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Cover image: On 26 January 2015, 4,000 Keppelites gathered in over 50 locations for an unprecedented Group-wide townhall meeting, the Global Keppelites Forum, to hear Mr Loh Chin Hua, CEO of Keppel Corporation, outline the Group’s refreshed vision, mission and operating principles, as well as Vision 2020, the Group’s holistic development roadmap towards the year 2020.
In the 1989 Hollywood movie *Back to the Future II*, protagonist Marty McFly travels 30 years into the future to 2015, where he discovers a new world of technological advances. While some predictions in the movie might have fallen short as we truly enter 2015, there were glimpses of rudimentary depictions of tablet computers, video conferencing and flat screen televisions that might have inspired the very development of these technologies which we are enjoying today.

Attending the recent Global Keppelites Forum in January, I caught a glimpse of that bright silver screen future too, as Keppel Corporation CEO Mr Loh Chin Hua charted the course for the Group towards 2020.

The first Group-wide townhall gathered some 1,800 Keppelites in Singapore and another 2,600 in more than 50 locations worldwide including Belgium, Brazil, China, Indonesia, Vietnam and other countries who tuned in via webcast. It engaged and piqued the interest of Keppelites, leveraged technology and featured innovative media presentations in an inclusive and accessible format.

CEO rallied Keppelites with the refreshed vision and mission, and a development roadmap that outlined our strategies for sustainable growth towards 2020.

In getting to Keppel 2020, we will need to continue driving innovation at the core, tempered with our signature Can Do! brand of Keppel entrepreneurship and tenacity. Few would have imagined that a Singaporean company could one day set the Guinness World Record for the most jack-up rigs delivered in a year – we achieved that with our diligent development and application of technology that earns us praise from our customers (see story on page 22).

As outlined by CEO, we will also continue to roll up our sleeves and soil our hands to develop and grow our businesses. Keppel, over the years, has been disciplined both in investing for growth as well as pruning non-core operations and growing assets and monetising them for better returns. This has instilled in Keppel the acumen, agility and financial strength to emerge stronger and more resilient even through the downturns.

As a young Keppelite, I was struck afresh that at the core of all our achievements lies our most valuable asset – our people. At the forum, Mr Loh shared how the Keppel Leadership Institute would identify and groom future leaders who will take on the baton for the next lap. At the same time, Keppel values the contributions of every single employee in the organisation, regardless of their age (see story on page 41).

As we cast our eyes ‘back to the future’, we must challenge ourselves to dream a little bigger for who knows what innovations of tomorrow will be born from it? Unlike the movie however, we will not need a time machine to peer into what is uncertain because at Keppel, the future is in our hands and it looks to be a bright one.

*Kevin*
**The Keppel Distinction**

Despite headwinds in 2014, Keppel Corporation announced a full-year net profit of $1.9 billion, a 2% increase from the previous year. Mr Loh Chin Hua, CEO of Keppel Corporation, elaborated on the Group’s performance and developments at the FY 2014 results briefing on 23 January 2015. *Keppelite* reproduces his speech.

The world today is spooked by the drastic fall in oil prices. Brent crude has lost more than half of its value since June 2014, spiraling down from a height of US$115 a barrel to just under US$50 today. We are seeing a nervous start to the year with threats of slower growth and deflation stemming from worries on how much lower oil prices will fall, and how long it will be before they recover and stabilise.

We stand alongside many who are of the view that the low oil prices we see today are unsustainable in the long run. The oil and gas sector will inevitably move towards a new equilibrium, driven by demand and supply dynamics, as seen in previous cycles.

As such, oil prices are widely expected to recover to healthier levels. Quite a number of people think this is likely to happen as early as in the latter half of this year. Until then, the concerns will continue to be a drag on sentiments in 2015. Nonetheless, markets are taking heart in the Federal Reserve’s patience in raising interest rates and in the signs of a slowly strengthening US economy.

Meanwhile, the Eurozone continues to struggle with its own economic woes, worries of an untidy Greek exit from the Euro and the contagion that may follow in its wake. Even with major economies like Russia and Brazil slowing down, overall growth in emerging markets is still expected to be comfortably above that of developed markets.

Back here in Asia, China has avoided a hard landing and is growing at a slower but more sustainable level. The cooling measures have been rolled back, and there is evidence to suggest that 2015 may be a better year for the Chinese residential property market. The country is also expected to commit heavily to infrastructure investments this year, joining other Asian emerging markets in rebalancing economic activity and reducing bureaucratic barriers to growth.

In spite of the headwinds in 2014, I am pleased to announce that Keppel Corporation has performed creditably. We achieved a full year net profit of $1.9 billion, an increase of 2% over 2013.

Our Return On Equity (ROE) was marginally lower at 18.8% compared to 19.5% a year ago, while Economic Value Added (EVA) grew to a record $1.8 billion from $1.1 billion in 2013.

To reward shareholders, the Board of Directors will be proposing a final dividend of 36.0 cents per share. Together with the interim cash dividend of about 12.0 cents per share distributed last August, we will be paying out a total cash dividend of 48.0 cents...
per share to shareholders for the whole of 2014.

**OFFSHORE & MARINE**

Returns for oil companies have been eroded by rising costs and the recent sharp decline in oil prices as global supply growth briefly outpaces demand. These have raised hurdle rates for new project sanctions. It has also led some oil companies to review their planned projects, causing some projects to be put on hold. Oil companies’ cost-cutting has likewise put the supply chain under pressure.

Over this year and the next, as many as 119 jackups and 53 deepwater rigs will enter the market. A significant number of these have yet to be chartered. This situation is unsettling and we are watching how quickly the new supply can be absorbed if the current environment does not improve.

Day rates have also taken a beating. Current day rates for ultradeep and deepwater rigs have dropped around 34% from a year ago, while high specification jackups have been more resilient, decreasing by about 15% since January 2014.

Meanwhile, global exploration and production (E&P) spending is expected to drop by 9% in 2015 to about US$619 billion, with international oil companies and independents making the bulk of cutbacks. This is based on a projected oil price of US$70 a barrel and could be revised downwards later.

In contrast, spending by national oil companies (NOCs) continues to hold up well. NOCs are expected to anchor E&P spending in 2015, making up a larger 43% of global capital expenditure this year compared to 39% in 2014.

But even at current price levels, all is not lost as offshore prospects are still viable in certain geographies such as Southeast Asia and the Middle East. Nevertheless, markets do eventually self-correct. With a slowdown in E&P activities, over-production capacity will gradually fall and the market will come to a balance.

Presently, over 50% of jackups and semisubmersibles (semis) are 25 years old and above, although the fleet of drillships is relatively newer. Just as oil companies would have to invest in replenishing reserves at some point, drilling contractors would have to replace their old fleet with new, safer and technologically superior rigs that are also more cost-efficient to operate.

In fact, with the current low oil prices, we are likely to see an acceleration in the replacement cycle for aging rigs. Older rigs have been able

*Continues on page 6...*
to stay busy and earn good day rates until now because of a lack of newbuilds to meet demand. But the days are numbered for many old rigs. New rigs, which are more efficient and productive, are accepting lower day rates to stay active today. Even at lower day rates, new rigs are equipped with enhanced capabilities that give better returns and this is forcing old rigs to go idle.

From 2011 to 2014, 48 rigs were scrapped. That is an average attrition rate of 12 rigs per year in the last four years. In comparison, in the preceding 11 years, only a total of 42 units were scrapped, or 4.2 rigs annually from 2000 to 2010.

As the older rigs are due for their five-year surveys and require massive investments to upgrade, scrapping will become an increasingly attractive option for drillers seeking to preserve capital.

Major drillers such as Transocean and Diamond have begun scrapping their old rigs. And there will be more. This scrapping will be very healthy for the offshore drilling business as capacity is being taken out from the market gradually, making headroom for day rates to rise again.

Whilst we believe the current oil prices will eventually recover to a level that would make most of the offshore oil fields that our rigs operate in economical, there is still some uncertainty about how quickly the new equilibrium will be reached. We are entering this down cycle with a strong order book with orders stretching to 2019. The quality of our order book is good, with credit customers and pricing and terms that will allow us to make decent risk-adjusted returns on each project.

We will continue to build on our core strength technology and come up with even better solutions and value propositions for our customers. We will also continue to extend our Near Market, Near Customer strategy by accessing the Mexican and Chinese domestic rig markets, both of which hold huge promise for growth in the long term.

Our drive for productivity and building up of capabilities in our regional production yards will continue unabated. Even though the downturn will be devastating for some weaker players, we are determined that Keppel Offshore & Marine (Keppel O&M) will emerge stronger and be poised to ride the next wave.

Despite the challenging environment, our Offshore & Marine (O&M) division had a good run in 2014. On top of the well-publicised jobs for two floating liquefaction vessel (FLNGV) conversions from Golar LNG and the first KFELS N Plus jackup from TS Offshore, we also closed the year with a new contract for two semis, for which we are unable to give details due to a confidentiality agreement with the customer. This brings Keppel’s total new orders secured in 2014 to $5.5 billion. Just last week, we clinched a new contract to build a multi-purpose vessel for $265 million.

As at end-2014, our contract backlog stood at $12.5 billion, comprising a good mix of quality contracts for newbuild shallow and deepwater rigs as well as vessel conversions. Our first three semis for Sete Brasil are progressing on track and remain cash flow positive. As at end-2014, the first unit was over 85% completed, the second unit was about 50% completed, and the third was about 25% completed.

We have been assured by our customer Sete Brasil that they are working hard to get long-term funding in place for all our projects. Indeed, recent reports point to a long-term financing agreement being signed with the Brazilian Development Bank that should ease their funding position.

Our enviably strong orderbook, filled mainly by established customers, will keep us busy and cushion...
Keppel O&M’s expanding suite of solutions and proprietary designs includes the world’s first-of-its-kind FLNGV conversion for Golar LNG

During the year, the division delivered several jackups, Floating Production Storage and Offloading (FPSO) and various specialised vessels, augmenting its established track record for safe, on-time and on-budget deliveries. Our disciplined approach to pursuing quality projects, coupled with our laser-like focus on execution and productivity, has translated into a resilient operating margin of 14.3% for the whole of 2014.

In the coming months, our team will be working hard to finalise Keppel’s partnerships with Petróleos Mexicanos (PEMEX) and Titan Petrochemicals Group that will further entrench our Near Market, Near Customer strategy. Our joint venture with PEMEX to develop a yard in Altamira is well-timed with the opening up of Mexico’s oil and gas sector, which will see growth in demand for offshore solutions for years to come.

The 30-year management services agreement to operate the Titan Quanzhou Shipyard in Fujian Province will enable us to populate the Chinese market with Keppel’s proprietary solutions whilst retaining control over our intellectual property.

It is in difficult times like these that technology and Research & Development (R&D) become even more important to enable us to meet customers’ requirements for robust and more cost-effective solutions. To this end, we have been investing to expand our suite of proprietary designs. These include the FLNGV for Golar, the Plug & Abandonment jackup rig with Workfox B.V., as well as our CAN-DO Drillship whose hull is being constructed in Japan and is progressing very much on schedule.

Our continuous innovation efforts have widened our product offerings and positioned Keppel as the preferred solutions partner in the industry. Looking ahead, we will continue to go after quality work and ventures that will allow us to build and grow our O&M division into an even more formidable industry leader.

**PROPERTY**

Our Property division is similarly well-armed with a strong balance sheet to endure the headwinds in the key markets of Singapore and China. We remain confident of the long-term fundamentals of the property sector and will stay nimble in sniffing out deals that may not be available in more normal market conditions.

In 2014, Keppel Land sold over 2,000 homes in Asia, compared to some 4,400 homes a year ago, mainly due to the protracted effects of cooling measures in Singapore and China. The headwinds are likely to keep a lid on demand from homebuyers and private residential prices in Singapore in the year ahead.

China started to relax its housing and monetary policies in the third quarter of 2014, resulting in improving property sales towards the end of the year. Some 60% of China’s major cities recorded a rise in sales volume in December 2014. However, it may be some time before these improvements in sales volume translate to an increase in pricing.

Keppel Land will continue to monitor the markets closely to launch residential projects from its pipeline of 70,000 homes across Asia. Concurrently, Keppel Land is actively developing its portfolio of commercial properties overseas, which comprises about 819,000 sqm of gross floor area.

Contains on page 8...
The company’s joint venture with the retail management firm Array Holdings, which is involved in managing one of the larger portfolios of regional malls in Singapore and Malaysia, is part of the plan to develop Keppel Land into a multi-faceted property player.

Even as we extend our pipeline of residential and commercial developments, we will continue to actively prune our portfolio – unlocking, recycling and investing the capital for better returns.

During the year, Keppel Land injected its one-third stake in Marina Bay Financial Centre (MBFC) Tower 3 into Keppel REIT. The value extracted from MBFC Tower 3 and other divestments here and overseas, which amounted to net proceeds of over $1 billion, boosted our war chest for new projects.

Capitalising on its strong-cash, low-debt position, Keppel Land continued to seek out new investments while also looking within its existing property portfolio for growth opportunities.

In 2014, the company embarked on redeveloping International Financial Centre Jakarta Tower 1 into a state-of-the-art office building, while also proceeding with Phase 2 of its mixed-use development in the Ortigas central business district in the Philippines. These are projects that have been residing in Keppel Land’s portfolio for many years and which we can transform into higher yielding investments for the Group.

Recently, Keppel Land acquired its second residential site in West Jakarta in line with its focus on core markets in Asia.

As part of its strategy to invest opportunistically in key global cities with good growth potential, Keppel Land acquired a residential cum retail development in Manhattan, New York, last...
The Manhattan project will be managed by Alpha Investment Partners (Alpha). More than serving as an example of our dexterity in seizing opportunities for higher returns, this move also showcases how the collective strength of Keppel’s business units can be harnessed for growth.

2014 was also an active year for our property fund management units whose combined assets under management have grown to $18.7 billion from $17.7 billion a year ago. Keppel REIT kickstarted the year by achieving 100% committed occupancies at nine of its office towers in Singapore and Australia, while Alpha is planning to launch a new fund focused on China’s retail sector.

Our fund management businesses will continue to feature strongly in the Group’s capital recycling strategy for matured projects while providing stable income streams over the longer term.

INFRASTRUCTURE
Our concerted efforts to reshape and strengthen the Infrastructure division into a sturdy third pillar for the Group are starting to bear fruit. In December 2014, we successfully listed Asia’s first data centre real estate investment trust (REIT) on the...
Singapore Exchange, raising a total of $512.9 million through a landmark initial public offering (IPO).

Keppel DC REIT’s portfolio comprises eight high-quality data centres strategically located in key data centre hubs across Asia Pacific and Europe, constituting $1 billion of assets under management. We are confident of developing Keppel DC REIT into a strategic contributor to the Group, just as how we have grown Keppel REIT in our Property division into one of Singapore’s largest listed REITs, from just $630.7 million of assets under management in 2005 to some $8.2 billion today.

With the formation of Keppel Infrastructure over a year ago, we have sharpened the Group’s focus on providing energy-related infrastructure and services. In line with this, we announced the combination of Keppel Infrastructure Trust with CitySpring Infrastructure Trust, and the injection of 51% of the 1,300 MW Keppel Merlimau Cogen (KMC) Plant into the enlarged entity.

The resulting Combined Trust will be the largest listed Singapore infrastructure-focused business trust, with a market capitalisation of more than $2 billion and total assets of over $4 billion. With the improved scale and liquidity, our infrastructure business trust will be better positioned for future growth.

By remaining as the Sponsor of the Combined Trust, Keppel continues to participate in the growth of our infrastructure fund management units whilst building up a solid platform for the Group to recycle its capital. On top of developing and warehousing a pipeline of suitable assets for injection, there are even prospects of co-investing with our fund management arms, as evident in Keppel Land and Alpha’s collaboration.

After several challenging years, I am pleased to announce that we are nearing the finish line for all our Engineering, Procurement and Construction (EPC) projects. In Qatar, the Doha North Sewage Treatment Works project is being tested and commissioned. In the United Kingdom, we are in the process of handing over Phase 1 of the Greater Manchester Energy-from-Waste Plant to our customer. We expect to hand over Phase 2 within the first half of this year.

With the completion of these two EPC projects close at hand, our team can then focus on growing Keppel Infrastructure into a stable contributor to the Group’s bottom line. As part of its streamlining efforts, Keppel Infrastructure exited the facilities management business with the divestment of Keppel FMO in November 2014.

Meanwhile, our data centre and logistics businesses under Keppel Telecommunications & Transportation (Keppel T&T) have also made good progress. Riding on strong demand for data centre space in Europe, Keppel T&T acquired Almere Data Centre 2 in the Netherlands in November 2014. Almere 2, offering over 5,000 sm of quality data centre space, is strategically located next to Almere 1, which has already been injected into Keppel DC REIT.

During the year, Keppel T&T also commenced operations...continued from page 9.
of a 10,000 sm warehouse in Brisbane, Australia, along with completing its Tampines Logistics Hub in Singapore and a distribution centre in Vietnam.

Building on the good momentum achieved in 2014, we will continue to nurture the businesses in our Infrastructure division and invest prudently for growth.

**SHAPING OUR FUTURE**

When I took over from Chiau Beng as CEO at the start of last year, I reiterated our resolve to remain focused on our multi-business strategy, and our commitment to quality execution and raising productivity. I emphasised that Keppel will continue to invest strategically in R&D to develop cutting-edge solutions with and for our customers.

The markets today are challenging but they throw up opportunities for investments and acquisitions. We are watchful and will seize opportunities that will set Keppel on its next trajectory of growth, whilst maintaining our strong financial discipline.

Although current sentiments are weak, we believe that Keppel, as a financially-strong conglomerate with multiple businesses, will fare better than many others.

More importantly, we will continue to focus on creating value, building on our solid foundations to emerge stronger as a Group. That, after all, is the Keppel distinction.

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*Keppel Infrastructure Trust has agreed to acquire a 51% stake in Keppel Merlimau Cogen Plant*
Staying resilient

Keppelite reproduces excerpts of the speech by Mr Chan Hon Chew, CFO of Keppel Corporation, at the FY 2014 results press and analyst conference.

The Group had a good 4Q 2014. Net profit was $726 million, a 6% improvement from the $685 million profit reported in the same period last year.

Earnings Per Share (EPS) for the quarter rose by 5% to 39.9 cents while Economic Value Added (EVA) improved from $406 million to $746 million, benefiting from the listing of Asia’s first data centre REIT on the Singapore Exchange and other divestments during the quarter.

Cash inflow for the quarter was $872 million as a result of proceeds from the listing of the data centre REIT, offset by lower receipts from the Offshore & Marine (O&M) division.

For the fourth quarter, the Group’s revenue grew 9%, or $327 million, from the same quarter in 2013, led by higher revenue from the O&M division.

Operating profits increased by 24% as the Infrastructure division turned in a profit in the fourth quarter, compared to a loss last year.

However, pre-tax profit saw a smaller improvement of 5% due to the lower share of profits from associates.

The Group’s net profit after tax and non-controlling interests rose by 6%, or $41 million. Correspondingly, EPS increased by 5%.

SEGMENTAL REVIEW

Overall, Group revenues grew 9%, led mainly by the revenue growth in the O&M and Property divisions.

O&M’s 15% increase in revenue was largely attributed to higher revenue recognition from ongoing projects. During the quarter, we started revenue recognition for three jackups, two floating production, storage and offloading (FPSO) conversions, one FLNGV conversion, one subsea construction vessel and one semisubmersible (semi).

Infrastructure registered a 31% decrease in revenue in 4Q 2014. The lower revenue from our power generation plant contributed the most to the decrease, which is partially offset by improvements from our data centre and logistics businesses.

The Property division saw an increase in revenue of 55%, mainly due to the completion of projects in China, like Phase 1 of Seasons Residences in Shanghai and Phase 1 of Park Avenue Heights in Chengdu, as well as the sale of a residential development in Jeddah.

O&M’s pre-tax earnings for 4Q 2014 was higher by 3%, benefiting from higher contributions from associated companies like Dyna-Mac, Asian Lift and Floatel.

Infrastructure recorded a $303 million pre-tax
### 4Q2014 FINANCIAL HIGHLIGHTS

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### FY 2014 FINANCIAL HIGHLIGHTS

The Group posted net earnings of $1.9 billion for the full year, which is 2% higher than the previous year.

EPS saw a similar increase to 103.8 cents.

We are pleased to propose a final dividend of 36.0 cents per share for this year. Together with the interim cash dividend of 12.0 cents, total cash dividend for 2014 will amount to 48.0 cents per share.

Return On Equity (ROE) was lower at 18.8% while EVA was higher at $1.8 billion due mainly to gains from sale of Equity Plaza and listing of Keppel DC REIT.

Cash inflow increased to $746 million, benefiting from the proceeds from sales of Equity Plaza and data centre assets.

Continues on page 14...
Our net gearing remained at 11%, the same level as in 2013.

With four quarters of revenue growth, the Group registered a 7%, or $903 million, improvement in the top line to $13.3 billion for FY 2014, largely due to higher revenue from the O&M division.

Operating profit increased by 11%, driven by higher revenue and divestment gains, while pre-tax profits increased at a lower 3% due to the lower share of profits from associates.

After tax and non-controlling interests, net profit was 2% higher than in 2013.

SEGMENTAL REVIEW
The Group earned a total revenue of $13.3 billion for FY 2014, which was 7% higher than 2013.

In the O&M division, our major projects completed included seven jackups, three FPSO upgrades, two FPSO conversions, one FPSO integration and one semi upgrade. The division continued to deliver strong results and recorded a 20% higher revenue than last year.

Infrastructure revenue for the year was $2.9 billion, which was 15% lower than 2013, mainly due to lower revenue from the power generation plant, partially offset by stronger contributions from logistics and data centre businesses.

Property revenue saw a slight decrease of 2% as compared to 2013, due to overall lower revenues from projects like Reflections and Corals at Keppel Bay in Singapore, as well as the effects of the deconsolidation of Keppel REIT from 31 August 2013. This was partially offset by higher revenue from the en-bloc sale of a residential development in Jeddah.

Overall pre-tax profit increased by 3%, driven largely by higher earnings from the O&M and Infrastructure divisions.

Higher revenues in the O&M division drove its pre-tax profit higher by 14%, at an operating margin of 14.3% for the full year, which was comparable to 14.7% for 2013.

Infrastructure posted higher earnings, primarily driven by better operating results from logistics and data centre businesses, as well as gains from divestments of data centre assets and Keppel FMO.

The Property division reported 29% lower pre-tax profits. The decrease was mainly due to lower operating results, lower fair value gains on investment properties and the absence of gains from the deconsolidation of Keppel REIT recognised in 2013. This was partially offset by gains from the disposal of Equity Plaza, Prudential Tower and MBFC 3.

The net profit of O&M was 10% higher as compared to the previous year, and continued to be the biggest contributor to the Group’s earnings at 55%.

Property saw a 42% decrease in net profits, a sharper reduction as compared to the decrease in pre-tax profit due to the write-back of tax provisions arising from the finalisation of prior years’ taxation in 2013, which we highlighted in previous quarters.

The FY 2014 net profit of $1.9 billion is $39 million above that of 2013. Higher profits in 4Q 2014 boosted EPS for the year to
103.8 cents, 1.5 cents higher than in 2013.

ROE decreased to 18.8% in 2014 despite the higher net profit, as a result of increased average shareholders’ funds.

Our proposed total distribution for our shareholders for 2014 will be 48.0 cents per share, including a final dividend of 36.0 cents per share.

FREE CASH FLOW
In 2014, the Group generated cash flows of $2.1 billion from operations, about $200 million above the previous year.

After taking into account higher working capital requirements mainly from the O&M and Property divisions, the resultant net cash from operating activities amounted to $22 million.

$662 million was spent during the year on investments and operational capital expenditure, mainly for the O&M division. Receipts comprising dividend income from associates and proceeds from divestments, including the sale of Equity Plaza and data centre assets, amounted to $1.4 billion. This translates to $724 million in net cash from investing activities.

The resultant cash inflow was $746 million for the year, which is $104 million higher than 2013.

OUTLOOK
As we progress into 2015, we remain alert to the challenges posed by the changing macroeconomic conditions.

We will continue to rally our strengths in our core competencies and invest in the future, with innovation and financial discipline enduring as our main strategies.

We will thus better equip ourselves to seize new opportunities that will achieve sustainable growth in our businesses and deliver value to our shareholders.
Navigating headwinds

Keppelite shares highlights from the question and answer session of the FY 2014 conference, during which management discussed how the Group will stay focused on its core strengths to overcome challenging market conditions.

Q: How different is the situation today from 2008 when oil prices plunged sharply? How prepared is Keppel Offshore & Marine to respond to the current downturn?

LCH: The big drop in oil prices is not something unusual in the industry. We have gone through it before and each time, we have come out stronger.

CYY: In my career with Keppel, I have seen at least four cycles. The oil price decline in 2008 was largely due to the Global Financial Crisis, where we did not have orders during the year until the fourth quarter when things picked up.

Right now, oil prices have dropped to the US$40 range. Whether the recovery will be V-shaped or U-shaped, or how long it will take, is anybody’s guess.

At Keppel, we will be concentrating on what we do best. All our contracts have been delivered either on time or ahead of schedule, and well within budget.

We will have a full year in 2015 given our current backlog, and will be delivering 15 rigs this year. We are already over 80% full in 2016 and more than 60% occupied in the year after. While this puts us in a comfortable position, we will have to work very hard in the near term to ensure that we continue to grow our orderbook for 2017 and beyond.

Q: What is the potential for Offshore & Marine order wins in this low oil price environment? Do you foresee going below the 20/80 payment terms to secure contracts?

LCH: We do not believe that oil prices will stay this low for too long as supply and demand will eventually move towards an equilibrium. Many reports suggest that oil prices will recover to levels which allow our solutions to be economical.
for those fields that they are
designed for.

While our team is working
very hard amidst the
industry headwinds to win
orders, I think that we have
to win the right orders. It
is in market conditions like
these that we must continue
to be disciplined about the
orders that we take on and
in ensuring safe, on-time
and on-budget execution.

Q: Are any of your
customers negotiating
to defer deliveries or
payments? Do you
expect any cancellations
of rig contracts?
LCH: No, we do not expect
any cancellations. There
are headwinds but as I
mentioned, our orderbook
is of the highest quality. And
so far, we are okay.

CYY: There has been no
re-negotiation of payments
either, only requests to push
the delivery of two projects
to the right.

Q: How will the
issues surrounding
the Petrobras scandal
affect Keppel over the
next 12 to 18 months?
What is the status of
your semisubmersible
rig contracts with Sete
Brasil?
LCH: Petrobras is under a
lot of scrutiny at this present
time. The challenges that
they are going through
is not good for anyone
in the industry. Some of
the projects that they are
planning to sanction could
also be moved a little to the
right.

Things will take a bit of
time to work out but the
fact remains that Petrobras
has very healthy reserves
that it needs to exploit. In
the longer term, we still see
Brazil as a growth market for
Keppel.

CYY: On the construction
of the Sete semis, I am
happy to share that we are
on time and on budget.
In fact, the first unit has
crossed 85%, the second
unit 50%, while the third
one has already reached
25% completion.

Q: Are you going to take
the opportunity to invest
or cut back on some of
your capex plans?
CYY: We are mindful of the
current environment and will
prepare for the worst while
hoping for the best. We will
continue to invest in those
areas that are strategic to us
for long-term growth while
putting the nice-to-haves on
hold. We are also monitoring
our supply chain closely
for any signs of weakness,
so that we will be able to
respond accordingly.

Q: Please provide
an update on your
yard with Petróleos
Mexicanos (PEMEX) and
the potential rig orders.
CYY: We are in advanced
negotiations with PEMEX
on the yard’s development.
Negotiations are likely to
conclude in the first half of
this year. The rig contracts
that we had discussed before
will only be initiated once the
agreement to develop the
yard is in place.

Q: Has the current oil
price environment
impacted the FLNG
market in any way?
Could FLNG become
a recurring source of
orders for Keppel?
CYY: We have been looking
at the gas market for a few
years, and managed to
secure two FLNG contracts
in 2014. This is already quite
an achievement.

There are always active
enquiries for gas solutions,
and you will hear about
new contracts when we are
able to announce them. For
now, we will concentrate
on the execution of the two
FLNG projects that we have
secured.

Q: Valuations of many
of Keppel’s competitors,
suppliers and customers
have come down with
the decline in oil prices.
What is the Company’s
view on the prospects
for mergers and
acquisitions?
LCH: There will be
opportunities that come up
in times like these, which we
can afford to look at because
our balance sheet is strong.

We are constantly being
approached with various
acquisition opportunities, be
they in close adjacencies or
bolt-on. But, we will have to
look very carefully to make
sure that these investments
are also a good fit for the
Group.

CYY: I will say this: do not
waste a good crisis.

Q: The Infrastructure
division’s profit has been
rather strong quarter-on-quarter, excluding
divestments. Could you
provide some insights
into the division’s
performance?
OTG: 2014 marks the
first full year for Keppel
Infrastructure. The power
business has faced quite a
lot of pressure due to excess
capacities in the market.
Despite that, our integrated
power and gas business has
turned in strong results like
in 2013.

The other components of
Keppel Infrastructure are
also improving. We are
focusing on executing our
Engineering, Procurement
and Construction contracts.
The Greater Manchester
project is nearing completion
while the Qatar project is in
the commissioning phase.

LCH – Mr Loh Chin Hua,
CEO of Keppel Corporation
CYY – Mr Chow Yew Yuen,
CEO of Keppel Offshore &
Marine
OTG – Dr Ong Tiong Guan,
CEO of Keppel Infrastructure
Keppel Corporation launches voluntary unconditional cash offer for Keppel Land

Keppel Corporation launched on 23 January 2015 a voluntary unconditional cash offer for all the remaining shares of its subsidiary, Keppel Land. Currently, Keppel Corporation owns 54.6% of Keppel Land.

Keppel Corporation is adopting a two-tier offer price approach with the intent to privatise Keppel Land as follows:

i) Base Offer Price of S$4.38* for each Keppel Land share.

This Base Offer Price values Keppel Land at approximately S$6.8 billion and represents:

a) a price which exceeds the highest closing price of Keppel Land shares over the past three years preceding the offer; and

b) a premium of 31%, 35% and 35% over the one-month, three-month and six-month volume weighted average price (VWAP) of Keppel Land shares respectively, preceding the offer.

ii) Higher Offer Price of S$4.60* for each Keppel Land share, to be paid when Keppel Corporation acquires Keppel Land shares or receives acceptances that will entitle it to exercise its rights of compulsory acquisition under the Companies Act.

This Higher Offer Price values Keppel Land at S$7.1 billion and represents a premium of 31%, 35% and 35% over the one-month, three-month and six-month VWAP of Keppel Land shares respectively, preceding the offer.

The Higher Offer Price, if applicable, will be paid to all shareholders who have accepted the offer, including those who have accepted the offer at the Base Offer Price.

Keppel Corporation believes its Base Offer Price is a fair and compelling offer to Keppel Land shareholders, amid Keppel Land’s latest financial performance and the current environment it is operating in. The Higher Offer Price is designed to reward Keppel Land shareholders if Keppel Corporation is able to privatise Keppel Land. Keppel Corporation does not intend to revise the Offer Price.

The offer will be funded through a combination of internal cash and borrowings of Keppel Corporation.

In explaining the rationale for the offer, Mr Loh Chin Hua, CEO of Keppel Corporation, said, “We are staying our course to further grow Keppel Corporation as a strong conglomerate with sizeable contributions from all our three core businesses and aligning our interests and synergies to enhance value to our shareholders.

“Through this offer, we will unlock value for Keppel Corporation shareholders who will see a strong and immediate accretion to Earnings Per Share (EPS) and Return on Equity (ROE). It will also allow Keppel Corporation to further develop and achieve greater scale for the property business leveraging on the Keppel Group’s financial and organisational strengths.”

If the offer results in Keppel Corporation owning 100% of Keppel Land, it is expected to be accretive for shareholders of Keppel Corporation. Assuming full acceptance of the offer, the EPS and net asset value per share for Keppel Corporation for FY 2014 will increase by 13% and 4% respectively.

Further details on the offer are set out in the offer announcement dated 23 January 2015, and the offer document has been despatched to shareholders of Keppel Land on 12 February 2015.

* acquired with the right to receive any distribution that may be declared, paid or made by Keppel Land on or after the offer date
Forging ahead as one

The top executives of Keppel Offshore & Marine (Keppel O&M) and its 20 yards worldwide gathered in Singapore on 12 and 13 February 2015 for the bi-annual Keppel O&M Strategy Meeting to review the group’s business performance and chart the way forward.

Despite Keppel O&M facing near-term challenges due to declining oil prices, the mood remained positive throughout the meeting, with management focused on leveraging core competencies that the group has built up over the years through ups and downs in the industry.

Mr Loh Chin Hua, CEO of Keppel Corporation and Chairman of Keppel O&M, said, “While we are facing headwinds, we must continue to look to our collective strength, and focus on what we have been doing well. This will stand us in good stead as we weather the storm ahead. Working closely together as a team, we will emerge stronger.”

Mr Chow Yew Yuen, CEO of Keppel O&M, outlined five key thrusts that Keppel O&M will prioritise. Firstly, safety performance will continue to be improved, with the goal being zero lost-time incidents. Secondly, the group will continue to complete projects for customers in line with Keppel’s hallmark “on time, on budget” mantra.

In addition, Keppel O&M will continue with its research and development activities to provide innovative solutions to the market. As customers are also facing challenges, the company will stay nimble and agile to better meet customers’ needs in this fast-evolving environment. Finally, Keppel O&M will seize growth opportunities when they present themselves.

Over the years, such strategy meetings have served as a useful platform for Keppel O&M’s key executives to exchange ideas and information.

This recent meeting was no different, with management teams from the various business units engaged in robust discussions on new ideas.

Along the way, good suggestions were shared and collaborations were formed across the business units, which will keep Keppel O&M ahead of the game.
Steady performance

Keppel Land recorded higher pre-tax profit before fair value gain of $733.1 million in 2014, supported by the recycling of its assets through divestment of assets in Singapore and overseas.

The sale of a one-third interest in Marina Bay Financial Centre (MBFC) Tower 3 and a 65% stake in Equity Plaza contributed net gains of $94.5 million and $59.5 million respectively. The company’s overseas divestments included its stakes in Al Mada Towers in Jeddah, Saudi Arabia, BG Junction in Surabaya, Indonesia, and Elita Garden Vista in Kolkata, India.

Net profit was lower at $752.5 million, mainly due to a lower fair value gain on investment properties of $200.5 million compared with $302.2 million in 2013.

Net profit from property trading fell to $188.9 million on lower contribution from Singapore and China projects. Fund management contribution rose 19.4% to $55.8 million, accounting for 14.3% of net profit compared with 10.8% in 2013 due to higher fees earned by Keppel REIT and Alpha Investment Partners (Alpha). Total assets under management (AUM) by Keppel REIT and Alpha grew 5.6% year-on-year (y-o-y) to about $18.7 billion as at end-2014.

With the divestment proceeds, net debt/equity ratio has improved to 0.20x and the cash position has doubled to $2.6 billion, putting Keppel Land in a strong position to seize investment opportunities.

Net asset value per share increased to $4.95 as at end-2014, up 9.5% from $4.52 as at end-2013.

The proposed dividend is expected to be paid on or about 20 May 2015 upon shareholders’ approval.

CONTINUED SALES IN CHALLENGING MARKETS

Impacted by cooling measures, new home sales in Singapore halved to about 7,400 units in 2014, while home prices fell by 4% compared with 1.1% increase in 2013.

Keppel Land sold 304 units in 2014, mainly from Highline Residences, which sold 148 of total 500 units as at end-2014.

Keppel Land completed a record 5,100 units in 2014. It has a healthy pipeline to meet the pent-up demand as the property market recovers, spurred by the relaxation of the home purchase restrictions.

In Vietnam, the company saw steady home sales with about 160 units sold in 2014, mainly from The Estella and Riviera Point. The new foreign property ownership rule effective from 1 July 2015 is expected to boost the market. A special preview of Estella Heights in January 2015 saw positive response from homebuyers, with 120 of 150 launched units sold.
**SCALING UP IN KEY MARKETS**
Keppel Land continues to deepen its presence in key markets in Asia. It recently acquired a second residential site in West Jakarta. Coupled with the upcoming launch of West Vista, the company is well-positioned to meet the city’s growing demand for well-located homes.

While Keppel Land focused on its key markets, it also seized the opportunity to invest in a prime residential development in Manhattan, New York, in the US. The investment will be managed by Alpha.

**EXPANDING COMMERCIAL PRESENCE**
The company is developing several new prime commercial projects overseas including a Grade A office tower in Yangon’s central business district (CBD) and an office tower at Saigon Centre Phase 2, Ho Chi Minh City. It is also redeveloping International Financial Centre Jakarta Tower 1 and expanding the SM-KL project in Ortigas, Manila under Phase 2.

Keppel Land also acquired a 75% stake in Array Real Estate, a retail management company with an experienced team involved in developing and managing three million sf of retail space, which will allow the company to strengthen its retail management capability.

**GROWING FUND MANAGEMENT BUSINESS**
During the year, Alpha Asia Macro Trends Fund II, a fund managed by Alpha, acquired International Capital Plaza in Shanghai, YG Tower and Olive Tower in Seoul, and a site for development of luxury apartments in Taipei. Other Alpha funds divested a total of five properties in Singapore and Japan. The acquisition of MBFC Tower 3 and the divestment of Prudential Tower further strengthened Keppel REIT’s position as the leading landlord of Grade A offices in Singapore’s business and financial districts.

**STRENGTHENING SUSTAINABILITY**
Keppel Land’s continuous efforts to strengthen its sustainability efforts have gained momentum. The company moved up from 17th to 4th position in Corporate Knight’s Global 100 Most Sustainable Corporations 2015 and was included in the RobecoSAM Sustainability Yearbook 2015 for the fifth year, one of only two Singapore companies to be featured.

In recognition of its environmental management leadership, Keppel Land was conferred the World Green Council Business Leadership Award, the Building and Construction Authority of Singapore’s Green Champion Award and the 2014 Asia Excellence Brand Award by Yazhou Zhoukan.
Keppel FELS has delivered the ultra-harsh environment jackup rig, Maersk Integrator, to Maersk Drilling, a wholly owned subsidiary of A.P. Moller – Maersk A/S, 30 days ahead of schedule, on budget and with a perfect safety record.

The rig was named at Keppel FELS on 14 February 2015 by Ms Margareth Øvrum, Executive Vice President of Technology, Projects and Drilling at Statoil.

Maersk Integrator is the third in the XL Enhanced (XLE) series of harsh environment jackup rigs Keppel FELS has delivered to Maersk Drilling. With a leg length of 206.8 metres, the rig is designed for year-round operations in the North Sea, in water depths up to 150 metres. It has been chartered on a four-year term by Statoil for development drilling in the Gina Krog field in the Norwegian sector of the North Sea.

Mr Chow Yew Yuen, CEO of Keppel Offshore & Marine, said, “This is the world’s largest rig and the third one in the series we have delivered to Maersk Drilling. Our achievement in delivering it ahead of schedule is the result of our execution excellence, good teamwork with Maersk Drilling and process improvements over three repeat projects. We have developed a strong partnership with Maersk Drilling, having built eight jackups and four semisubmersibles for them over the years.”

Mr Claus V. Hemmingsen, CEO of Maersk Drilling and member of the Maersk Group Executive Board, said, “With Maersk Integrator, we now have three of the world’s largest, ultra-harsh environment jackup rigs, which enables us to offer a strong suite of solutions to the Norwegian jackup market. The XLE rigs we have in operation now are performing very well; Maersk Intrepid at the Martin Linge field for Total Norway and Maersk Interceptor at Ivar Aasen for Det Norske Oljeselskap ASA.

“We have indeed completed many projects together with Keppel. Each time, we have pushed the boundaries of rig capabilities and achieved efficiency and reliability gains in offshore drilling. More than half of our operating fleet is built by Keppel. With the successful delivery of this rig, we close one chapter and I am confident that we will open another chapter to construct another magnificent drilling machine together in the future.”
Enduring solution

Building on a robust track record, Keppel FELS has delivered a fourth accommodation semi to Floatel.

Keppel FELS has delivered the fourth high-specification accommodation semisubmersible (semi) to Floatel International Ltd (Floatel) on time, on budget and with a perfect safety record.

The rig was named Floatel Endurance on 31 January 2015 at Keppel FELS. It will be chartered to Chevron for work in offshore Western Australia in 2015, before proceeding to work for Statoil in the Gina Krog field in Norway the following year.

Floatel Endurance is an accommodation and construction support semi capable of meeting the most demanding regulatory requirements for operating in the harshest environmental conditions. It is built to the DSS™ 20NS design jointly developed by Keppel’s Deepwater Technology Group and Marine Structure Consultants.

Mr Wong Kok Seng, MD, (Offshore) Keppel Offshore & Marine and MD, Keppel FELS, said, “This is the fourth consecutive accommodation semi we have delivered to Floatel and we are proud to be able to provide them with a fleet of robust and high specification rigs, delivered on time and on budget. The fifth rig that we are building for Floatel is progressing just as well. We have a strong track record as the market leader in the design and construction of accommodation semis, having delivered eight such vessels that are successfully deployed around the world.”

Equipped with an accommodation capacity of 440 persons in single bed cabins, Floatel Endurance is built in accordance with DNV class and fully complies with the latest rules and regulations for the Norwegian sector of the North Sea.

The unit features full health, safety and environment (HSE) compliance, including strict noise level requirements, free fall lifeboats and escape chutes. Facilities onboard include a galley and mess room for 220 people in one seating, as well as recreational amenities including a cinema, Internet cafe, games room, gymnasium and sauna.

Mr Peter Jacobsson, CEO of Floatel, said, “The innovative and robust DSS™ 20NS design enables Floatel Endurance to work in the North Sea and remain cost-effective wherever it is deployed. Our three other accommodation semis built to Keppel designs have all proven successful wherever they have operated. All our rigs have been chartered with high utilisation rates and we continue to see strong demand in the market for them.”

“By partnering with Keppel, we have been able to provide our customers with high quality rigs that meet their schedules and requirements.”

Keppel has previously delivered three rigs to Floatel. Currently mobilised to work for BP in the Magnus field in the North Sea, Floatel Superior is also built to the DSS™ 20NS design. The other two rigs, Floatel Reliance and Floatel Victory, are built to Keppel’s proprietary SSAU™ designs and have been chartered to Petrobras in offshore Brazil and Chevron in the Gulf of Mexico respectively.
Connecting people, shaping the future

In an inaugural Group-wide townhall, Mr Loh Chin Hua, CEO of Keppel Corporation, shared the Group’s strategic roadmap to 2020 with Keppelites around the world.

On 26 January 2015, 4,000 Keppelites gathered in over 50 locations for an unprecedented Group-wide townhall meeting, the Global Keppelites Forum, to hear Mr Loh Chin Hua, CEO of Keppel Corporation, outline the Group’s refreshed vision, mission and operating principles. Mr Loh also held forth on the Group’s aspiration to be amongst the top 20% of well-run, best-in-class conglomerates worldwide, unveiling Vision 2020, the Group’s holistic development roadmap towards the year 2020.

Besides reiterating the Group’s commitment to a multi-business approach, Mr Loh gamely fielded questions from Keppelites, many of whom were tuned in via an interactive portal. For Keppelites present at The Star Vista in Singapore, where Mr Loh was speaking, it was also a chance to mingle with colleagues from across the Group’s business units.

VISION 2020

This aspirational roadmap includes four broad areas for sustainable growth.

Business

The first area, “business”, covers the various overarching strategies and immediate tasks by the respective divisions. Despite headwinds in the industry, Keppel Offshore & Marine will continue to be driven by execution excellence and innovation to differentiate itself as the preferred solutions provider in its niche areas.

Keppel Land will develop itself as a multi-faceted regional real estate player and go beyond property development and trading while still concentrating on key markets. Mr Loh cited examples of property investment and value-adding in gateway cities such as Manhattan and Shanghai, as well as Keppel Land’s recent investment in retail management firm Array Real Estate.

The Infrastructure division is key to building up the Group’s recurring income stream. Keppel Infrastructure is now focused on resolving its engineering, procurement and construction (EPC) project challenges, and is also pursuing new projects such as the bid for liquefied natural gas (LNG) import licenses and the tender for Singapore’s sixth incineration plant. Keppel Telecommunications
VISION
A global company at the forefront of our chosen industries, shaping the future for the benefit of all our stakeholders – Sustaining Growth, Empowering Lives and Nurturing Communities.

MISSION
Guided by our operating principles and core values, we will execute our businesses in Offshore & Marine, Property, Infrastructure and Investments profitably, safely and responsibly.

OPERATING PRINCIPLES
1. Best value propositions to customers
2. Tapping and developing best talents from our global workforce
3. Cultivating a spirit of innovation and enterprise
4. Executing our projects well
5. Being financially disciplined to earn best risk-adjusted returns
6. Clarity of focus and operating within our core competencies
7. Being prepared for the future

It is encouraging to hear that Keppel is evolving and adjusting to stay ahead in an ever-changing world. The inaugural Global Keppelites Forum was well-timed to reach out to all Keppelites in different parts of the world where we operate. It is comforting to know that all of us are staying connected and working collectively to shape Keppel’s future.

Daniel Tan
Manager, Property Management & Knowledge Management
Keppel Land

& Transportation will explore opportunities in higher value logistics segments and continue to grow its data centre business.

People
Highlighting the importance of human capital as an engine of growth, Mr Loh shared plans to cast the net wider in building a strong succession pipeline within the Group. Notably, the existing Singapore-focused Keppel College will have an expanded scope and be transformed into the Keppel Leadership Institute.

The Institute will be a place for potential leaders identified across Keppel’s global operations to hone their leadership skills, build bonds across borders and business units and fully realise their potential.

Drawing on the analogy of cultivating timber, Mr Loh cited his own experience of joining Keppel mid-career as a ‘sapling’ and being nurtured to eventually helm the Group. Likewise, Mr Loh envisions Keppel as a company where newcomers to the Group at all stages, be they seeds, saplings or even graftings – at senior

Continues on page 26...
management level – are given the right conditions and support to thrive.

**Process**

The third area is “process”, which underscores Keppel’s pursuit of excellence in safety, productivity and innovation. Keppel’s innovative spirit has put the Group in good stead and helped us to maintain a competitive edge over the years, with innovations ranging from proprietary rig designs to urban solutions that demonstrate foresight.

**Beyond innovation**, Mr Loh called on Keppelites to remain vigilant on safety within the Group and reiterated a strict zero-tolerance stance on safety lapses. Keppel 2020 will be one that all employees will be proud of and feel a sense of ownership in, leading to a safer, more productive work environment for all.

**Stakeholder engagement**

An integral part of Vision 2020 is the Group’s corporate citizenship aspirations. More resources will be poured in to formalise and further organise community outreach efforts through Keppel Volunteers, with the setting up of overseas chapters in Brazil, China and Vietnam to strengthen our efforts to positively impact communities where we operate.

**ONE KEPPEL, GLOBALLY**

Keppelites across global operations listened to Mr Loh’s address and participated “live” during the CEO question and answer session, with some 2,600 employees tuning in from locations such as Belgium, Brazil, China, Indonesia and Vietnam.

I really appreciate the efforts to connect Keppelites from all over the world through this platform. Even though I was listening in from China, I could feel a deep sense of belonging when CEO addressed all of us as one Keppel family. CEO also painted a clear vision for the Group, which allowed us to have a much better understanding of the Company’s directions.

Darryl Tai
Engineering Manager
Keppel Nantong Heavy Industry
During the question and answer session, which was moderated by Mr Ong Ye Kung, Director of Group Strategy and Development, Keppel Corporation, over 150 candid questions from all over the world came fast and furious, courtesy of the web portal Pigeonhole, through which Keppelites also cast over 2,000 votes for questions they felt were the most pertinent.

“When we were designing the event, engaging Keppelites across our global operations was a key consideration. Hence, we not only enabled a live webcast of the address, but also made the question and answer session interactive to allow staff to participate despite geographical distance and time difference,” explained Mr Jacob Tong, GM of Group Information Systems, Keppel Corporation.

Many Keppelites appreciated the interactivity of the Forum. “Being able to ask and vote for questions online encouraged more people to share their thoughts, especially those who would otherwise be hesitant to do so in person,” said Steven Lim, Senior Commercial Executive, Retail & Commercial of Keppel Infrastructure.

Echoing his sentiments was Sherry Luo, Senior Business Development Manager, Keppel Land China. “The Global Keppelites Forum was very innovative in making overseas staff feel that we are part of one big family. Mr Loh’s speech helped us gain a better understanding of Keppel’s global operations, growth strategies and senior management’s insights and experiences.

“Challenges are present in all businesses, but I believe that with Keppelites’ continuous dedication and hard work, we will achieve the 2020 target.”

Emphasising Keppel’s pursuit of excellence in safety, Mr Loh called on Keppelites to remain vigilant on safety within the Group and reiterated a strict zero-tolerance stance on safety lapses.

Keppelites from all over the world, including those in BrasFELS in Brazil (pictured), tuned into the Global Keppelites Forum via webcast.
Keppel Land has entered into a sales and purchase agreement with Aberdeen Property Trust for a freehold nine-storey office building at 75 King William Street in the City of London for GBP 91 million (about S$186 million).

The property is in close proximity to Bank Junction, London’s historic and financial centre, where the Bank of England and other prominent financial institutions are located. Completed in 1989, the building, with a total internal area of 130,000 sf, is almost 100% occupied by tenants in the financial services, shipping and serviced office industries. The investment will be managed by Keppel Land’s fund management subsidiary, Alpha Investment Partners.

Mr Ang Wee Gee, CEO of Keppel Land, said, “Our investment in this office building with a prime location in London’s historic and financial centre is in line with our strategy to invest opportunistically in key global cities with good growth potential. With continued growth in the financial services and new emerging industries such as the technology, media and telecommunications sectors, the London office market is expected to remain healthy.

“While we continue to capture good opportunities in growth markets, we remain focused on Asia, with Singapore and China as our core.”

Less than five minutes’ walk from the Bank tube station, as well as Monument and Cannon Street stations, 75 King William Street enjoys good accessibility. It is also about 15 minutes’ walk from Liverpool station, which forms part of the upcoming Crossrail network that will offer high-speed direct train services across the east-west axis of London when completed in 2018.

The City of London, the traditional business district, offers about 73 million sf of office space and accounts for one-third of total office stock in London. As the City office market continues to benefit from a diversified industry mix driving office-based employment growth, this is expected to stimulate office demand further and lead to healthy absorption till 2017.
Keppel Land China was conferred the Top 10 ASEAN Companies in China award by the China-ASEAN Business Council (CABC) in a ceremony held on 5 February 2015 in Beijing.

This is the third consecutive year that Keppel Land China has been recognised for its economic and social contributions to local Chinese communities.

The award ceremony was graced by Mr Liu Guchang, former Chinese Vice Foreign Minister and Chairman of China Foundation for International Studies, Mr Ge Zhirong, Counsellor of State Council and President of the China Entry-Exit Inspection and Quarantine Association, Mr Xu Ningning, Executive Secretary-General of China-ASEAN Business Council, and ambassadors to China from all 10 ASEAN countries.

Receiving the award on behalf of Keppel Land China was its President, Mr Ho Cheok Kong, who said, “Keppel Land was one of the first foreign property developers to enter China in the early ‘90s. Over the years, we have been privileged to play a part in China’s urbanisation. Today, China is one of Keppel Land’s core markets and our portfolio of award-winning residential, commercial, waterfront and lifestyle developments across 10 Chinese cities is distinguished for its quality and thoughtful innovations.

“We are confident that Keppel Land will continue to grow with China as we deepen our presence in our five focus cities of Shanghai, Beijing, Tianjin, Chengdu and Wuxi, where we have built our presence and strong local teams.

“Beyond sustaining growth in our businesses, Keppel Land China is also committed to engage and nurture communities wherever we operate.”

The judging panel for the award comprised members of the CABC, relevant government authorities and Economic and Commercial Offices of the 10 ASEAN embassies in China, as well as representatives from relevant business councils of China and ASEAN. Selection was based on the companies’ scale of investments, their development progress in China and contributions to the Chinese economy and society.

Separately, Keppel Land China has signed a Memorandum of Understanding with Shanghai Pudong Development Bank for a RMB 3 billion credit line. This is one of the largest credit facilities ever granted by Shanghai Pudong Development Bank to a foreign property developer and its first to a Singaporean company. The agreement demonstrates Keppel Land’s long-term commitment and confidence in growing with China into the future.

As at end-2014, Keppel Land had about $6.3 billion worth of assets in China, comprising more than 20 projects in 10 cities. China remains the largest overseas market for Keppel Land, accounting for about 44% of total assets. The company completed a record 5,100 units in the country in 2014.
Coming on board

Keppel Corporation has appointed Mr Till Vestring as an independent director on its board with effect from 16 February 2015.

Mr Vestring, 51, is a partner in management consulting firm Bain & Company’s (Bain) Southeast Asia office. Of his 24 years with Bain, Mr Vestring has spent over two decades in Asia advising companies on portfolio strategy, growth, mergers and acquisitions, merger integration, organisation and performance improvement. He has advised companies in the shipping, offshore and marine, industrial products, automotive, infrastructure, commodities, airlines and telecommunications industries.

At Bain, Mr Vestring works closely with Asian and multinational companies to grow organically and inorganically across Asia. He is part of Bain’s Developing Market 100 initiative that partners high-growth companies in developing markets on the journey towards global leadership. From 2007 to 2013, he served as the Managing Partner of Bain’s Southeast Asia operations with offices in Singapore, Jakarta, Kuala Lumpur and Bangkok.

Welcoming Mr Vestring to the Board, Dr Lee Boon Yang, Chairman of Keppel Corporation, said, “As Keppel continues to grow multiple businesses on a global scale, Till’s expertise in portfolio strategy, mergers and acquisitions, merger integration and human resource-related matters will be invaluable.”

Mr Vestring sits on the boards of Inchcape plc, a leading global automotive distributor and retailer, Singapore Chinese Orchestra Company Limited, Leap Philanthropy Ltd and Brocon Investment Co. Ltd. His thought leadership on strategy and mergers and acquisitions has appeared in numerous publications, including Harvard Business Review, Sloan Management Review and European Business Forum.

Mr Vestring holds a Master of Economics from the University of Bonn in Germany and a Master of Business Administration from the Haas School of Business at the University of California, Berkeley.

With the addition of Mr Vestring, Keppel’s board comprises 10 directors, of whom eight are independent directors.

Fuel for thought

A leader’s job is not to do the work for others, it’s to help others figure out how to do it themselves, to get things done, and to succeed beyond what they thought possible.

Simon Sinek,
Author
Driving energy efficiencies

With round-the-clock operations at 20 yards worldwide, Keppel Offshore & Marine (Keppel O&M) is keenly aware of the need to be energy efficient.

Over the years, Keppel O&M’s business units have implemented a wide variety of energy-saving initiatives such as energy-efficient lighting in yards and offices, as well as electric instead of diesel-powered equipment.

In line with the Keppel Group’s commitment to a 16% decrease in carbon emissions by 2020, Mr Chow Yew Yuen, CEO of Keppel O&M, articulated his wish for all yards across the group to seek new areas for saving energy as part of ongoing efforts to raise productivity.

Towards this objective, Mr Abu Bakar Mohd Nor, MD of Keppel Singmarine, together with the Keppel Group Energy Efficiency Committee, organised an inaugural Keppel O&M Energy Saving Initiatives Workshop on 30 January 2015. The event was attended by over 100 management and staff from across the various business units in Singapore.

Mr Chow shared, “This workshop aims to provide a platform for Keppel O&M to consolidate our energy-saving ideas, and for all levels of management and teams to pledge our commitment to drive and cascade these ideas across the Group. I hope that this series of workshops will raise awareness of the need to save energy and dispel barriers in integrating new initiatives.”

The National Environment Agency was invited to the workshop to provide an update on Singapore’s Energy Conservation Act as well as several national energy management requirements.

To inspire new ideas to save energy, Keppel O&M’s business units gave an overview of their energy-saving initiatives over the years.

Some of these initiatives include replacing conventional incandescent lights with more efficient compact fluorescent lamps at Keppel FELS; installing electric air compressors instead of diesel ones at Keppel Shipyard, which saves close to two million litres of diesel a year; and implementing a coordination control plan for Keppel Singmarine’s 250-tonne gantry crane, which saves more than 12,000 kWh of energy each year.

The workshop ended with a brainstorming session where Keppel O&M employees were challenged to think out of the box and suggest possible energy-saving ideas.

The new ideas generated will be evaluated for feasibility by a taskforce led by Mr Abu Bakar.

Most importantly, the attendees were reminded of the benefits of being energy efficient and pledged their commitment to Keppel O&M’s energy-saving journey.
Marking milestones

Keppel Offshore & Marine’s (Keppel O&M) overseas yards crossed significant milestones, and continue to establish themselves as the choice solutions providers in their respective markets.

**FIRST DELIVERY**
Keppel Nantong Heavy Industry (KNHI) in China has completed its first delivery to Keppel FELS since commencing operations in end-2013.

*Thirteen blocks of completed pontoons and spud cans for a floating accommodation platform and a jackup rig that Keppel FELS is building set sail for Singapore on 11 January 2015. The delivery was made on time and with a perfect safety record.*

KNHI will also be delivering the columns and upper hull for the floating accommodation platform in stages to Keppel FELS, where they will be assembled and integrated.

Located adjacent to Keppel Nantong Shipyard, KNHI supports Keppel O&M’s construction work from China by producing up to 32,000 tonnes of steel structures annually.

Equipped with a 140-m long slipway, loadout bay, jetty, panel line fabrication workshops and a 600-tonne gantry crane, the yard can undertake heavy offshore fabrication projects including jackup rigs, semisubmersibles and liftboats.

**CENTURY CROSSING**
Nakilat-Keppel Offshore & Marine (N-KOM) reached its 100th project milestone for liquefied natural gas (LNG) carrier repairs with its successful handover of Dukhan to MOL LNG Transport on 2 February 2015.

N-KOM achieved the milestone as it strode into its fifth year of operations, affirming its position as the Middle East region’s leading service provider for gas carrier repairs and gas-related solutions.

Mr Chandru Rajwani, CEO of N-KOM, said, “This achievement within the short span of four years is testament to the quality delivery and solutions that N-KOM can provide. Moving forward, the shipyard will continue to deliver in a safe, high-quality and timely manner to our customers, as we strive to become not only a centre of excellence for gas carrier repairs but also the preferred shipyard for delivering sustainable marine solutions.”

N-KOM is set to undertake the first ME-GI (electronically controlled gas injection) conversion of a Q-Max LNG carrier later this year, and is involved in a number of engine retrofit projects for vessels to run on LNG fuel.
Refreshed vision

Keppel Shipyard celebrated the sailaway of Ningaloo Vision on 7 February 2015 with its owner, Apache Energy, after the successful completion of refurbishment works that included coating works and the installation of new equipment.

Ningaloo Vision returned to Keppel Shipyard for the refurbishment works in 2014, five years after departing the yard as a newly converted floating production storage and offloading (FPSO) vessel for deployment in the Van Gogh field in offshore Northwest Australia.

This was the first time Keppel Shipyard worked directly with Apache Energy on a FPSO refurbishment and upgrading job. Both project teams demonstrated strong teamwork and a shared commitment to safety, achieving more than 2.5 million safe man-hours without lost-time incidents.

Besides participating in all of Keppel Shipyard’s safety initiatives, Apache Energy also contributed to the development of the Keppel Safety Training Centre and the East Yard Workers’ rest area building.

Successful six

Keppel Singmarine Brasil has successfully completed a series of six harbour tugboats for REBRAS – Rebocadores do Brasil S.A. (Smit Rebras). The sixth unit SST Parintins was delivered on 28 January 2015.

Keppel Singmarine Brasil is a one-stop shop for ships of various specifications and functions.

Acquired by Keppel Offshore & Marine in 2010, the yard in Navegantes, Santa Catarina, Brazil, has been progressively building up the capabilities of its people and infrastructure.

Presently, the yard has two ongoing projects, including the construction of platform supply vessels custom-designed by Keppel’s Marine Technology Development unit.
Hand in hand

The strong and mutually beneficial partnership between Keppel FELS and its subcontractors has enabled both parties to achieve tremendous growth over the years. This partnership was reaffirmed and celebrated at the annual Keppel FELS Subcontractors Executive Council (KSEC) dinner on 11 February 2015.

Speaking at the event, Mr Chow Yew Yuen, CEO of Keppel Offshore & Marine (Keppel O&M) said, “Many subcontractors have been with Keppel for decades and we have been through ups and downs to emerge stronger. The challenging market environment today means that we all have to reduce our costs and find innovative ways to increase productivity while maintaining our safety and quality standards. We have to continue to work hand in hand to accomplish this and retain our competitive advantage.”

Mr Chow also encouraged subcontractors to upgrade workers’ skills by leveraging the more than 80 training programmes organised by Keppel O&M’s training centre. He also called on the subcontractors to look beyond Singapore and partner Keppel at its regional yards in Bintan, Indonesia and Nantong, China.

Concurring, Mr Ng Joo Kheong, Chairman, KSEC, said that the subcontractors were ready to respond to the challenge and welcomed the opportunity to streamline processes in tandem with Keppel FELS.

Bolstering business ties

Underscoring its commitment to grow with the Philippines, Keppel Corporation sponsored the Philippines-Singapore Business Council (PSBC) Forum held on 4 February 2015 at the Shangri-La Hotel, Singapore.

Mr Loh Chin Hua, CEO of Keppel Corporation and Singapore Co-Chairman of the PSBC, said in his welcome address, “Given the wide range of partnerships such as infrastructure, transportation and tourism that the two countries can engage in, there is much room for our business relations to grow and flourish.

“For Singapore brand names that have already established themselves in the Philippines, including Keppel, we can take the opportunity to deepen our relationships and see how we can expand our footprint in the country.”

Launched in 1994 to promote cooperation between the business communities of Singapore and the Philippines, the PSBC comprises senior executives from a range of industries in both countries.

Having chalked up a full-year growth of 6.1%, the Philippines was Asia’s second-fastest growing economy after China in 2014.

Keppel’s current operations in the Philippines include two shipyards in Subic and Batangas, and a mixed-use property development in Manila.
Expanding logistics footprint

Keppel Telecommunications & Transportation (Keppel T&T) marked another growth milestone with the grand opening of Indo-Trans Keppel Logistics Vietnam’s (ITKL) new 120,000 sf distribution centre in the Vietnam Singapore Industrial Park 1 (VSIP 1) located in Binh Duong Province, Vietnam.

The distribution centre expands the logistics footprint in Vietnam of ITKL, a subsidiary of Keppel Logistics, as it looks to capitalise on manufacturing growth in the Southern Vietnam economic triangle encompassing Ho Chi Minh City, Binh Duong and Dong Nai Province.

Mr Thomas Pang, CEO of Keppel T&T, said, “Tapping on synergies from the core capabilities and talent base of Keppel Logistics and our local joint venture partner ITL Corporation, we are confident of serving the logistics needs of our customers to support Vietnam’s economic growth.”

Beijing boost

Keppel Seghers, a wholly-owned subsidiary of Keppel Infrastructure, has secured a €13.15 million deal to provide technology packages and services to a waste-to-energy (WTE) plant in Beijing.

Awarded by Beijing Hua Yuan Hui Zhong Environmental Protection Science & Technology Co Ltd, the technology package sale is Keppel Seghers’ second project win in China’s capital city, and bolsters the company’s position as a leader in imported WTE technologies in the country.

When operations commence in 2017, the plant, located in Beijing Changping District in Asuwei, will be able to treat 3,000 tonnes of municipal waste per day. Keppel Seghers will provide its process design, equipment supply and technical services for the furnace, hydraulic system and combustion control of the plant.

Keppel Seghers’ first project win in Beijing was with the Beijing Chaoyang District government in August 2013 to provide technology packages for the WTE plant in Gao An Tun.

When completed, the two plants will have a combined treatment capacity of 4,800 tonnes per day of municipal solid waste – equivalent to around 30% of the volume of waste generated in Beijing daily.
New developer for Sino-Singapore Eco-City

Tianjin Eco-City Aerospace Times Real Estate Development Co., Ltd (Eco-City Aerospace Times), a subsidiary of Aerospace Times Real Estate Development Co., Ltd. (Aerospace Times), successfully bid for an approximately 3.8-ha residential site in the Sino-Singapore Tianjin Eco-City (Sino-Singapore Eco-City). The site was earlier put up for public bidding by Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (SSTEC) at the Tianjin Binhai New Area Land Development Centre.

Aerospace Times is the real estate arm of China’s leading aerospace group, China Aerospace Science and Technology Corporation (CASC). Eco-City Aerospace Times will develop green homes in the Sino-Singapore Eco-City for its employees at CASC’s aerospace projects in Tianjin, and for people who embrace an eco-friendly lifestyle.

The site is located in the Sino-Singapore Eco-City’s Start-Up Area, adjacent to the Ivy School and close to various amenities including the Commercial Street. The site will be developed into an eco-community comprising high-rise residential apartments, covering a total gross floor area of around 63,800 sm.

Secretary of the Party Committee of Aerospace Times, Mr Lei Gang said, “The Sino-Singapore Eco-City is close to our aerospace industrial base in Tianjin. We share the project’s philosophy of ecological and sustainable development and see strong potential in its harmonious and liveable environment. We hope to leverage these advantages to build attractive and comfortable homes for our staff and the broader market.”

Due to its strong track record and distinct blend of core competencies, the Keppel Group was entrusted to lead the Singapore consortium for the Sino-Singapore Eco-City, and works in close tandem with its Chinese consortium partner to guide the 50-50 joint venture, SSTEC, in its role as master developer of the project.

Fruitful visit

As part of the bizSAFE Convention 2015, the Senoko Waste-to-Energy (WTE) Plant played host on 5 February 2015 to 23 delegates.

Besides learning about various Health, Safety & Environment initiatives implemented at the plant during a guided tour led by Mr Lee Song Koi, Senior Plant Manager of Senoko WTE Plant, the delegates were briefed on how these initiatives are monitored through a comprehensive management system.

“The site visit was a fruitful experience where various industry representatives shared best practices in health and safety,” said Mr Lee.

This is the seventh consecutive year that the Keppel Group has sponsored the bizSAFE Convention, which is organised by the Workplace Safety and Health Council.
Insights for REIT investors

Real estate investment trusts (REITs) have come a long way since 2002, when Singapore's first REIT was listed on the market. Since then, the industry has gained significant traction, with a total of 39 listed REITs and real estate-related business trusts on the Singapore Exchange (SGX) to-date. To create better understanding and encourage investment opportunities of REITs, the REIT Association of Singapore (REITAS) and SGX jointly organised its inaugural seminar titled ‘Insights into the REITs industry’ on 24 January 2015. The event was well received and attended by over 150 retail investors.

Presentations and a dialogue session with three REIT member representatives – Keppel REIT, CapitaMall Trust and Ascendas Hospitality Trust – led to the sharing of valuable insights.

Mr Toh Wah San, Keppel REIT’s Executive Vice President of Asset Management, highlighted factors to consider when investing in commercial REITs including the property portfolio fundamentals, financial strength, Unitholder returns and growth potential.

Citing Keppel REIT, Mr Toh shared how the Manager has over the years, upgraded and rejuvenated the REIT’s portfolio to keep it relevant. The recent divestment of the 16-year-old Prudential Tower and acquisition of the two-year-old Marina Bay Financial Centre Tower 3 is one such effort in ensuring that Keppel REIT’s portfolio remains relevant to the changing business landscape.

This strategic upgrade has also significantly improved Keppel REIT’s overall portfolio age to approximately five years, positioning it as the S-REIT with the youngest and largest portfolio of premium Grade A office buildings in Singapore’s prime business district.

Welcoming enhancements

Office tenants at Bugis Junction Towers were welcomed at the start of a new year with a brand new-looking lobby.

To provide a comfortable environment for tenants and visitors as well as increase the overall competitiveness of the 20-year-old building, Keppel REIT enhanced the look and features of the lobby in end-2014.

The upgrading included the installation of security turnstile systems with fingerprint recognition as well as a spruced up waiting lounge, which features a three-metre tall green wall. The addition of a concierge will also see to the needs of tenants and visitors.
Geared up on innovation

“Technology is no longer just a lubricant in the 21st century. It is a vital gear that drives our industry,” emphasised Dr Jerry Ng, CEO of Blue Ocean Solutions, at the 29th Chua Chor Teck Memorial Lecture held on 6 February 2015 at Singapore Polytechnic.

Organised annually since 1986 in remembrance of the late Mr Chua Chor Teck, MD of Keppel Shipyard and one of the pioneers of Singapore’s marine industry, the Chua Chor Teck Memorial Lecture has become a valued platform for industry leaders and experts to share their insights on a variety of offshore and marine-related topics.

Over the years, the lecture has benefited thousands of industry professionals and students keen to glean pearls of wisdom from experienced counterparts.

Dr Jerry Ng (left), CEO of Blue Ocean Solutions, takes questions from the floor during the 29th Chua Chor Teck Memorial Lecture and dialogue on innovations in marine technology. The dialogue session was moderated by Mr Kenneth Kee (right), Immediate Past President of the Society of Naval Architects and Marine Engineers Singapore.

Dr Ng addressed a 270-strong audience at this year’s lecture, and spoke on the topic “Innovations in marine technology – nothing is impossible, only improbable”. He noted that various key innovations and technologies have arisen in the offshore and marine industry over the past 50 years, from more

Cause for reunion

About 40 Keppel Offshore & Marine (Keppel O&M) alumni members reunited over tea before the start of the Chua Chor Teck Memorial Lecture.

It was a reunion to remember as Mr Chow Yew Yuen (second from left), CEO of Keppel O&M, Mr Loh Chin Hua (third from right), CEO of Keppel Corporation and Chairman of Keppel O&M and Mr Tong Chong Heong (second from right), Senior Advisor of Keppel O&M, mingled with alumni members.

Dr Lee Boon Yang (second from left), Chairman of Keppel Corporation and Mr Choo Chiau Beng (centre), Senior Advisor of Keppel Corporation, sharing a laugh with Mr Tan Chin Hwee (left), non-executive independent Director of Keppel REIT, Mr Roland Tan (second from right), Director of Singapore Maritime Academy and Mr Tan Choon Sian (extreme right), Principal and CEO of Singapore Polytechnic.
Chinese connection

To glean insights on Keppel Logistics’ experience in the integrated port logistics, cold chain logistics and distribution centre businesses in China, a delegation from the Transportation Bureau of Guangdong Province visited Keppel Telecommunications & Transportation (Keppel T&T) on 27 January 2015.

Ms Ngiam Share Ching, GM of Strategic Development, Keppel T&T, hosted the delegation, which was led by Ms Chen Hui Zhen, Deputy Director, Port Division of the Transportation Bureau of Guangdong Province.

The Guangdong officials were briefed on Keppel T&T’s capabilities and best practices and ended the visit excited to explore future collaborations between Chinese companies and Keppel T&T for China’s developing logistics market.

Keppelite I February 2015
Spurring Innovations

Eye in the sky

According to China’s Ministry of Housing and Urban-Rural Development, the number of lifting accidents at construction sites in major Chinese cities has grown by 16% per annum over the past five years, making it the sixth deadliest construction hazard in the country.

Construction firms often assign more than one signalman on-site to warn workers and the public of potential dangers. However, signalmen have limited visual range and are unable to cover all areas of the worksite simultaneously, giving rise to blind spots. Moreover, the sheer scale of industrial lifting equipment and operations mean that crane accidents often result in serious injury or fatalities, especially for people in the vicinity.

To address this issue, a team from the Health, Safety and Environment (HSE) department of Keppel Land China devised a simple yet effective solution to warn passersby when they are encroaching on the danger zone of an operational crane. Based in the Sino-Singapore Tianjin Eco-City, the team comprises Deputy Senior Manager Shan Shan, Senior Safety Engineers Ni Jing, Wei Di and Zhang Yang, and Senior Project Manager Alan Neo.

Named “Eye of the Tower Crane”, the solution involves attaching handheld lasers and accompanying power supplies to the four corners of a crane trolley. The light emitted downwards by the lasers marks out the immediate area of operations on the ground, effectively alerting people to stay clear of the danger zone.

The solution clinched a Safety Innovation Project gold award at the eighth Keppel Safety Convention held in 2014.

“People tend to be less vigilant of danger beyond their direct line of sight, especially if it is right above them,” explained Shan Shan. “The lasers act as an ‘eye in the sky’, promptly demarcating the crane’s danger zone wherever and whenever it operates. The lasers are effective up to a height of 40 metres and can be used for prolonged periods, alerting people in the vicinity to the crane’s presence at all times.

“We spent slightly under RMB1,000 (about S$230) from product sourcing to testing for one crane. The biggest challenge was actually sourcing for a compatible laser as they are not readily available in the market.”

Moving forward, the team plans to enhance their innovation by installing audible sensors at fixed lifting points on the ground. The sound will alert workers to an approaching load should they encroach upon the danger zone during crane operations, adding an audio element to the existing visual warnings.
Multi-generational workplace

The Chinese proverb “树老根多，人老识多” (mature trees have more developed roots) recognises the wealth of experience that can be drawn from the older generation.

This aptly describes the human resources practices of Keppel Logistics, which was recently highlighted as a champion of a multi-generational workforce in a collaborative feature by TODAY and the Tripartite Committee on Employability of Older Workers.

Traditionalists, Baby Boomers and Generations X and Y are well represented within the organisation’s 500-strong workforce, according to Teo Jia Ning, Human Resources Manager of Keppel Logistics.

“As a company that prides itself on its people, having a multi-generational workforce is valuable to us. Each generation brings its own unique viewpoint and approach, allowing for greater diversity and creativity at work,” she explained.

Mr Loh Teck Choon, a 70-year-old warehouse assistant who has worked at Keppel Logistics for 45 years, shared, “Older workers like myself feel a sense of belonging to the company, having served and contributed for many years. I appreciate that the company takes my age into account when designing my scope of work.

“In return, my experience helps save time and improve efficiency at work. Young employees may not yet have the seasoned eyes and hands to manage the work as intuitively as older counterparts. Many a time, the information is at our fingertips and our younger colleagues will turn to us for advice.”

Under the sea

Ever wondered what the bottom of the ocean looks like?

Dr Basil Lui, Assistant GM (Corporate and Technology Department) from Keppel Offshore & Marine Technology Centre (KOMtech) will get a peek as he embarks on a 47-day voyage together with fellow researchers from the Keppel-NUS Corporate Lab.

Using a variety of high technology survey equipment, Dr Lui and his companions will be conducting the first round of environmental and survey studies as part of the initial process for the exploration of polymetallic nodules, which Ocean Mineral Singapore (OMS), a subsidiary of Keppel Corporation, obtained a license for in July 2014.

Polymetallic nodules contain copper, nickel, cobalt and manganese, as well as rare earth minerals. Harvesting such nodules could potentially provide a supply of key metals to meet a growing global demand for them in fields as diverse as construction, aerospace and alternative energy.

Watch this space to follow his adventures on the high seas!
In January this year, Keppel Subic Shipyard completed the fabrication and pre-commissioning of the Depletion Compression Platform (DCP) for the Malampaya Deep Water Gas-to-Power project Phase 3 development.

Assistant Project Manager Liang Yibin felt immense pride and satisfaction at the project’s success as he had spent three years working on it, starting from the bidding process when he was a Project Manager with Keppel Shipyard’s commercial team. Yibin’s main responsibility back then was to tender for new projects and one of them was the DCP contracted by Shell Philippines Exploration B.V. (SPEX) for Malampaya Phase 3.

Even before the contract was awarded, the late Mr Nelson Yeo, then-MD of Keppel Shipyard, had asked Yibin if he was interested in relocating to Subic, the Philippines, where the DCP would be constructed, to see the project through as its Assistant Project Manager. With three years of working experience at Keppel Shipyard under his belt, Yibin was only too ready to take on the challenge of an overseas posting.

When transitioning from a commercial role to one in which he had to manage and coordinate the resources to construct the mammoth DCP – the first of its kind to be fully constructed in the Philippines – Yibin initially found the going tough.

“It was not easy at first as I needed to work with many stakeholders – the Shell team, our subcontractors, and the local authorities – in an environment that I was unfamiliar with. To facilitate my work, I had to put in more effort to gain the trust and confidence of our clients and subcontractors, and even my own project team,” he shared.

Adding to the challenging atmosphere was the fact that Yibin had to concurrently focus on the upgrading of Keppel Subic Shipyard’s infrastructure, including the installation of a 1,500-tonne goliath crane – one of the biggest gantry cranes in Southeast Asia. As these new facilities were crucial to the development of the DCP project, any delays in their installation would affect the progress of the latter.

Yibin managed to surmount these myriad challenges through the excellent teamwork and rapport that he had built up with the project teams. It also helped that English is the common working language in the Philippines, and that Filipinos are naturally warm and friendly, he explained.

While Yibin misses Singapore, he laments the fact that his posting with Keppel Subic Shipyard will be coming to an end this February.

“One of the things I will miss most is having at my doorstep the fantastic shipwreck diving sites that Subic Bay is home to. This is where I first picked up diving,” he said.

“Therein lies the beauty of furthering your career in different parts of the world. When stationed in a foreign land, one gets to enjoy the experiences and advantages associated with that place, and a career with Keppel is able to provide just that.”

Liang Yibin (second from the left), Assistant Project Manager of the Depletion Compression Platform project, celebrating its completion with his team.
Pitch perfect

BrasFELS’ soccer team has emerged champions of the third PAM (Mutual Aid Plan) Soccer Championship, scoring six goals without reply in the final match.

The BrasFELS sportsmen also won two trophies for their exceptional performance. The first trophy was awarded to goalkeeper Wellington Lima, a worker in the Structure section, while the second went to Felipe Nascimento Correa, who works in Outfitting, for netting 13 goals to emerge top scorer.

According to Marco Antonio Gavioli, a Technician Auxiliary in the Architecture/HVAC section and the team coach since April 2010, the main factors behind the team’s success were their strong rapport, willpower and determination.

“The win was only possible because of the players’ excellent teamwork and technique. Soccer is my passion and I use it to encourage people to keep fit and promote bonding among my colleagues and their families. We see many family members supporting the BrasFELS players at their games.”

The Mutual Aid Plan comprises a few companies which provide support in emergency situations and act to prevent accidents in the Costa Verde region, where BrasFELS’ Angra dos Reis yard is located.

Melodious fusion

Tenants at Ocean Financial Centre enjoyed a musical lunch break on 13 February 2015, courtesy of Keppel REIT and young musicians from Lasalle College of the Arts and Nanyang Academy of Fine Arts.

Wowing the crowd with renditions of well-known songs including Teresa Teng’s The Moon Represents My Heart and Coldplay’s Yellow, the musicians creatively combined traditional musical elements with contemporary pop using various Chinese and Western instruments.

The melodious treat is part of Keppel REIT’s efforts to enliven the community through music and the arts.

Lunchtime jazz and Chinese ensemble performances were also held at Marina Bay Link Mall in February 2015 as part of the Lunar New Year celebrations.
Doing good

In line with Keppel’s commitment to do well and to do good, Keppel Land supported several corporate social responsibility (CSR) initiatives.

GREEN PLEDGE
On 20 January 2015, Keppel Land pledged to plant over 200 native trees at The Lakefront Residences in support of South West Community Development Council’s (CDC) 1,000,000 Native Plants @ South West initiative. Under this initiative, a million trees will be planted by some 13,000 residents in South West CDC over ten years from 2008, to reinstate the district’s natural heritage and to take a stand in fighting climate change.

RECYCLE-A-BULB
Keppel Land is one of the first corporate partners of South West CDC’s Recycle-A-Bulb initiative. Into its second year, the programme has been expanded to include corporate and community partners to pledge used light bulbs in exchange for new energy-efficient ones for low-income families. The initiative aims to collect 50,000 light bulbs over the next five years, which will benefit 12,500 families with an estimated $3.7 million savings in electricity bills.

The launch of this year’s initiative was held in conjunction with South West CDC’s annual eco-event, Eco Day Out @ South West held on 1 February 2015 at Hong Kah North Community Club. Gracing the event were Dr Vivian Balakrishnan, Minister for the Environment and Water Resources, as well as Dr Amy Khor, Minister of State for Health and Manpower and Advisor to Hong Kah North grassroots organisations. Keppel Land pledged over 3,000 light bulbs for recycling during the event. The bulbs were collected from Keppel’s commercial buildings, namely Prudential Tower, Keppel Towers, Keppel Towers 2, Equity Plaza, Ocean Financial Centre and Bugis Junction Towers.

Mr Ang Wee Gee, CEO of Keppel Land, shared, “Keppel Land adopts a proactive and holistic approach in the way we design, build and operate our properties to ensure that they harmonise with the environment, as well as enhance the quality of life of the community.

“In doing so, we actively engage our stakeholders on the importance of being environmentally conscious and encourage our staff, residents and tenants to join us in our green journey through policies, engagement programmes and outreach efforts.”
DONATION INITIATIVE

From 27 January to 6 February 2015, staff of Keppel Land donated old clothing to the South West CDC’s Eco Clean Out initiative, which sees donated clothing being exchanged for packets of rice for needy families residing in the South West district. A total of 220 kg of old clothing was collected from Keppel Land staff. As a result of the initiative, over 70 packets of rice will be donated to the less fortunate.

SPREADING CHEER

To spread festive cheer to the less fortunate, Keppel Land collaborated with the Metropolitan Young Men’s Christian Association (MYMCA) to pack and distribute over 100 goodie bags to needy families over the Lunar New Year period.

Goodie bag items sponsored by Keppel Land included barbecued sliced pork, pineapple tarts, mandarin oranges as well as shopping vouchers from local convenience store NTUC.

Keppel Land collaborated with MYMCA to pack and distribute goodie bags to needy families to spread the cheer of the Lunar New Year.

River extravaganza

The Keppel Group was a sponsor of River Hongbao 2015, the largest Chinese New Year carnival in Singapore which featured a dazzling display of lanterns, including the tiger lantern (right photo) which was allocated to the Group. In recognition of Keppel’s longstanding support of the event, Singapore’s Deputy Prime Minister Mr Teo Chee Hean (left photo, right) presented a token of appreciation to Mr Tan Swee Yiow (left photo, centre), President of Keppel Land, Singapore, during the opening ceremony on 17 February 2015. Witnessing the presentation was Mr Liang Eng Hwa (left photo, left), Chairman of the River Hongbao Organising Committee.
Insightful dialogue

As part of efforts to boost the effectiveness of Keppel Nights, over 50 teachers from participating schools attended a feedback and sharing session at the Esplanade on 3 February 2015.

Keppel Nights is a partnership between Keppel Corporation and Esplanade – Theatres on the Bay to give students from heartland schools across Singapore access to world-class performances presented by the Esplanade. Noting the importance of involving various stakeholders to enable students’ participation in Keppel Nights, Ms Serene Ang, Subject Head (Aesthetics) of Greendale Secondary School, shared how administrative and logistical challenges such as transport arrangements could be overcome through close coordination.

Through Keppel Nights, over 200 Greendale Secondary School students have attended six performances since April 2014.

Mr Matthias Chua, Head of Department (Aesthetics) at Crest Secondary School, said, “Keppel Nights lets our students enjoy something they might otherwise be unable to because of their background. Many of them require financial or special needs support. Watching professional artistes in a formal theatre setting ignites their imagination, helping them to appreciate and understand what a good performance entails.”

Spurring sporting excellence

At the Keppel-STTA Awards 2015 held on 5 February 2015, Keppel Corporation announced an extension of its sponsorship of the Awards for another two years. Keppel has been supporting the Awards since 2013.

Cash awards totalling $33,000 were presented at the ceremony at Orchid Country Club to Singapore’s national table tennis players with outstanding performances in 2014.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, “Our national paddlers’ discipline, dedication and tenacity resonate strongly with our Keppel core values of passion and excellence. We hope that the Keppel-STTA Awards will continue to spur our sporting talents to reach for greater heights and ignite national pride.”

Ms Ellen Lee Geck Hoon, Member of Parliament for Sembawang GRC and President, STTA, said, “We are grateful to Keppel for their kind sponsorship and strong support, with which we can reward and recognise Singapore’s best paddlers for their stellar performances in 2014 and their immense contribution to Singapore table tennis.”
Ringing in the New Year, Keppel volunteers reached out to the elderly and brought festive cheer to the underprivileged.

**FU DAIS FOR SENIORS**

Forty Keppel volunteers ushered in the Year of the Goat with goodies for elderly residents of Bright Hill Evergreen Home, a nursing facility for the aged.

The volunteers visited the home on 5 February 2015 and packed Chinese New Year goodies and various household necessities into more than 240 Fu Dais (prosperity bags) before presenting them to the beaming senior residents.

The highlight of the visit was a rousing lion dance performance, which brought on cheers as the performers arranged orange slices into auspicious numbers.

Samuel Chong, Project Manager at Keppel Shipyards, shared, “I was surprised to see how our small gifts could bring so much joy to the elderly. Although most of us aren’t fluent in dialects, we were still able to converse with the elderly by using simple phrases.

“It is easy to be caught up with the daily grind. However, if each of us make time for at least one volunteering event a year, we can spread much joy and show that we care.”

**MELODIous EVENING**

Senior friends from THK Bedok Radiance enjoyed a lyrical evening when Keppel Volunteers hosted them to the concert, “JOY! – Beethoven’s 9th Symphony”, by the Braddell Heights Symphony Orchestra on 25 January 2015 at Esplanade Concert Hall.

The elderly enjoyed the robust performance of the 80-strong orchestra, joined by soloists, as well as singers of “The Joy Chorale”.

Mr Robert Chong (left), Director of Group Human Resources, Keppel Corporation, joined Keppel Volunteers in befriending the senior beneficiaries.
Furthering a strategic alliance

Keppel Land and Vanke have embarked on their first project in China, fortifying Keppel Land China’s presence in Chengdu, capital of Sichuan Province.

Keppel Land China, a wholly-owned subsidiary of Keppel Land, has entered into an agreement with its partner and China’s leading developer, China Vanke Co., Ltd (Vanke), to jointly develop a 16.7-ha (251 mu) prime residential site in Chengdu, China.

Keppel Land China and Vanke will hold 35% and 55% stakes respectively in a property company that owns the site, while the balance 10% stake will continue to be held by the previous site owner.

The proposed development will comprise 6,480 units of high-rise apartments, 649 units of retail or street-front shops and a kindergarten. Phase 1 is expected to be launched in 3Q 2015 and the entire project will be completed in 2Q 2020. The estimated total development cost for the project is expected to be RMB 4.88 billion (approximately S$1.06 billion).

Mr Ho Cheok Kong, President of Keppel Land China, said, “Keppel Land continues to strengthen our collaboration and partnership with Vanke with another prime residential development, our first in China. This is also in line with the company’s strategy to focus on key Chinese cities, including Chengdu, where we have an established presence and a strong local team.

“Leveraging Vanke’s local knowledge and extensive network, as well as Keppel’s track record in Chengdu, we are confident that the new development will attract homebuyers who seek well-located and quality homes.”

The subject site is in the northwestern region of Chengdu between the third and fourth ring roads and is easily accessible by Metro Line 2, various main roads and highways. It is well-placed to benefit from the nearby High-tech West Zone, where over 6,000 companies, including five Fortune 500 enterprises, are located. The site is also adjacent to three top private schools in Chengdu.

In April 2013, Keppel Land and Vanke entered into a strategic alliance to acquire and jointly develop residential property projects in Singapore and China. Their first joint venture project in Singapore was the development of The Glades at Tanah Merah, which has sold about 75% of the 350 launched units to date.

Chengdu, the capital of Sichuan Province and China’s fourth largest city in terms of population, continues to enjoy healthy growth as economic activity shifts to Western China. Chengdu’s GDP grew by 8.7% in the first three quarters of 2014, higher than China’s national average of 7.4%.

The new development is Keppel Land China’s sixth project in Chengdu, the others being The Waterfront, The Botanica, Park Avenue Heights, Hill Crest Villa and Serenity Villa.