	-
(b) Other debtors:				
Advance to an investee	41,492	40,597	-	-
Call option	171,520	156,643	-	-
Derivative financial instruments	2,634	-	2,506	-
	215,646	197,240	2,506	-
Allowance for doubtful debt	(21,704)	(21,236)	-	-
	193,942	176,004	2,506	-
(c) Non-financial asset	-	243	-	-
	258,378	207,492	2,506	-
<u>Analysis of allowance for doubtful debt</u>				
<u>- Non-trade:</u>				
At 1 January	(21,236)	-	-	-
Allowance	-	(21,979)	-	-
Exchange differences on consolidation	(468)	743	-	-
At 31 December	(21,704)	(21,236)	-	-

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 2021 is determined by reference to the difference in valuations obtained from an independent professional valuer for the underlying investment property based on the remaining 840-year leasehold and 89-year leasehold (2020: based on the remaining 841-year leasehold and 90-year leasehold). Based on these valuations, the fair value gain of \$14,877,000 (2020: fair value loss of \$875,000) was taken to the profit or loss account (see Notes 6 and 7). The details of the valuation techniques and inputs used for the call option are disclosed in Note 37.

Advance to an investee is unsecured, interest-free and matures on 31 December 2024. In 2020, an allowance for doubtful debt of \$21,979,000 was made after taking into account the financial condition of the investee.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****20. SUBSIDIARIES**

	COMPANY	
	2021	2020
	\$'000	\$'000
Quoted shares, at cost		
(Market value: \$12,263,000; 2020: \$13,941,000)	35,481	35,481
Unquoted shares, at cost	1,853,363	1,849,489
	1,888,844	1,884,970
Impairment	(405,403)	(380,514)
	1,483,441	1,504,456

During the year, an impairment loss amounting to \$35,117,000 (2020: \$31,052,000) and write-back of \$9,706,000 (2020: \$Nil) 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 \$522,000 (2020: \$101,000) following the transfer and liquidation of subsidiaries.

The details of the significant subsidiaries are disclosed in Note 39.

Significant Restrictions

Cash and cash equivalents of \$995,779,000 (2020: \$746,843,000) 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.

Interest in Subsidiaries with Material Non-Controlling Interest ("NCI")

As at 31 December 2021 and 31 December 2020, there was no subsidiary with material NCI.

Acquisition of a Subsidiary in 2020

On 21 February 2020, the Group through its wholly-owned subsidiary, Kapler Pte. Ltd., acquired a 100% equity interest in China The9 Interactive (Shanghai) Limited, The9 Computer Technology Consultancy (Shanghai) Co., Ltd. and Shanghai Kai E Information Technology Co., Ltd. for an aggregate sum of RMB493 million (approximately \$98.4 million). The acquired subsidiaries, collectively own a completed commercial property in Pudong District, Shanghai.

The above acquisitions were accounted for as acquisition of assets and are out of scope of SFRS(I) 3 *Business Combinations*.

Acquisition from Non-Controlling Interests in 2021

On 4 February 2021, the Group acquired the remaining 25% stake in Riviera Point Limited Liability Company ("RP") for a consideration of VND535 billion (approximately \$30.6 million). Following the acquisition, RP became an indirect wholly-owned subsidiary of the Group.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20. SUBSIDIARIES (continued)

Disposal of Subsidiaries in 2021

- (a) On 29 January 2021, the Group through its indirect wholly-owned subsidiary, West Gem Properties Ltd. divested its 100% effective interest in First King Properties Ltd. ("First King") for a total consideration of GBP73.6 million (approximately \$131.1 million). The assets and liabilities of First King have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale" on the balance sheet as at 31 December 2020 (see Note 28). The underlying investment property has been fair valued based on the agreed selling price as at 31 December 2020. The Group recognised a net loss of \$7,768,000 upon completion in 2021. The loss mainly arose from divestment fee paid to a related company.
- (b) On 18 May 2021, the Group through its wholly-owned subsidiary, Agathese Pte. Ltd. divested its 100% effective interest in Keppel Bay Tower Pte. Ltd. ("KBTP") for a total sales consideration of \$601.0 million. The assets and liabilities of KBTP have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale" on the balance sheet as at 31 December 2020 (see Note 28). The underlying investment property has been fair valued based on the agreed selling price as at 31 December 2020. The Group recognised a net gain of \$1,442,000 upon completion in 2021.
- (c) On 26 August 2021, the Group through its wholly-owned subsidiary, Hillwest Pte. Ltd. divested its 100% effective interest in Chengdu Shengshi Jingwei Real Estate Co., Ltd. for a total sales consideration of RMB1,560.9 million (approximately \$326.9 million). The Group recognised a net gain of \$139,474,000.
- (d) On 30 December 2021, the Group through its wholly-owned subsidiary, Changzhou Fushi Housing Development Pte. Ltd., divested its 51% effective interest in a wholly-owned subsidiary, Tianjin Fushi Property Development Co., Ltd. ("Tianjin Fushi"), for a total consideration of RMB457.7 million (approximately \$95.1 million). The Group recognised a net gain of \$58,318,000. The Group also recognised a net gain of \$52,102,000 from the remeasurement of the retained 49% interest in Tianjin Fushi. Subsequent to the divestment, Tianjin Fushi became a 49%-owned joint venture.

Disposal of Subsidiaries in 2020

- (a) On 5 June 2020, the Group through its indirectly owned subsidiaries, Third Dragon Development Pte. Ltd. and Shanghai Merryfield Land Co., Ltd. divested its 99.4% effective interest in Jiangyin Evergro Properties Co., for a total sales consideration of RMB473.5 million (approximately \$93.9 million). The Group recognised a net gain of \$5,445,000.
- (b) On 10 November 2020, the Group through its wholly-owned subsidiary, Hillwest Pte Ltd, entered in an equity transfer agreement to divest its 100% interest in Chengdu Hilltop Development Co., Ltd. for a consideration of RMB1,260 million (approximately \$256.3 million). The divestment of the first tranche of 50% stake was completed on 17 November 2020 for a consideration of RMB630 million (approximately \$128.1 million) and the Group recognised a net gain of \$21,762,000. The Group also recognised a net gain of \$24,949,000 from the remeasurement of the retained 50% interest as an associate held for sale, for which the divestment was completed on 4 February 2021.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****20. SUBSIDIARIES (continued)**

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

	2021	2020
	\$'000	\$'000
Assets classified as held for sale*	886,922	-
Fixed assets	22	30
Properties held for sale	311,921	293,591
Debtors and other assets	7,680	5,569
Deferred tax assets	-	750
Cash and cash equivalents	3,145	3,616
Amounts owing by an associated company	4,022	-
Creditors	(30,884)	(9,418)
Tax provision	(2,110)	(4,651)
Deferred tax liabilities	(4,091)	-
Amounts owing to related companies	(134,472)	(122,879)
Non-controlling interests deconsolidated	-	(952)
Liabilities directly associated with assets classified as held for sale*	(212,352)	-
Net assets	829,803	165,656
Less: equity interest retained as a joint venture and an associated company	(17,607)	(59,927)
Net assets disposed	812,196	105,729
 Sales consideration	 1,245,411	 222,052
Deferred consideration received	-	115,801
	1,245,411	337,853
Less:		
Cash and cash equivalents disposed	(6,692)	(3,616)
	(6,692)	(3,616)
 Net cash inflow on disposal	 1,238,719	 334,237

* Breakdown of assets classified as held for sale and liabilities directly associated with assets classified as held for sale at the point of the completion of the disposals:

	2021
	\$'000
Assets classified as held for sale	
Investment properties	875,661
Fixed assets	79
Debtors	7,623
Amounts owing by a holding company and related parties	12
Cash and cash equivalents	3,547
	886,922
 Liabilities directly associated with assets classified as held for sale	
Creditors	(9,013)
Short-term borrowings	(125,309)
Tax provision	(4,675)
Deferred tax liabilities	(4,347)
Amount owing to related companies	(22,146)
Long-term borrowings	(44,700)
Other non-current liabilities	(2,162)
	(212,352)

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****21. ASSOCIATED COMPANIES AND JOINT VENTURES**

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Associated Companies				
Investments, at cost	2,055,489	2,060,243	64,840	64,840
Share of post-acquisition reserves	592,008	508,380	-	-
	2,647,497	2,568,623	64,840	64,840
Impairment	-	-	(7,499)	(7,499)
Investments in associated companies	2,647,497	2,568,623	57,341	57,341
Joint Ventures				
Investments, at cost	735,134	878,338	-	-
Share of post-acquisition reserves	180,314	167,782	-	-
Investments in joint ventures	915,448	1,046,120	-	-
Total	3,562,945	3,614,743	57,341	57,341

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Investments in associated companies and joint ventures is represented by:				
Quoted investments				
(Market value: \$1,782,194,000; 2020: \$1,686,402,000)				
	1,801,357	1,805,523	-	-
Unquoted investments	1,761,588	1,809,220	57,341	57,341
	3,562,945	3,614,743	57,341	57,341

The details of the significant associated companies and joint ventures are disclosed in Note 39.

The Group's share of the capital commitments of the associated companies and joint ventures are disclosed in Note 33.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

Acquisitions and disposal in 2021

- (a) On 4 February 2021, the Group through its wholly-owned subsidiary, Hillwest Pte Ltd, divested its remaining 50% interest in Chengdu Hilltop Development Co., Ltd. ("CHD") for a consideration of RMB630.0 million (approximately \$128.1 million). The carrying amount of the retained 50% interest in CHD has been presented separately as "assets classified as held for sale" on the balance sheet as at 31 December 2020 (see Notes 20 and 28). The Group realised a net gain of \$643,000 upon completion in 2021.
- (b) On 15 April 2021, the Group through its wholly-owned subsidiary, Portsville Pte. Ltd., divested its remaining 30% interest in Dong Nai Waterfront City LLC ("DNWC") for VND1,951.2 billion (approximately \$113.6 million). The carrying amount of the 30% interest in DNWC has been presented separately as "assets classified as held for sale" on the balance sheet as at 31 December 2020 (see Note 28). The Group realised a net gain of \$53,063,000.
- (c) On 30 June 2021, the Group through its wholly-owned subsidiary, VN Prosperity Pte. Ltd., acquired 60% interest in Phuoc Kien Construction Investment Joint Stock Company which owns a plot of land located at Nha Be District, Ho Chi Minh City for the development of landed housing for VND367.5 billion (approximately \$21.2 million).
- (d) On 4 August 2021, the Group through its indirect wholly-owned subsidiary, Keppel Yong Da Property Management (Shanghai) Co Ltd, subscribed for 49% interest in Ji Hui Xin Chuang Property Management (Shanghai) Co Ltd which manages offices and business parks in Shanghai for RMB4.9 million (approximately \$1.0 million). 50% of the subscription price has been paid up as at 31 December 2021. The remaining balance will be paid subsequently.
- (e) On 27 December 2021, the Group through its wholly-owned subsidiary, Eternal Commercial Limited, divested its entire 40% interest in Nanjing Jinsheng Real Estate Development Co., Ltd. for RMB1,747.6 million (approximately \$374.9 million). The Group realised a net gain of \$86,116,000.

Acquisitions and disposal in 2020

- (a) On 5 March 2020, the Group through its wholly-owned subsidiary, Romeo Pte. Ltd., acquired 49% interest in Taicang Xuchang Property Co., Ltd. ("TXPC") which owns a residential site in Taicang City for RMB498 million (approximately \$99.4 million). On 9 October 2020, the Group divested all of its interest in TXPC for RMB524 million (approximately \$106.9 million), giving rise to a net gain of \$6,991,000.
- (b) On 21 October 2020, the Group through its wholly-owned subsidiary, Lipalton Pte. Ltd., acquired 49% interest in Kapstone Constructions Private Limited ("KCPL") to develop the 51.4-ha integrated township in the Thane district, Mumbai, India for a consideration of INR2,544 (approximately \$47) via the subscription of 10 Compulsorily Convertible Preference Shares. The Group also subscribed for KCPL's Series I Compulsory Convertible Debentures ("CCDs") and Series II-C CCDs. The details of the CCDs are disclosed in Note 22.
- (c) On 23 December 2020, the Group through its wholly-owned subsidiary, Shanghai Fengwo Apartment Management Co., Ltd. ("SFAM"), acquired a 15% effective interest in Taicang Zhuchong Business Consulting Co., Ltd. ("JVCo") which owns and develops an 8.4-ha residential site in Jiading District, Shanghai, China ("Site").

Pursuant to the terms of the joint venture, SFAM subscribed for 99% equity interest in Taicang Xinwu Business Consulting Co., Ltd. ("TXBC") (which holds 15% interest in JVCo) for RMB9.9 million (approximately \$2.0 million) and acquired the remaining 1% equity interest for RMB1 in cash. SFAM also extended loans amounting to RMB648 million (approximately \$133.0 million) to TXBC. The loans have been used for the acquisition and development of the Site.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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:

	2021			2020		
	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	154,522	19,430	173,952	107,434	23,728	131,162
Share of fair value gain/(loss) on investment properties (see Note 10)	40,957	(3,512)	37,445	(35,473)	2,132	(33,341)
Share of pre-tax profit	195,479	15,918	211,397	71,961	25,860	97,821
Share of taxation	(31,135)	(15,267)	(46,402)	(20,995)	(10,708)	(31,703)
Share of net results	164,344	651	164,995	50,966	15,152	66,118

The material associated company is as follows:

Name of Associated Company	Principal Place of Business	Ownership Interest/ Voting Rights Held		Fair Value of Ownership Interest	
		2021	2020	2021	2020
				\$'000	\$'000
Keppel REIT	Singapore	40%	43%	1,668,125	1,638,600

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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Profit after tax	67,445	57,979	651	15,152
Other comprehensive income	21,608	6,000	48,722	33,337
Total comprehensive income	89,053	63,979	49,373	48,489
Carrying amount of the investments	888,271	805,877	915,448	1,046,120

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****21. ASSOCIATED COMPANIES AND JOINT VENTURES (continued)**

Summarised financial information in respect of Keppel REIT based on the SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the financial statements are as follows:

	Keppel REIT	
	2021	2020
	\$'000	\$'000
Summarised Balance Sheet		
Non-current assets	8,261,750	7,588,935
Current assets	225,934	175,433
Total assets	8,487,684	7,764,368
Non-current liabilities	3,348,220	3,042,839
Current liabilities	273,276	223,179
Total liabilities	3,621,496	3,266,018
Net assets	4,866,188	4,498,350
Proportion of the Group's ownership	40%	43%
Group's share of net assets	1,943,906	1,948,613
Other adjustments	(184,680)	(185,867)
Carrying amount of the investment	1,759,226	1,762,746
	Keppel REIT	
	2021	2020
	\$'000	\$'000
Summarised Statement of Comprehensive Income		
Revenue	216,606	170,223
Profit/(loss) after tax	231,738	(15,106)
Other comprehensive income	21,358	26,079
Total comprehensive income	253,096	10,973
Dividends received	86,654	62,001

Summarised Statement of Comprehensive Income

Revenue	216,606	170,223
Profit/(loss) after tax	231,738	(15,106)
Other comprehensive income	21,358	26,079
Total comprehensive income	253,096	10,973
Dividends received	86,654	62,001

As at 31 December 2021 and 31 December 2020, 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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****22. INVESTMENTS**Long-term Investments

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
(a) Investments at FVPL:				
Compulsorily convertible debentures in corporations	74,034	72,452	-	-
Convertible preference shares	37,572	36,835	-	-
Convertible loan	5,000	5,000	-	-
	116,606	114,287	-	-
(b) Investments at FVOCI:				
Unquoted shares in corporations	46,771	54,497	25,025	23,311
Private property funds	100,029	105,070	-	-
	146,800	159,567	25,025	23,311
Total long-term investments	263,406	273,854	25,025	23,311

During the year, the Group subscribed for additional compulsorily convertible debentures in Kapstone Constructions Private Limited for INR65 million (approximately \$1.2 million) (2020: INR4,003 million (approximately \$74.3 million)). This investment bear interest at rates ranging from 0.0001% to 10.0% per annum and will expire on 29 March 2022, 19 April 2022 and 19 October 2040. The Group has elected to measure this investment at FVPL.

In 2020, the Group acquired 12% effective interest in Cove Living Pte. Ltd. for \$3,410,000 and elected to measure this investment at FVPL.

In 2020, the Group also extended an interest-bearing convertible loan at an interest rate of 3.0% per annum to Habitat Pte. Ltd. for \$5,000,000. This investment will mature in 2024 and the Group has elected to measure this investment at FVPL.

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 96.90% (2020: 96.54%) interest in an investment amounting to \$21,740,000 (2020: \$31,180,000). As the Group has no voting rights, there is no control over the investee.

The private property funds are managed by Alpha Investment Partners Limited, a related company of the Group.

Short-term Investments

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Investments at FVPL:				
Structured deposits	-	20,340	-	-

The structured deposits were pledged to the bank as securities for the bank acceptance as at 31 December 2020. The details of the valuation techniques and inputs used are disclosed in Note 37.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****23. PROPERTIES HELD FOR SALE**

	GROUP	
	2021	2020
	\$'000	\$'000
(a) Properties under development:		
Land costs	1,688,380	1,988,513
Development cost incurred to date	591,374	695,472
Overhead expenditure	210,084	196,676
Allowance for foreseeable losses	(5,225)	(5,025)
	2,484,613	2,875,636
<u>Analysis of allowance for foreseeable losses:</u>		
At 1 January	(5,025)	(8,236)
Company disposed	-	3,254
Exchange differences on consolidation	(200)	(43)
At 31 December	(5,225)	(5,025)
(b) Completed properties held for sale:	617,987	831,711
Allowance for foreseeable losses	(15,691)	(14,963)
	602,296	816,748
<u>Analysis of allowance for foreseeable losses:</u>		
At 1 January	(14,963)	(16,978)
Write-back of allowance	106	-
Utilisation	-	1,253
Allowance	(583)	(2,252)
Company disposed	-	2,848
Exchange differences on consolidation	(251)	166
At 31 December	(15,691)	(14,963)
(c) Contract assets:		
Properties under development:		
Land costs	6,752	3,847
Development cost incurred to date	689	196
Overhead expenditure and recognised profit	642	228
Progress billings	(3,653)	(1,283)
	4,430	2,988
	3,091,339	3,695,372

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.

Progress billings for properties where revenue is recognised using the completion of construction method amounted to \$535,334,000 (31 December 2020: \$971,638,000; 1 January 2020: \$847,317,000). 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 29).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****23. PROPERTIES HELD FOR SALE (continued)**

Revenue recognised during the year in relation to contract liabilities at 1 January 2021 was \$873,270,000 (2020: \$628,135,000). The aggregate amount of the revenue allocated to the remaining performance obligations is approximately \$900,945,000 (2020: \$1,608,040,000) and the Group expects to recognise this revenue over the next 1 to 2 years.

Interest capitalised during the year was \$17,499,000 (2020: \$19,980,000) at rates ranging from 0.79% to 0.95% (2020: 0.80% to 2.50%) per annum for Singapore properties and 1.50% to 7.00% (2020: 3.00% 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 estimates and assumptions used are subject to risk and uncertainty in view of the economic uncertainty brought by the COVID-19 pandemic. The estimated total construction costs include contracted amounts plus estimated costs to be incurred taking into consideration relevant data and trend. The allowance is progressively reversed for those residential units sold above their carrying amounts.

During the year, the Group reclassified \$3,544,000 (2020: \$714,733,000) from properties held for sale to investment properties due to change of use of the assets from property trading to holding for capital gain and/or rental yield.

During the year, the Group reclassified \$29,547,000 from fixed assets to properties held for sale due to change of use of the assets. In 2020, the Group reclassified \$11,999,000 from property held for sale to fixed asset and \$4,221,000 from fixed asset to property held for sale.

As at 31 December 2021, properties amounting to \$220,556,000 (2020: \$274,452,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings as referred to in Note 30.

Included in the land costs and completed properties held for sale are payments of \$147,618,000 and \$906,000 (2020: \$149,257,000 and \$900,000) respectively for certain land parcels which have been awarded by the authorities but the issuance of title deeds are in progress.

24. STOCKS

	GROUP	
	2021	2020
	\$'000	\$'000
Spare parts and consumable stocks	<u>1,235</u>	<u>1,256</u>

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25. DEBTORS

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
(a) Trade debtors	98,717	113,146	-	-
Accrued receivables	31,226	77,727	-	-
	129,943	190,873	-	-
Allowance for doubtful debts	(161)	(251)	-	-
	129,782	190,622	-	-
(b) Other debtors:				
Deposits paid	7,601	6,229	-	-
Interest receivable	750	2,044	-	-
Advances to non-controlling shareholders of certain subsidiaries	3,160	2,335	-	-
Derivative financial instruments	-	48	-	-
Other debtors	20,128	27,616	888	-
Other recoverable amounts	14,166	12,091	-	3
	45,805	50,363	888	3
Allowance for doubtful debts	(2,925)	(1,643)	-	-
	42,880	48,720	888	3
(c) Non-financial assets:				
Prepaid project costs and prepayments	32,684	30,002	1,044	953
Other tax receivables	45,290	141,110	-	-
	77,974	171,112	1,044	953
	250,636	410,454	1,932	956
<u>Trade debtors that are past due but not impaired:</u>				
Past due < 3 months and not impaired	3,939	658	-	-
Past due 3 - 6 months and not impaired	610	954	-	-
Past due > 6 months and not impaired	2,227	1,159	-	-
	6,776	2,771	-	-

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****25. DEBTORS (continued)**

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<u>Analysis of allowance for doubtful debts</u>				
<u>– Trade:</u>				
At 1 January	(251)	(234)	-	-
Write-back of allowance/(allowance)	24	(191)	-	-
Write-off against allowance	71	-	-	-
Reclassified to assets classified as held for sale	-	180	-	-
Exchange differences on consolidation	(5)	(6)	-	-
At 31 December	<u>(161)</u>	<u>(251)</u>	<u>-</u>	<u>-</u>
<u>Analysis of allowance for doubtful debts</u>				
<u>– Non-trade:</u>				
At 1 January	(1,643)	(1,323)	-	-
Allowance	(1,175)	(317)	-	-
Exchange differences on consolidation	(107)	(3)	-	-
At 31 December	<u>(2,925)</u>	<u>(1,643)</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 2021 were \$98,717,000 and \$31,266,000 (31 December 2020: \$113,146,000 and \$77,727,000; 1 January 2020: \$48,622,000 and \$45,166,000) respectively.

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

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****26. AMOUNTS OWING BY/TO HOLDING COMPANY AND RELATED PARTIES**

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Advances owing by:				
Subsidiaries	-	-	5,619,631	5,269,135
Associated companies and joint ventures	347,001	302,045	2,626	3,270
Related companies	45,605	41,515	-	-
Current accounts owing by:				
Holding company	2,477	1,315	-	-
Related companies	4,434	1,045	-	433
	399,517	345,920	5,622,257	5,272,838
Allowance for doubtful debts	(12,610)	-	(419,934)	(329,604)
	386,907	345,920	5,202,323	4,943,234
Advances owing to:				
Subsidiaries	-	-	900,760	589,383
Associated companies and joint ventures	253,374	303,165	42,159	42,188
Current accounts owing to:				
Holding company	5,811	5,879	-	-
Related companies	6,047	16,522	-	-
	265,232	325,566	942,919	631,571
	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<u>Analysis of allowance for doubtful debts:</u>				
At 1 January	-	-	(329,604)	(277,379)
Reclassified from non-current (see Note 18)	(14,326)	-	-	-
Write-back of allowance	1,716	-	600	2,952
Allowance	-	-	(90,930)	(55,177)
At 31 December	(12,610)	-	(419,934)	(329,604)

Advances owing by/to subsidiaries are unsecured, have no fixed terms of repayment and are to be settled in cash. Interest-bearing advances of \$4,312,300,000 (2020: \$2,859,477,000) to a subsidiary bear interest at rates ranging from 0.06% to 3.90% (2020: 0.03% to 3.90%) per annum. During the year, a net allowance for doubtful debts of \$90,330,000 (2020: \$52,225,000) was made in respect of the advances owing by certain subsidiaries after taking into account the financial conditions of these subsidiaries.

Advances 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 \$200,043,000 (2020: \$204,595,000) bear interest at rates ranging from 1.50% to 7.00% (2020: 3.00% to 10.00%) per annum.

Advances owing by related companies are unsecured, have no fixed terms of repayment and are to be settled in cash. Interest-bearing advances of \$45,605,000 (2020: \$41,076,000) bear interest at rates ranging from 4.70% to 5.70% (2020: 4.10% to 5.70%) per annum.

Advances owing to associated companies and joint ventures are unsecured, interest-free, have no fixed terms of repayment and are to be settled in cash.

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****27. CASH AND CASH EQUIVALENTS**

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Fixed deposits with banks	741,971	565,141	-	-
Bank balances and cash	852,377	399,480	-	-
Deposits with related companies	42,060	21,990	1,541	854
Cash sweep with a related company	41,569	12,199	48	887
	<u>1,677,977</u>	<u>998,810</u>	<u>1,589</u>	<u>1,741</u>

Fixed deposits with banks and deposits with related companies mature in varying periods, substantially between 1 day to 3 months (2020: substantially between 1 day to 3 months) from the financial year-end. The weighted average effective interest rates as at 31 December 2021 for the Group and the Company were 2.08% (2020: 1.91%) and 0.05% (2020: 0.03%) respectively.

The Group has a daily cash sweep arrangement with a related company for overnight deposits at interest rates of 0.05% and 0.00% (2020: 0.10% and 0.15%) 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.

	GROUP	
	2021	2020
	\$'000	\$'000
(a) Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	<u>218,261</u>	<u>263,701</u>
(b) Amounts held in escrow accounts for the acquisition of land and investment	<u>871</u>	<u>679</u>

28. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

- (a) On 10 November 2020, the Group through its indirect wholly-owned subsidiary, Hillwest Pte. Ltd., entered in an equity transfer agreement to divest 100% interest in Chengdu Hilltop Development Co., Ltd. ("CHD"). The transfer of shares was completed in two tranches with the transfer of the first tranche of 50% stake completed on 17 November 2020. The transfer of the remaining 50% interest was completed on 4 February 2021.
- (b) On 30 November 2020, the Group through its wholly-owned subsidiary, Portsville Pte. Ltd., entered into a conditional sale and purchase agreement with the Group's associated company, Nam Long Investment Corporation, to divest its remaining 30% interest in Dong Nai Waterfront City LLC ("DNWC"). The divestment was completed on 15 April 2021.
- (c) On 23 December 2020, the Group through its indirect wholly-owned subsidiary, Agathese Pte. Ltd., entered into a sale and purchase agreement with the Group's associated company, Keppel REIT, for the sale of 100% interest in Keppel Bay Tower Pte. Ltd. ("KBTP"). The divestment was completed on 18 May 2021.
- (d) On 23 December 2020, the Group through its indirect wholly-owned subsidiary, West Gem Properties Limited, entered into a sale and purchase agreement to divest its 100% equity interest in First King Properties Limited ("First King"), which owns a freehold office building at 75 King William Street. The divestment was completed on 29 January 2021.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****28. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (continued)**

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets of CHD and DNWC have been presented separately as "assets classified as held for sale" and the assets and liabilities of KBTPL and First King have been presented separately as "assets classified as held for sale" and "liabilities directly associated with assets classified as held for sale" on the balance sheet as at 31 December 2020.

	GROUP 2020 \$'000
Details of the assets of disposal groups and assets classified as held for sale were as follows:	
Debtors	7,999
Amounts owing by holding company and related parties	5
Cash and cash equivalents	18,308
Total current assets	<u>26,312</u>
Fixed assets	97
Investment properties (see Note 16)	877,293
Investment in an associated company and a joint venture	125,882
Total non-current assets	<u>1,003,272</u>
Total assets	<u>1,029,584</u>
	GROUP 2020 \$'000
Details of the liabilities of disposal groups classified as held for sale were as follows:	
Creditors	7,987
Amounts owing to related parties	344
Short-term borrowings	91,967
Tax provision	4,245
Total current liabilities	<u>104,543</u>
Deferred tax liabilities (see Note 11)	4,345
Long-term borrowings	50,500
Other non-current liabilities	6,676
Total non-current liabilities	<u>61,521</u>
Total liabilities	<u>166,064</u>

For the purpose of segmental reporting, DNWC and CHD are included in Property Trading segment while KBTPL and First King are included in Property Investment segment.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****29. CREDITORS**

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade creditors	47,557	70,537	-	-
Loans from non-controlling shareholders of certain subsidiaries	144,806	149,345	-	-
Accrual for staff costs and other overheads	150,469	133,939	5,853	3,861
Accrual for share plan expenses	3,020	3,991	267	432
Accrual for development costs	484,643	396,450	-	-
Retention monies	166,608	177,174	-	-
Deposits received	40,751	61,532	-	-
Interest payable	9,423	9,799	7,901	7,551
Derivative financial instruments	3,252	8,379	3,252	8,061
Deferred payment in relation to acquisition of a subsidiary	-	831	-	-
Deferred payment in relation to acquisition of non-controlling interest	3,157	-	-	-
Provision of litigation claim	27,328	-	-	-
Other payables	64,033	73,240	4,799	4,770
	1,145,047	1,085,217	22,072	24,675
Non-financial liabilities:				
Progress billings (see Note 23)	535,334	971,638	-	-
Accrual for business and other taxes	19,469	79,247	-	-
	554,803	1,050,885	-	-
	1,699,850	2,136,102	22,072	24,675

The loans from the non-controlling shareholders of certain subsidiaries are unsecured and have no fixed terms of repayment. Interest-bearing loans amounted to \$42,563,000 (2020: \$41,293,000) and interest is payable at rates ranging from 0.50% to 3.62% (2020: 1.80% to 4.94%) per annum.

In February 2020, the Group through its wholly-owned subsidiary, Kapler Pte Ltd completed the acquisition of (i) China The9 Interactive (Shanghai) Limited, (ii) The9 Computer Technology Consulting (Shanghai) Co., Ltd. and (iii) Shanghai Kai E Information Technology Co., Ltd. from The9 Limited ("The9"), an online gaming company listed in Nasdaq. The underlying asset acquired is a completed commercial property in Pudong District, Shanghai (see Note 20).

On 28 May 2020, a Hong Kong International Arbitration Centre ("HKIAC") arbitration ("Arbitration") was commenced by a Claimant against The9, 3 of its related companies, China The9 Interactive (Shanghai) Limited and The9 Computer Technology Consulting (Shanghai) Co., Ltd. As the Arbitration is ongoing, the outcome was not determinable as at 31 December 2020. The Group has assessed that the likelihood of an unfavorable outcome was unlikely, hence no provision was made as at 31 December 2020.

On 20 December 2021, in the Statement of Claim filed by the Claimant, the claim is US\$20 million (approximately S\$27.3 million). Following certain developments in the Arbitration (which is still ongoing) and as any Final Award will not be issued by 31 December 2021, the Group has made full provision of the US\$20 million (approximately S\$27.3 million) as at 31 December 2021.

The Group has concurrently lodged a cross-claim against The9 in the Arbitration to seek a full indemnity and, alternatively, a contribution for any liability to the Claimant. The Group assessed that the chances of succeeding on a full indemnity and/or contribution in the cross-claim are moderately good. However, as the Arbitration is ongoing and the outcome cannot be absolutely certain as of 31 December 2021, no contingent asset was recognised by the Group as at 31 December 2021.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****30. BORROWINGS AND LEASE LIABILITIES**

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<u>Short-term borrowings and lease liabilities</u>				
Borrowings under MTN Programme	199,978	-	199,978	-
Bank borrowings:				
Secured	644	102,611	-	-
Unsecured	507,291	235,200	350,000	221,604
	507,935	337,811	350,000	221,604
Unsecured loans from a related company	597,119	1,256,864	-	-
	1,305,032	1,594,675	549,978	221,604
Lease liabilities	16,954	7,561	-	-
	1,321,986	1,602,236	549,978	221,604
<u>Long-term borrowings and lease liabilities</u>				
Borrowings under MTN Programmes	709,403	629,617	709,403	629,617
Bank borrowings:				
Secured	589,561	464,660	-	-
Unsecured	1,029,838	1,186,176	928,820	1,049,076
	1,619,399	1,650,836	928,820	1,049,076
Unsecured loans from a related company	660,000	910,855	-	-
	2,988,802	3,191,308	1,638,223	1,678,693
Lease liabilities	30,304	19,849	-	-
	3,019,106	3,211,157	1,638,223	1,678,693
	4,341,092	4,813,393	2,188,201	1,900,297

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 2021 and 2020. In 2020, the Company made a full redemption of the fixed rate notes of \$100,000,000 at an interest rate of 2.83% per annum. As at 31 December 2021 and 31 December 2020, the Company has two outstanding tranches of unsecured fixed rate notes of \$200,000,000 and \$130,000,000 due in 2022 and 2024 respectively with interest rates of 3.80% and 3.90% per annum respectively.

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. During the year, the Company issued \$280,000,000 notes due in 2026 at an interest rate of 2.00% per annum. As at 31 December 2021, the Company has three outstanding tranches of unsecured fixed rate notes which includes the \$280,000,000 issued in current year and two tranches of \$150,000,000 that were previously issued and each due in 2023 at an interest rate of 2.84% and 2.68% per annum respectively.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30. BORROWINGS AND LEASE LIABILITIES (continued)

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 3 days to 5 months (2020: 4 days to 5 months) while the unsecured bank borrowings are repriced within 4 days to 3 months (2020: 4 days to 5 months).

Unsecured loans from a related company bear interest at rates ranging from 1.13% to 3.30% (2020: 0.95% to 3.30%) per annum and are repriced within 4 days to 13 days (2020: 4 days to 15 days).

31. OTHER NON-CURRENT LIABILITIES

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Staff costs payable after 1 year	19,639	21,232	19,639	21,232
Security deposits payable after 1 year	7,651	2,914	-	-
Derivative financial instruments	1,564	14,881	1,564	14,684
Deferred consideration for purchase of an investment property	15,595	14,762	-	-
Others	6,584	2,308	-	-
	51,033	56,097	21,203	35,916

Deferred consideration of \$15,595,000 (2020: \$14,762,000) pertained to the Group's long-term obligation to construct a retail-cum-office facility as part of the purchase consideration for a 3.09-ha newly acquired commercial site in Bangalore, India.

32. 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 trading
 - Develops residential properties and townships in Asia, primarily in Singapore, China, Vietnam and Indonesia.
- (b) Property investment
 - Owns/manages office and retail properties, hotels and serviced apartments, primarily in Singapore, China, Vietnam and Indonesia.
- (c) Others
 - Is the aggregate of 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.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

32. SEGMENT REPORTING (continued)

2021	Property Trading \$'000	Property Investment \$'000	Others ⁽¹⁾ \$'000	Inter- segment Elimination \$'000	Total \$'000	
Sales						
External sales	1,538,477	67,358	18,977	-	1,624,812	
Inter-segment sales	-	1,052	89,311	(90,363)	-	
Total	1,538,477	68,410	108,288	(90,363)	1,624,812	
Results						
EBITDA ⁽²⁾	422,636	(32,163)	(50,467)	-	340,006	
Depreciation charge	(21,723)	(12,373)	(7,484)	-	(41,580)	
Investment income	-	3,894	1,313	-	5,207	
Net interest (expenses)/income	(15,582)	(51,667)	35,169	-	(32,080)	
Share of results of associated companies and joint ventures	46,436	108,799	9,760	-	164,995	
Gain/(loss) from disposal of subsidiaries	225,533	(6,326)	-	-	219,207	
Gain from disposal of associated companies and a joint venture	163,291	-	-	-	163,291	
Impairment on fixed assets	-	(35,969)	-	-	(35,969)	
Fair value gain on call option	-	14,877	-	-	14,877	
Gain on remeasurement of retained interest in a joint venture	69,469	-	-	-	69,469	
Loss on change in interest in an associated company	-	(20,546)	-	-	(20,546)	
Pre-tax profit/(loss) before fair value gain on investment properties	890,060	(31,474)	(11,709)	-	846,877	
Fair value gain on investment properties	-	238,875	-	-	238,875	
Pre-tax profit/(loss) after fair value gain on investment properties	890,060	207,401	(11,709)	-	1,085,752	
Taxation	(276,031)	(56,810)	(2,546)	-	(335,387)	
Profit/(loss) for the year	614,029	150,591	(14,255)	-	750,365	
Non-controlling interests	26,687	(7,231)	1,344	-	20,800	
Net profit/(loss)	640,716	143,360	(12,911)	-	771,165	
Other information						
Segment assets	6,110,300	7,419,400	6,953,546	(6,338,200)	14,145,046	
Segment liabilities	(3,153,300)	(4,311,200)	(5,801,783)	6,338,200	(6,928,083)	
Net assets	2,957,000	3,108,200	1,151,763	-	7,216,963	
Investments in associated companies and joint ventures	1,172,122	2,348,192	42,631	-	3,562,945	
Additions to non-current assets ⁽³⁾	113,938	246,655	2,624	-	363,217	
Geographical information ⁽⁴⁾						
	Singapore \$'000	China \$'000	Indonesia \$'000	Vietnam \$'000	Other Countries \$'000	Total \$'000
External sales	193,400	1,345,545	62,901	19,325	3,641	1,624,812
Non-current assets ⁽⁵⁾	3,252,311	3,117,268	420,084	870,009	323,169	7,982,841

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

32. SEGMENT REPORTING (continued)

INFORMATION REPORTING (continued)						
2020	Property Trading \$'000	Property Investment \$'000	Others ⁽¹⁾ \$'000	Inter- segment Elimination \$'000	Total \$'000	
Sales						
External sales	1,176,590	83,918	15,658	-	1,276,166	
Inter-segment sales	-	2,898	88,918	(91,816)	-	
Total	1,176,590	86,816	104,576	(91,816)	1,276,166	
Results						
EBITDA ⁽²⁾	331,601	23,442	(23,190)	-	331,853	
Depreciation charge	(8,330)	(22,768)	(4,522)	-	(35,620)	
Investment income	-	2,878	999	-	3,877	
Net interest income/(expenses)	14,000	(63,140)	12,176	-	(36,964)	
Share of results of associated companies and joint ventures	33,674	24,119	8,325	-	66,118	
Gain from disposal of subsidiaries	30,535	-	-	-	30,535	
Gain from disposal of an associated company	7,525	-	-	-	7,525	
Impairment on fixed assets	-	(6,919)	-	-	(6,919)	
Fair value loss on call option	-	(875)	-	-	(875)	
Gain on remeasurement of retained interest in an associated company	26,034	-	-	-	26,034	
Gain from partial disposal of interest in a joint venture by an associated company	2,714	-	-	-	2,714	
Loss on change in interest in an associated company	-	(4,573)	-	-	(4,573)	
Pre-tax profit/(loss) before fair value gain on investment properties	437,753	(47,836)	(6,212)	-	383,705	
Fair value gain on investment properties	-	261,453	-	-	261,453	
Pre-tax profit/(loss) after fair value gain on investment properties	437,753	213,617	(6,212)	-	645,158	
Taxation	(215,454)	(62,341)	(4,358)	-	(282,153)	
Profit/(loss) for the year	222,299	151,276	(10,570)	-	363,005	
Non-controlling interests	(1,866)	6,912	2	-	5,048	
Net profit/(loss)	220,433	158,188	(10,568)	-	368,053	
Other information						
Segment assets	7,116,288	7,502,360	5,328,894	(5,111,539)	14,836,003	
Segment liabilities	(4,031,272)	(3,370,370)	(5,642,377)	5,111,539	(7,932,480)	
Net assets/(liabilities)	3,085,016	4,131,990	(313,483)	-	6,903,523	
Investments in associated companies and joint ventures						
	1,069,890	2,505,918	38,935	-	3,614,743	
Additions to non-current assets ⁽³⁾	123,208	408,896	3,362	-	535,466	
Geographical information ⁽⁴⁾						
	Singapore \$'000	China \$'000	Indonesia \$'000	Vietnam \$'000	Other Countries \$'000	Total \$'000
External sales	183,432	1,000,304	42,322	32,391	17,717	1,276,166
Non-current assets ⁽⁵⁾	3,061,096	2,832,295	484,351	802,579	344,892	7,525,213

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, fair value gains/(losses) 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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****33. CAPITAL AND LEASE COMMITMENTS**

	GROUP	
	2021	2020
	\$'000	\$'000
(a) Estimated development costs for properties held for sale:		
(i) Contracted for	366,432	499,456
(ii) Not contracted for	834,406	1,013,320
	1,200,838	1,512,776
Non-controlling interests	(8,711)	(11,347)
	1,192,127	1,501,429
(b) Estimated funding for purchase of shares in companies	21,108	13,975
(c) Estimated funding in associated companies, joint ventures and joint operations for project developments	199,334	223,886
(d) Capital expenditure contracted on investment properties	1,316,422	1,332,772
Non-controlling interests	(114,717)	(118,203)
	1,201,705	1,214,569
(e) Other capital expenditure and funding commitments	47,651	32,794
(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:		
	2021	2020
	\$'000	\$'000
Within 1 year	49,552	67,665
Between 1 to 2 years	47,827	52,618
Between 2 to 3 years	42,616	45,353
Between 3 to 4 years	21,786	30,304
Between 4 to 5 years	12,957	15,606
After 5 years	32,097	27,609
	206,835	239,155

The lessor's commitment as at 31 December 2020 included \$98,569,000 (within 1 year: \$37,478,000, between 1 to 2 years: \$28,193,000, between 2 to 3 years: \$22,604,000, between 3 to 4 years: \$7,446,000, between 4 to 5 years: \$1,894,000 and after 5 years: \$954,000) for assets classified as held for sale.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****34. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Unsecured guarantees given to financial institutions in connection with facilities given to:				
(a) Subsidiaries	-	-	125,953	137,877
(b) Associated companies and joint ventures	78,227	151,954	74,201	147,829
(c) Certain end-purchaser of overseas residential properties	246,328	189,047	-	-
(d) Financial assets at FVOCI	274,169	272,721	274,169	272,721
	598,724	613,722	474,323	558,427

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.

35. 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	
	2021	2020
	\$'000	\$'000
Transactions with holding company:		
Management fees paid	3,901	5,416
Share plan expenses	4,955	7,997
Foreign exchange transactions	1,621,822	2,540,971
Other service fees paid	620	301
Rental income and other fees received	1,809	4,720
Transactions with related companies:		
Interest income	7,941	4,054
Interest expense:		
Charged to profit or loss account	10,623	14,132
Capitalised under development cost	25,572	22,680
Management and support service fees paid	3,555	3,183
Rental income received	1,570	4,029
Other products and service fees paid	14,182	5,094
Transactions with the Group's associated companies and joint ventures:		
Interest income	7,329	20,774
Rental expense	4,951	549
Property management fees received	4,468	3,061
Management and support service fees received	13,391	12,418
Other products and service fees paid	14	5

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

36. FINANCIAL RISK MANAGEMENT

The Group operates primarily in Singapore, China, Vietnam 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 either SOR or SORA, and pays fixed rates ranging from 0.34% to 2.09% (2020: 0.34% to 2.25%) 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 contractual notional amount of interest rate swaps held for hedging which is based on either SOR or SORA is \$871,428,000 (2020: \$1,101,428,000), arising from variable rate borrowings with interest rates ranging from 1 month to 6 months (2020: 1 month to 6 months) SOR or SORA. This amounts to 20% (2020: 23%) of the Group's total amount of borrowings.

As at 31 December 2021, the Group and the Company have interest rate swap agreements. The details and fair values of interest rate swaps are disclosed in Notes 36(e) and 37 respectively.

The Group is exposed mainly to the SOR. The greatest change will be amendments to the contractual terms of the SOR-referenced floating-rate loans and the associated swaps and with the corresponding updates of the relevant hedge designations. There is currently uncertainty around the timing and precise nature of these changes.

Hedging relationships for which 'Phase 1' amendments apply

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

The Group has ascertained that IBOR uncertainty is still present with respect to its cash flow hedges of SOR-linked borrowings, because the hedging instruments and the hedged items have not yet made the transition to SORA.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2021

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Interest Rate Risk (continued)

Hedging relationships for which 'Phase 1' amendments apply (continued)

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

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

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% (2020: 0.5%) with all other variables being held constant, the Group's profit before taxation will be lower/higher by \$8,839,000 (2020: \$11,537,000).

(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 as fair value hedge to hedge the currency exposure of its certain USD denominated borrowings. The details and fair values of the foreign exchange forward contracts are disclosed in Notes 36(e) and 37 respectively.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2021

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Foreign Currency Risk (continued)

The carrying amounts of significant financial assets and financial liabilities denominated in currencies other than the functional currencies of the respective entities after hedging effects are as follows:

	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						
2021						
<u>Financial Assets</u>						
Debtors	742	-	607	-	-	-
Cash and cash equivalents	54,847	407,947	2,828	-	1,506	-
Financial assets at FVOCI	125,054	-	-	-	-	-
Financial assets at FVPL	-	-	-	108,196	-	-
<u>Financial Liabilities</u>						
Creditors	(73,272)	(1)	(1,448)	-	(3,157)	-
Net financial assets/(liabilities)	107,371	407,946	1,987	108,196	(1,651)	-
2020						
<u>Financial Assets</u>						
Debtors	-	48	2,686	-	1	-
Amount owing by related parties	-	-	-	-	-	26,959
Cash and cash equivalents	43,373	-	2,455	-	2	-
Financial assets at FVOCI	127,266	-	-	-	-	-
Financial assets at FVPL	-	-	-	105,877	-	-
<u>Financial Liabilities</u>						
Creditors	(1)	(268)	(1,481)	-	-	-
Net financial assets/(liabilities)	170,638	(220)	3,660	105,877	3	26,959

United States Dollar (USD)

2021
\$'000

2020
\$'000

COMPANY

Financial Assets

Cash and cash equivalents	-	836
Financial assets at FVOCI	25,025	22,196
Net financial assets	25,025	23,032

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****36. FINANCIAL RISK MANAGEMENT (continued)****(b) Foreign Currency Risk (continued)***Sensitivity analysis for currency risk:*

If the relevant foreign currencies change against the respective functional currencies of the Group entities by 5% (2020: 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)	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
GROUP				
USD against SGD				
- strengthened	(884)	2,169	6,253	6,363
- weakened	884	(2,169)	(6,253)	(6,363)
RMB against SGD				
- strengthened	20,397	(11)	-	-
- weakened	(20,397)	11	-	-
IDR against SGD				
- strengthened	99	183	-	-
- weakened	(99)	(183)	-	-
INR against SGD				
- strengthened	5,410	5,294	-	-
- weakened	(5,410)	(5,294)	-	-
VND against SGD				
- strengthened	(83)	-*	-	-
- weakened	83	-*	-	-
HKD against SGD				
- strengthened	-	-	-	1,348
- weakened	-	-	-	(1,348)
COMPANY				
USD against SGD				
- strengthened	-	42	1,251	1,110
- weakened	-	(42)	(1,251)	(1,110)

(*Amount less than \$1,000)

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2021

36. 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 loan and structured deposits.

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.

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

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

Trade 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 from associated companies 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 2021, \$34,314,000 (2020: \$35,562,000) of the loans to a joint venture and an investee were impaired as disclosed in Notes 18, 19 and 26.

As at 31 December 2021 and 31 December 2020, there was no significant concentration of credit risks.

The maximum exposure to credit risk 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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

36. 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. 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				
2021				
<u>Non Derivative Financial Liabilities</u>				
Creditors (excluding non-financial liabilities)	1,141,795	-	-	1,141,795
Amounts owing to holding company and related parties	265,232	-	-	265,232
Other non-current liabilities	-	33,874	-	33,874
Borrowings	1,401,344	2,753,044	496,068	4,650,456
Lease liabilities	17,141	31,271	27,029	75,441
	2,825,512	2,818,189	523,097	6,166,798
<u>Derivative Financial Assets/(Liabilities)</u>				
Net-settled interest rate swaps				
- Net cash (outflows)/inflow	(5,476)	3,534	-	(1,942)
2020				
<u>Non Derivative Financial Liabilities</u>				
Creditors (excluding non-financial liabilities)	1,076,838	-	-	1,076,838
Amounts owing to holding company and related parties	325,566	-	-	325,566
Other non-current liabilities	-	26,454	-	26,454
Borrowings	1,695,870	3,060,670	396,432	5,152,972
Lease liabilities	11,177	20,189	27,596	58,962
	3,109,451	3,107,313	424,028	6,640,792
<u>Derivative Financial Assets/(Liabilities)</u>				
Net-settled interest rate swaps				
- Net cash outflows	(14,621)	(8,906)	-	(23,527)
Gross-settled forward currency contracts				
- Outflow	(135,115)	-	-	(135,115)
- Inflow	134,845	-	-	134,845

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2021

36. 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				
2021				
<u>Non Derivative Financial Liabilities</u>				
Creditors	18,820	-	-	18,820
Amounts owing to holding company and related parties	942,919	-	-	942,919
Other non-current liabilities	-	19,639	-	19,639
Borrowings	590,403	1,701,771	-	2,292,174
	<u>1,552,142</u>	<u>1,721,410</u>	<u>-</u>	<u>3,273,552</u>
<u>Derivative Financial Assets/(Liabilities)</u>				
Net-settled interest rate swaps				
- Net cash (outflows)/inflow	(5,562)	3,478	-	(2,084)
2020				
<u>Non Derivative Financial Liabilities</u>				
Creditors	16,614	-	-	16,614
Amounts owing to holding company and related parties	631,571	-	-	631,571
Other non-current liabilities	-	21,232	-	21,232
Borrowings	268,551	1,756,065	-	2,024,616
	<u>916,736</u>	<u>1,777,297</u>	<u>-</u>	<u>2,694,033</u>
<u>Derivative Financial Assets/(Liabilities)</u>				
Net-settled interest rate swaps				
- Net cash outflows	(14,492)	(8,778)	-	(23,270)

The following table shows the contractual expiry by maturity of the Group's and Company's contingent liabilities. The maximum amounts that the Group and the Company could be called upon under the financial guarantee contracts, if the full guaranteed amount is claimed by the counterparty, are as disclosed in Note 34. They are allocated to the earliest period in which the guarantee could be called upon.

	2021				2020			
	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 years \$'000	Total \$'000	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 years \$'000	Total \$'000
GROUP								
Financial guarantees	<u>571,101</u>	<u>27,623</u>	<u>-</u>	<u>598,724</u>	<u>220,010</u>	<u>393,712</u>	<u>-</u>	<u>613,722</u>
COMPANY								
Financial guarantees	<u>348,370</u>	<u>101,039</u>	<u>24,914</u>	<u>474,323</u>	<u>188,996</u>	<u>345,320</u>	<u>24,111</u>	<u>558,427</u>

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2021

36. FINANCIAL RISK MANAGEMENT (continued)

(e) Derivative Financial Instruments

	Carrying Amount			Weighted Average Hedged Rate	Maturity Date
	Contractual Notional Amount \$'000	Liabilities \$'000	Assets \$'000		
GROUP					
2021					
Cash Flow Hedge					
Interest rate risk					
- Interest rate swap to hedge floating rate borrowings	871,428	(4,816)	2,634	1.13%	August 2022 - June 2026
2020					
Fair Value Hedge					
Foreign exchange risk					
- Foreign currency forward contracts to hedge USD borrowings	5,569	(50)	-	USD1: VND23,400	March 2021
Cash Flow Hedge					
Interest rate risk					
- Interest rate swap to hedge floating rate borrowings	1,101,428	(22,942)	-	1.61%	May 2021 - October 2024
Derivative not held for hedging					
- Foreign currency swap contracts	129,546	(268)	48	SGD1: CNH4.916	January 2021
COMPANY					
2021					
Cash Flow Hedge					
Interest rate risk					
- Interest rate swap to hedge floating rate borrowings	800,000	(4,816)	2,506	1.20%	August 2022 - June 2026
2020					
Cash Flow Hedge					
Interest rate risk					
- Interest rate swap to hedge floating rate borrowings	1,030,000	(22,745)	-	1.70%	May 2021 - October 2024

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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****36. FINANCIAL RISK MANAGEMENT (continued)****(e) Categories of Financial Assets and Financial Liabilities**

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

	GROUP		COMPANY	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<u>Financial Assets</u>				
Financial assets at FVOCI	146,800	159,567	25,025	23,311
Financial assets at FVPL	116,606	134,627	-	-
Derivative financial instruments	174,154	156,691	2,506	-
Financial assets at amortised costs (including cash and cash equivalents)	2,486,931	1,897,068	5,204,800	4,944,978
<u>Financial Liabilities</u>				
Derivative financial instruments	4,816	23,260	4,816	22,745
Liabilities at amortised cost	5,781,993	6,242,251	3,169,579	2,569,714

(f) 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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Net debt	2,663,115	3,814,583	2,186,612	1,898,556
Total capital	7,216,963	6,903,523	3,599,549	3,934,695
Net debt-equity ratio (times)	0.37	0.55	0.61	0.48

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 2021 and 2020.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. 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>2021</u>				
<u>Financial Assets</u>				
Investments at FVOCI	-	-	146,800	146,800
Investments at FVPL	-	-	116,606	116,606
Derivative financial instruments				
- Call option	-	-	171,520	171,520
- Interest rate swaps	-	2,634	-	2,634
	-	2,634	434,926	437,560
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Interest rate swaps	-	4,816	-	4,816
	-	4,816	-	4,816
<u>Non-financial Assets</u>				
Investment properties				
- Commercial and hospitality, completed	-	-	1,378,618	1,378,618
- Commercial, under construction	-	-	2,760,649	2,760,649
	-	-	4,139,267	4,139,267

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****37. FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES (continued)****(b) Assets and Liabilities Measured at Fair Value (continued)**

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
GROUP				
<u>2020</u>				
<u>Financial Assets</u>				
Investments at FVOCI	-	-	159,567	159,567
Investments at FVPL	-	101,202	33,425	134,627
Derivative financial instruments				
- Call option	-	-	156,643	156,643
- Foreign currency contracts	-	48	-	48
	-	101,250	349,635	450,885
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Foreign currency contracts	-	318	-	318
- Interest rate swaps	-	22,942	-	22,942
	-	23,260	-	23,260
<u>Non-financial Assets</u>				
Investment properties				
- Assets classified as held for sale	-	877,293	-	877,293
- Commercial and hospitality, completed	-	-	1,048,577	1,048,577
- Commercial, under construction	-	-	2,507,438	2,507,438
	-	877,293	3,556,015	4,433,308

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****37. FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES (continued)****(b) Assets and Liabilities Measured at Fair Value (continued)**

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
COMPANY				
<u>2021</u>				
<u>Financial Assets</u>				
Investments at FVOCI	-	-	25,025	25,025
Derivative financial instruments				
- Interest rate swaps	-	2,506	-	2,506
	-	2,506	25,025	27,531
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Interest rate swaps	-	4,816	-	4,816
<u>2020</u>				
<u>Financial Assets</u>				
Investments at FVOCI	-	-	23,311	23,311
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Interest rate swaps	-	22,745	-	22,745

There have been no transfers between Level 1 and Level 2 during 2021 and 2020.

(c) Level 1 Fair Value Measurement

The fair value 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.

The fair values of compulsorily convertible debentures in a corporation, convertible preference shares, convertible loan and investment properties classified as held for sale as at 31 December 2020 are based on actual transacted prices.

The fair value of structured deposits is based on cost plus interest accrued according to the agreements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES (continued)

(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
2021				
Investments at FVOCI	146,800	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investments at FVPL	116,606	Discounted cash flow method and binomial option pricing method	Discount rate Growth rate Discount for lack of control	14.40% to 20.00% 4.26% 15.00% to 23.30%
Derivative financial instruments - Call option	171,520	Direct comparison method and investment method	Transacted price of comparable properties (psf) Capitalisation rate	\$1,586 to \$3,520 3.50%
Investment properties - Commercial and residential, completed	1,378,618	Investment method discounted cash flow method and/or direct comparison method	Discount rate Capitalisation rate Transacted price of comparable properties (psm)	11.40% to 12.50% 4.25% to 9.50% \$4,690 to \$7,504
			Transacted price of comparable properties (psf)	\$724 to \$3,004
- Commercial, under Construction	2,760,649	Direct comparison method, discounted cash flow method, and/or residual value method	Discount rate Capitalisation rate Transacted price of comparable land plots (psm) Transacted price of comparable properties (psf) Gross development value (\$'million)	12.50% to 17.00% 4.00% to 10.00% \$7,129 to \$9,192 \$2,468 to \$3,171 \$239 to \$2,099

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. 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
2020				
Investments at FVOCI	159,567	Net asset value ⁽¹⁾	Not applicable	Not applicable
Investments at FVPL	33,425	Discounted cash flow method and binomial option pricing method	Discount rate Growth rate Cost of equity	8.00% 6.24% 15.85%
Derivative financial instruments				
- Call option	156,643	Direct comparison method and investment method	Transacted price of comparable properties (psf) Capitalisation rate	\$1,600 to \$3,721 3.50%
Investment properties				
- Commercial and hospitality, completed	1,048,577	Investment method, discounted cash flow method and/or direct comparison method	Discount rate Capitalisation rate Transacted price of comparable properties (psm)	7.25% to 12.50% 4.25% to 10.50% \$4,914 to \$6,615
			Transacted price of comparable properties (psf)	\$2,835 to \$3,046
- Commercial, under construction	2,507,438	Direct comparison method, discounted cash flow method, and/or residual value method	Transacted price of comparable land plots (psm) Gross development value (\$'million) Discount rate	\$7,930 to \$18,770 \$527 to \$2,042 12.50% to 18.00%

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% (2020: 5%), it would lead to a \$7,340,000 (2020: \$7,978,000) 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.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****37. FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES (continued)****(e) Level 3 Fair Value Measurement (continued)****(ii) Movements in Level 3 Assets Measured at Fair Value**

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.

	Investments at FVOCI \$'000	Investments at FVPL \$'000	Derivative Financial Instruments Call Option \$'000	Total \$'000
GROUP				
At 1 January 2021	159,567	33,425	156,643	349,635
Net fair value loss recognised in other comprehensive income	(15,668)	-	-	(15,668)
Fair value gain recognised in profit or loss account	-	-	14,877	14,877
Additions	16,498	-	-	16,498
Redemption of shares	(14,287)	-	-	(14,287)
Reclassification ⁽¹⁾	-	82,443	-	82,443
Exchange differences on consolidation	690	738	-	1,428
At 31 December 2021	146,800	116,606	171,520	434,926
At 1 January 2020	115,378	-	157,518	272,896
Net fair value loss recognised in other comprehensive income	(7,803)	-	-	(7,803)
Fair value loss recognised in profit or loss account	-	-	(875)	(875)
Additions	42,567	-	-	42,567
Redemption of shares	(19,224)	-	-	(19,224)
Reclassification ⁽¹⁾	-	33,425	-	33,425
Equitisation of loan receivables from an investee	30,200	-	-	30,200
Exchange differences on consolidation	(1,551)	-	-	(1,551)
At 31 December 2020	159,567	33,425	156,643	349,635

Note:

- During the year, the fair value measurement of certain investments amounting to \$82,443,000 (2020: \$33,425,000) were transferred from Level 2 to Level 3 due to use of inputs not based on market observable data in the valuation techniques. Prior to reclassification, the fair values of these investments were categorised under Level 2 as they were based on actual transacted prices.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 31 December 2021****37. 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 long-term borrowings, other non-current liabilities and investments in listed associated companies are as stated below. The 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.

	2021			2020		
	Carrying Amount \$'000	Fair Value Level 1 \$'000	Level 3 \$'000	Carrying Amount \$'000	Fair Value Level 1 \$'000	Level 3 \$'000
GROUP						
Investment in listed associated companies	1,801,357	1,782,194	-	1,805,523	1,686,402	-
Long-term borrowings	2,988,802	-	2,998,447	3,191,308	-	3,240,595
Other non-current liabilities	33,874	-	33,874	26,454	-	26,454
COMPANY						
Investment in a listed subsidiary	35,481	12,263	-	35,481	13,941	-
Long-term borrowings	1,638,223	-	1,638,223	1,678,693	-	1,703,502
Other non-current liabilities	19,639	-	19,639	21,232	-	21,232

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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FUTURE CHANGES IN ACCOUNTING POLICIES

The Group has not adopted the following amendments to standards that have been issued but not yet effective:

Description	Effective for Annual Periods Beginning on or after
Amendment to SFRS(I) 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to SFRS(I) 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment— Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Onerous Contracts— Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The management anticipates that the adoption of the above standards and interpretations in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

39. 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 97 to 100.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES For the financial year ended 31 December 2021

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2021 %	2020 %		
Subsidiaries				
Corredance Pte Ltd	100	100	Singapore	Investment holding
Corson 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
Flemmington Investments Pte Ltd*	100	100	Singapore	Investment holding
Hillwest 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 Bay Tower Pte Ltd*	-	100	Singapore	Property investment
Keppel Digihub Holdings Ltd	100	100	Singapore	Investment holding
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
Keppel Land Financial Services Pte Ltd	100	100	Singapore	Financial services
Keppel Tianjin Eco-City Holdings 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
Oceansky 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
Portsville Pte Ltd	100	100	Singapore	Investment holding
Straits Property Investments Pte Ltd	100	100	Singapore	Investment holding
Aintree Assets Limited (C)	100	100	British Virgin Islands	Investment holding
Jencity 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
Chengdu Hillstreet Development Co Ltd* (A)	100	100	China	Property development
Chengdu Shengshi Jingwei Real Estate Co Ltd* (A)	-	100	China	Property development
Keppel Heights (Wuxi) Property Development Co Ltd* (A)	100	100	China	Property development
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd* (A)	100	100	China	Property development

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES For the financial year ended 31 December 2021

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2021	2020		
	%	%		
Subsidiaries (continued)				
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)* (A)	100	100	China	Property development
Shanghai Fengwo Apartment Management Co Ltd* (A)	100	100	China	Co-living operations
Shanghai Floraville Land Co Ltd* (A)	99	99	China	Property investment
Shanghai Hongda Property Development Co Ltd* (A)	99	99	China	Property development
Shanghai Ji Lu Land Co Ltd* (A)	99	99	China	Property investment
Shanghai Ji Xiang Land Co Ltd* (A)	100	100	China	Property development
Shanghai Jinju Real Estate Development Co Ltd* (A)	99	99	China	Property development
Shanghai Merryfield Land Co Ltd* (A)	99	99	China	Property development
Shanghai Mingbu Industrial Co Ltd* (A)	100	100	China	Investment holding
Shanghai Pasir Panjang Land Co Ltd* (A)	99	99	China	Property development
Spring City Golf & Lake Resort Co Ltd* (A)	69	69	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
Taicang Xinwu Business Consulting Co Ltd* (B)	100	100	China	Investment holding
Eternal Commercial Limited* (A)	100	100	Hong Kong	Investment holding
Keppel Land (Saigon Centre) Ltd* (A)			Hong Kong	Investment holding
Ordinary Shares	100	100		
Preference shares (Class A and Class B)	67	67		
Main Full Limited* (A)	100	100	Hong Kong	Investment holding
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
First King Properties Limited* (C)	-	100	Jersey	Property investment
Straits Greenfield Limited* (B)	100	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	75	Vietnam	Property development
Saigon Sports City Limited* (A)	100	100	Vietnam	Property development
Keppel Puravankara Development Pvt Ltd* (B)	51	51	India	Property development

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES For the financial year ended 31 December 2021

	Effective		Country of	
	Equity Interest		Incorporation/ Place of Business	Principal Activities
	2021	2020		
	%	%		
Associates and Joint Ventures				
EM Services Pte Ltd	25	25	Singapore	Property management
Garden Development Pte Ltd*	60	60	Singapore	Property development
Keppel REIT*	40	43	Singapore	Real estate investment trust
Keppel Data Centres Holding Pte Ltd*	30	30	Singapore	Owner and operator of data centres and disaster recovery centres
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	35	China	Property development
Chengdu Wanji Real Estate Development Co Ltd* (B)	30	30	China	Property development
Nanjing Jinsheng Real Estate Development Co Ltd* (B)	-	40	China	Property development
Nanjing Zhijun Property Development Co Ltd* (B)	25	25	China	Property development
Taicang Zhuchong Business Consulting Co Ltd (B)	15	15	China	Investment holding
Tianjin Fushi Property Development Co Ltd* (A)	49	100	China	Property development
Win Up Investment Limited* (B)	30	30	China	Investment holding
Renown Property Holdings (M) Sdn Bhd (A)	40	40	Malaysia	Property investment
City Square Office Co Ltd* (B)	40	40	Myanmar	Property development
Buena Homes (Sandoval) Inc.* (A)	35	35	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	27	Philippines	Property investment
Dong Nai Waterfront City LLC* (A)	-	30	Vietnam	Property development
Empire City Limited Liability Company* (A)	40	40	Vietnam	Property development
Keppel Land Watco I Company Limited* (A)	61	61	Vietnam	Property investment/development
Keppel Land Watco II Company Limited* (A)	61	61	Vietnam	Property investment/development
Keppel Land Watco III Company Limited* (A)	61	61	Vietnam	Property investment/development
Nam Long Investment Corporation* (B)	8	10	Vietnam	Trading of development properties
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

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES For the financial year ended 31 December 2021

Notes:

1. The holding in the equity shown for each subsidiary, associated companies and joint venture is the proportion attributable to 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 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
7. Certain companies such as Garden Development Pte Ltd, Keppel Land Watco I Company Limited, Keppel Land Watco II Company Limited and Keppel Land Watco III Company Limited have been accounted for as joint ventures notwithstanding that the Group holds more than 50% equity interest in these companies on the ground that the strategic financial and operating decisions of these companies require unanimous consent by the shareholders.