

# KEPPELITE

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## Harnessing synergies

20

Milestones  
in renewable  
energy

14

Touching  
lives

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# Editor's Note

August marks Singapore's 54th National Day, and we are glad to feature on our cover, members of the Keppel contingent who will fly our flag high at the National Day Parade on 9 August 2019.

In this issue of Keppelite, we share how Keppel's efforts to actively promote collaboration among its business units (BU) have begun to bear fruit, with inter-BU collaboration becoming increasingly commonplace. Through harnessing the synergies of the multi-business group, Keppel BUs have been able to create new businesses outside core markets, and reach beyond their immediate playing fields (pages 20 to 22).

We also share how Keppel has continued to seek new opportunities and growth platforms. As demand for offshore renewable energy grows, Keppel Offshore & Marine is leveraging its capabilities in offshore engineering and construction to seize opportunities in this sector. Among the new contracts secured by Keppel O&M this year are offshore wind projects for the German sector of the North Sea, as well as for Taiwan (pages 14 and 15).

Deepening its presence in Vietnam, Keppel Land inked a conditional share purchase agreement with Phu Long in July 2019 to acquire an interest in three land parcels in Ho Chi Minh City, where Keppel has established a strong presence. In China, we also continue to see strong demand for Keppel Land's homes, with all 716 launched units at China Chic, Keppel Land's new residential project in Nanjing, fully sold (page 27).

Keppel Capital continues to leverage its on-the-ground presence and network to expand its portfolio and grow its assets

under management. The company has acquired three Grade A freehold commercial buildings in Seoul through Alpha Asia Macro Trends Fund III. Keppel Capital has also participated as a strategic partner in the listing of Prime US REIT, thus further deepening its presence in the US (pages 17 and 22).

Beyond highlighting the progress made by our business units, we share how Keppel has continued its efforts to build inclusive communities and make a positive impact through volunteerism and philanthropic giving. Be it promoting education through bursaries and scholarships (page 54), fostering creativity and expression through support for the arts (pages 48 and 49) or bringing cheer to the less privileged (pages 50 to 53), Keppel is touching lives and making a difference to our communities. In our latest instalment of interviews with Keppel Group senior management, we catch up with Mr Tan Swee Yiow, CEO of Keppel Land, who shares with us his views on how Keppel Land has transformed over the years, and how the company will continue to evolve and progress. Mr Tan also sheds light on his personal mantra in making Keppel a great place to work (pages 40 and 41).

We also share snapshots of life at Keppel, and what drives the company's positive work culture. Find out more about our indoor urban farm at Keppel Bay Tower (page 43), and our Kids@Work event where children of Keppelites enjoyed a full-day at Keppel Corporation's corporate office (pages 44 and 45).

We hope you enjoy your read of Keppelite.

**Keppelite Editor**

Keppel Corporation Financial Results

# Staying the course

Keppelite reproduces the speech by Mr Loh Chin Hua, CEO of Keppel Corporation, at the Company's 2Q & 1H 2019 results webcast and briefing to media and analysts.

The global economic environment has turned more sombre in recent months, with trade tensions between the world's largest economies, slowing global trade and growth, and falling investments on the back of declining business confidence. Flash estimates by Singapore's Ministry of Trade and Industry showed that Singapore's economic growth had slowed considerably in the second quarter.

So far, the trade tensions have had a limited, direct impact on Keppel. However, if tensions were to worsen, and the international supply chain and technology access threaten to bifurcate, this could have a significant impact on the international economic and operating environment. We must therefore remain agile and be prepared not only to deal with the possible challenges ahead, but to seize opportunities that may arise from these disruptive changes.

Against the backdrop of a volatile macro environment, Keppel has remained resilient, underpinned by our multi-business model and diversification across sectors and geographies. As we execute our businesses, we have continued to seek new opportunities and growth platforms, whether in renewables or cleaner fossil fuels such as liquefied natural gas (LNG), or expanding our property business in high-growth cities such as Nanjing in China, or Ho Chi Minh City in Vietnam.

## Financial Performance

For 1H 2019, we achieved a net profit of \$356 million, lower than the \$586 million

achieved in 1H 2018. In the same period last year, the Group had made a profit of \$416 million from the en-bloc sales of development projects in China and Vietnam, whereas profits from en-bloc sales were lower in 1H 2019.

On an annualised basis, our Return on Equity was 6.3%.

We had free cash outflow of \$614 million in 1H 2019, mainly due to higher working capital requirements in the Offshore & Marine (O&M) and Property divisions, as well as lower proceeds from en-bloc sales, compared to the inflow of \$873 million in 1H 2018.

Our net gearing was 0.82x at end-June 2019 compared to 0.72x as at end-March 2019. This was mainly due to \$273 million of cash paid to shareholders in May 2019 as the final dividend for FY 2018, as well as \$224 million incurred for the privatisation of Keppel Telecommunications & Transportation (Keppel T&T).

Taking into account the Group's performance, the Board has approved an interim dividend of 8.0 cents per share for 1H 2019, which will be paid to shareholders on 6 August 2019.

## Multiple Earnings Streams

We remain focused on improving the quality of our earnings. Recurring income contributed \$145 million or about 40% of our net profit in 1H 2019, higher than the \$114 million in 1H 2018, in part due to the higher contribution

from M1 resulting from our consolidation of its results, and higher contribution from our asset management business. Revaluations, major impairments & divestments (RID) made up \$207 million of net profit. This included the fair value gain from the re-measurement of our previously held interest in M1, as well as revaluation gains from our investment properties.

## Offshore & Marine

In the O&M sector, the market for offshore drilling rigs remains challenging. However, we continue to seize opportunities in production and LNG assets as well as specialised vessels. Keppel Offshore & Marine's (Keppel O&M) efforts to reshape its business are also bearing fruit, especially in the renewables sector.

On the back of Keppel O&M's efforts to secure new orders and aggressive cost management, our O&M Division made a profit of \$10 million in 1H 2019, compared to a net loss of \$40 million in 1H 2018. In line with the increased workload, Keppel O&M has also started growing its headcount, from 10,843 in the first quarter, to 11,582 as at end-June 2019.

New contracts secured by Keppel O&M year-to-date amount to close to \$1.9 billion, more than the \$1.7 billion of new orders secured for the whole of 2018. Close to 60% of the new orders are for LNG and renewables related projects.

Among the new contracts secured are offshore wind projects worth about



Keppel O&M delivered two FPSOs (including Liza Destiny in picture), two jackups and three dredgers in 1H 2019.

\$720 million from TenneT Offshore for the design, construction and installation of two converter stations servicing offshore wind farms in the German sector of the North Sea, as well as two offshore windfarm stations from Ørsted, for Taiwan. We have also secured Floating Production Storage & Offloading (FPSO) conversion contracts from our regular customers, SBM Offshore and Yinson Production.

As demand for offshore renewables continues to gain traction, we will leverage and extend our capabilities in offshore engineering and construction to tap on this fast-growing adjacent sector.

Keppel O&M's net orderbook has risen to \$5.5 billion as at end-June 2019, excluding our projects for Sete Brasil, compared to \$4.3 billion as at end-2018. This is the highest that our net orderbook has been since 2016, when we first excluded the Sete rigs from our orderbook.

In the first six months of 2019, Keppel O&M continued to focus on

delivering its projects well. We delivered two FPSOs, including Liza Destiny, Guyana's first FPSO, which was delivered to SBM for ExxonMobil's Liza Field. We will soon commence work on a second FPSO for the Liza Field. We also delivered three units of the world's first European Union (EU) Stage V dredgers to Jan De Nul, further strengthening our track record in the non-oil and gas segment. In addition, we delivered a jackup to Ensco Rowan for operations in the UK North Sea, and have struck steel for the Gimi FLNG conversion.

#### Property

Our Property Division made a net profit of \$262 million for 1H 2019, lower than the \$606 million in 1H 2018, which had been boosted by en-bloc sales of development projects.

Keppel Land continues to deepen its presence and strengthen its portfolio in the key markets of China and Vietnam. In July, Keppel Land inked a conditional share purchase agreement with established Vietnamese developer, Phu Long, to acquire a 60% interest in three

land parcels in Ho Chi Minh City. The 2,400 premium apartments to be built on the sites will add to our current pipeline of about 15,000 homes in Vietnam.

The Property Division sold about 2,100 homes with a total sales value of about \$1.2 billion in the first half of 2019, significantly higher than the 1,385 units in the same period last year. These include about 110 homes in Singapore, 1,140 in China, 610 in Vietnam, 50 in Indonesia and 190 in India.

Despite cooling measures in China, our well-located projects in high growth cities such as Nanjing, Wuxi and Tianjin continue to draw strong interest. For example, both the first and second phases of our Nanjing residential project were 10 times oversubscribed, and ballots had to be held among the prospective buyers. All 716 launched units in the two phases have been sold out.

Earlier this month, we launched 193 homes at Seasons Residences Phase 3 in Tianjin Eco-City, and all the units were sold within a day. These latest sales in



1. Keppel Land's well-located projects in China's high growth cities continue to draw strong interest, as evidenced by the over-subscription rate of 10 times received for the recent launch of the Nanjing residential project (pictured).
2. In the year to date, the Group has invested close to \$100m in venture capital, businesses and start-ups focused on new technologies and innovations.

Tianjin have not been included in the home sales data for 1H 2019.

Our homes in Vietnam have also been well received by home buyers, with more than 98% of the 194 units in the last tower of Palm City Phase 2 sold at the launch in May.

In all, we expect the sale of some 8,690 overseas units worth about \$2.9 billion to gradually contribute to earnings over the next few years from 2H 2019 to 2022.

We currently have a residential landbank of about 46,000 homes as at end-June 2019, of which about 15,000 units are launch-ready from 2H 2019 to 2021.

**Infrastructure**

Our Infrastructure Division achieved a net profit of \$59 million in 1H 2019 with strong earnings growth from Keppel Infrastructure, offset by losses in the logistics business. The Division's net profit was lower year-on-year, due primarily to the absence of the dilution

gain following Keppel DC REIT's private placement exercise in 1H 2018.

Keppel Infrastructure delivered credible first half results with strong underlying performance from across all its three divisions - Energy, Environment and Infrastructure Services.

The construction of Keppel Marina East Desalination Plant is over 85% completed. It is ramping up to commence testing and commissioning in 3Q 2019 and is on track to commence operation in early 2020.

Meanwhile, the Hong Kong Integrated Waste Management Facility is in advanced stages of design and engineering and has been contributing to the Group's bottom line since 1Q 2019.

Keppel Electric continues to grow its customer base in the Open Electricity Market (OEM). It has signed on about 150,000 household customers to-date,

and is currently the leading OEM electricity retailer in Singapore.

We continue to strengthen the capabilities of Keppel Data Centres, which has invested in a minority stake in Etix, a Luxembourg-based data centre developer and provider of data centre colocation services. The investment allows Keppel Data Centres to gain a deeper appreciation of how cloud players are exploring the deployment of small-scale edge data centres in high potential markets, which is often a precursor before they upscale their deployment.

**Investments**

Our Investments Division made a net profit of \$25 million for 1H 2019, compared to a net loss of \$46 million in the same period last year. This is due to stronger earnings from Keppel Capital, driven by new acquisitions, higher contribution from M1 following our acquisition this year and re-measurement gain of previously held interest in M1.

Keppel Capital continues to leverage its on-the-ground presence and network to

expand its portfolio and grow its assets under management.

During the quarter, Keppel REIT acquired a stake in T Tower, a freehold Grade A office building in Seoul's central business district. Separately, the Alpha Asia Macro Trends Fund III acquired another three Grade A offices, also in Seoul.

Seoul is a familiar market for Keppel Capital. We have, since 2004, managed close to \$3 billion of assets with gross floor area of 5.2 million sf in South Korea. Keppel REIT's foray into Seoul is testament of the Group's ability to hunt as a pack to seek strategic investment opportunities for growth.

Keppel Capital has also announced that it will participate as a strategic partner in the proposed listing of Prime US REIT, thus further deepening our presence in the US.

**Driving M1's transformation**

We will continue to work with SPH and the board and management of M1 to drive M1's transformation. This includes accelerating core consumer growth, expanding the B2B segment, improving cost efficiencies and looking beyond Singapore for growth opportunities, harnessing Keppel's international presence and network.

As a first step to drive consumer growth, M1 has revamped its mobile offerings, and launched a new, simplified plan to replace its previous 19 plans, as well as a new website to enhance customer experience.

Since the launch of the new One Plan in May, M1 secured more than 15,000 new customers within a month, taking its base to 2.25 million as at end-June, an increase of about 80,000 customers year-on-year. M1 will continue to drive growth through other exciting offers in the near future.

M1 also recently won the 5G Trial Tech Call awarded by Infocomm Media Development Authority (IMDA) and PSA. The partnership with IMDA and PSA offers M1 an opportunity to work on 5G network infrastructure development for future applications across various industry verticals. This trial will help augment M1's in-house 5G competencies, strengthen its readiness to harness new capabilities for customers in the digital economy, and place it in a good position to participate in IMDA's upcoming Call For Proposal for 5G spectrum and licence.

We are also driving collaboration between M1 and other Keppel entities. We have announced that Keppel O&M and M1 are working with the Maritime and Port Authority of Singapore to testbed Maritime Autonomous Surface Ships in Singapore waters. The collaboration harnesses Keppel O&M's autonomous vessel technology and M1's ultra-low latency 4.5G network connectivity to establish reliable ship-to-shore communication links and support mission-critical IoT maritime applications. Keppel Data Centres is also collaborating with M1 to widen its data centre capabilities and offerings.

We see M1 as a key pillar of Keppel's connectivity business. It is an enabler which links and enhances our various other businesses such as our smart districts and buildings, data centres, yards and vessels. We will continue to drive the necessary changes in M1 to enhance its competitiveness, and grow M1 to be a pillar of recurring income for the Group.

**Investing in innovation**

I have said at the last quarter's results briefing that the key pieces of our business transformation are in place. As we execute and deliver on our plans, we will leverage new technologies and innovations to stay ahead.

Our innovation strategy includes tapping the start-up eco-system to gain insights as well as access to emerging trends, creative solutions and deal flows. In the year to date, we have invested about \$100 million in venture capital and high-growth businesses and start-ups in areas such as prop tech, China tech start-ups, enterprise & deep tech, edge data centre solutions and batteries for electric vehicles.

These efforts to acquire new knowledge and capabilities will not only enhance the depth and breadth of our solutions for sustainable urbanisation, but also keep us ahead of potential disruptions in the fast-changing landscape.

2

**FUND INVESTMENTS**

**DIRECT INVESTMENTS**

**Property Technology**  
Fifth Wall Ventures

**China Tech Startups**  
Vertex Ventures

**Enterprise & Deep Tech**  
Wavemaker Partners

**Edge Data Centre Solutions**  
Etix Group

**Electric Vehicle Batteries**  
Envision AESC Group

Keppel Corporation Financial Results

# Financial highlights

Keppelite reproduces highlights of the presentation by Mr Chan Hon Chew, CFO of Keppel Corporation, on the Company's financial performance at the 2Q & 1H 2019 results briefing to media and analysts.

## 2Q 2019 financial highlights

\$m	2Q 2019	2Q 2018*	% Change
Revenue	1,784	1,523	17
Operating Profit	160	280	(43)
Profit Before Tax	206	298	(31)
Net Profit	153	249	(39)
EPS (cents)	8.4	13.7	(39)

## 1H 2019 financial highlights

\$m	1H 2019	1H 2018*	% Change
Revenue	3,315	2,993	11
Operating Profit	482	766	(37)
Profit Before Tax	489	746	(34)
Net Profit	356	586	(39)
EPS (cents)	19.6	32.3	(39)

\*An agenda decision on a clarification in relation to capitalisation of borrowing costs by property developer under IAS 23 Borrowing Costs was finalised by the International Financial Reporting Standards Interpretations Committee during the year. As the financial reporting framework applied by the Group is equivalent to International Financial Reporting Standards, the agenda decision has relevant impact to the Group's Property Division. Consequently, 2018 financial figures in this presentation have been restated.

### 2Q 2019 financial highlights

In the second quarter of 2019, the Group recorded a net profit of \$153 million, which was 39% lower than the same quarter last year. Correspondingly, the earnings per share decreased by 39% to 8.4 cents in this quarter.

The Group's revenue for the second quarter was 17% or \$261 million higher than the same quarter last year. All divisions, except for the Offshore & Marine (O&M) Division, registered higher revenues during the quarter.

However, operating profit fell by 43% or \$120 million despite higher revenues, largely due to absence of gains from en-bloc sales of development projects compared to the same quarter last year.

Profit before tax at \$206 million, decreased by a lower percentage of 31% due mainly to higher investment income and higher share of profits from associated companies arising from fair value gains on investment

properties. The Group has historically revalued its investment properties only at the end of the financial year, which can result in lumpy recognition of significant fair value gains or losses in the last quarter of the year. To provide more timely reporting and better understanding of the performance of the property investment segment, the Group has adopted mid-year revaluation of its investment properties with effect from this quarter.

After tax and non-controlling interests, net profit was 39% or \$96 million lower at \$153 million, translating to an earnings per share of 8.4 cents.

### 1H 2019 financial highlights

Net profit for 1H 2019 was 39% lower at \$356 million, compared to the same period last year. Consequently, annualised Return on Equity decreased to 6.3%.

Free cash outflow for the first six months of this year was \$614 million as compared to an inflow of \$873 million in the same

period last year mainly due to higher working capital requirements with the construction progress of O&M's major projects, and Keppel Land's additional property development and land acquisition costs, as well as lower proceeds from en-bloc sales.

Net gearing increased from 0.48x at the end of 2018 to 0.82x at the end of June 2019. This was due mainly to borrowings drawn down for the acquisition of M1 and the privatisation of Keppel Telecommunications & Transportation, working capital requirements, payment of the final dividend for FY 2018, as well as the recognition of lease liabilities following the adoption of Singapore Financial Reporting Standards (International) 16 on leases.

The Group declared an interim cash dividend to our shareholders of 8.0 cents per share for 1H 2019.

For more information on the results, please visit [www.keppcorp.com](http://www.keppcorp.com).

Keppel Corporation Financial Results

# In conversation

Keppelite shares highlights of management's responses to questions from the media and investment community at the Company's 2Q & 1H 2019 results briefing.

**Q: Keppel's Return on Equity (ROE) has been declining since 2014. What is the Company's strategy to achieve your 15% ROE target?**

**LCH:** 2014 marked the start of the decline in oil price. In recent times, Keppel Offshore & Marine (Keppel O&M) has not been contributing to the Group's profits and returns, but we are still very positive on the business in the mid to long term.

As a multi-business Group, we have other businesses that are contributing to the Group's bottom line, such as Keppel Land, Keppel Infrastructure, Keppel Capital, and more recently M1.

As a Group, to achieve our mid to long-term ROE target of 15%, all our engines must be firing. We believe that when all parts of the Group are contributing, we will be able to hit our 15% target.

**Q: Gearing has continued to increase in this quarter. Will this trend continue for the rest of the year?**

**CHC:** As the Offshore & Marine (O&M) business recovers, there will be an increase in working capital demands, especially for some of the projects that are on back-ended payment terms. Likewise, for Property, as we progress with the developments and acquire land, there will be an increase in working capital requirements. These will be partly offset by en-bloc sales. For example, if we have en-bloc sales, it will offset the working capital increase. We do not give projections on working capital requirements.

**LCH:** For overseas properties, we do not recognise the revenue until the property is sold and completed. However, quite often in these markets, we do collect the sales proceeds progressively as we build the units. This revenue that we collect can help to fund some of our project costs. We have said before that we are watching our gearing very closely and do not expect our gearing to go above 1x.

**Q: Can you provide some thoughts on the profitability trend for Keppel O&M? Orderbook has been improving but we have yet to see a pickup in profitability.**

**LCH:** We are very pleased that for 1H 2019, Keppel O&M made a profit as compared to a loss in 1H 2018. Orderbook has also been replenished and is at the highest level since 2016, when we removed the Sete contracts from our orderbook. The new orders won in 1H 2019 reflected the pivot that we took to look not just at oil, but also at renewables, gas, and the non-oil and gas sector.

The trend is encouraging, but in terms of profitability, we do not see a V-shaped recovery.

**Q: How does Keppel O&M think about the increased level of competition in the region as a result of consolidation? How are you facing up to it?**

**CO:** The landscape itself has always been competitive as yards are competing for the same pool of jobs. We differentiate ourselves as a solutions provider. We stay

close to our customers and engage them to ensure that we are able to provide value-added services.

We stay ahead of the curve by training our people even during challenging times to ensure they are geared up for new technologies such as renewables. We are also watching our operating cost and looking at the solutions we can provide to our customers. We are also exploring ways to improve the operational efficiency of our yards, such as through digitalisation.

**Q: How is the hiring at Keppel O&M coming along? Are there any changes to your plans given the uncertain economic outlook?**

**CO:** Based on the volume of projects secured to date, we are continuing with our plans to increase headcount in order to execute our projects well. In 2Q 2019, Keppel O&M hired 1,190 new personnel.

**LCH:** We are trying very hard to hire more people in Singapore. Even though the external environment has become more sombre, we do have an orderbook to execute and we expect Keppel O&M's workflow to pick up.

**Q: Can you comment on the underlying trends for residential properties in Singapore and China?**

**TSY:** We are experiencing very healthy demand for our China projects. In China, the main projects sold are in Nanjing,

Wuxi and Tianjin. Our project in Nanjing, in particular, was 10 times oversubscribed.

In Singapore, our property market volume is at a steady stage, with most of the sales in 2018 and 2019 coming from The Garden Residences.

**Q: Given the strong take-up for property launches in Nanjing and Tianjin, do you expect to sell land in Tianjin Eco-City in 2H 2019?**

**LCH:** The conditions for land sales in China have improved and the outlook is decent. Capitalising on a more positive market sentiment, we are preparing to list some plots for sale in 2H 2019.

**Q: What drove the improved performance for the Infrastructure Division?**

**OTG:** In the environmental infrastructure business, both the Hong Kong Integrated Waste Management Facility (HKIWMF) and Keppel Marina East Desalination Plant (KMEDP) are contributing to the Group's bottom line. In the energy infrastructure business, we announced

the importation of liquefied natural gas last quarter which will contribute to meaningful savings up to the end of 2019, and we expect the contributions from the energy infrastructure business to also be quite decent. In addition, the infrastructure services business, where we operate infrastructure plants globally, is also contributing positively to the Group. All three engines within Keppel Infrastructure are firing and the results are encouraging.

**LCH:** Once completed, these new projects like KMEDP and HKIWMF will add to the operations and maintenance fees that we earn.

**Q: Can you provide an update on the progress of M1's transformation?**

**MSM:** M1's transformation strategy is multi-pronged. The first proof of the pudding is the launch of our One Plan, a new, simplified plan to replace our previous 19 plans. We have also simplified our website to enhance customer experience. With the power of One, the flexibility for subscribers to create their own plans, plus our simplified website, the customer's

journey is very simple and the experience is good. There are other elements of the transformation plan that are being worked on and we will share more as we go along.

**Q: Does M1 plan to cut costs as others in the industry have done?**

**MSM:** We are looking at ways to improve cost efficiency, but not necessarily in the same manner as our competitors. This ranges from business processes, to technology, to people. It is not just about people, but about creating efficiencies at every part of the business.

**LCH - Mr Loh Chin Hua,**  
*CEO of Keppel Corporation*

**CHC - Mr Chan Hon Chew,**  
*CFO of Keppel Corporation*

**OTG - Dr Ong Tiong Guan,**  
*CEO of Keppel Infrastructure*

**CO - Mr Chris Ong,**  
*CEO of Keppel Offshore & Marine*

**TSY - Mr Tan Swee Yiew,**  
*CEO of Keppel Land*

**MSM - Mr Manjot Singh Mann,**  
*CEO of M1*



1. Keppel senior management engaged media and analysts at the 2Q & 1H 2019 results briefing.
2. The DPU-accretive acquisition of T Tower is part of Keppel REIT's ongoing portfolio optimisation.

Keppel REIT Financial Results

## Ongoing portfolio optimisation

Keppel REIT's distributable income (DI) for 2Q 2019 was \$47.3 million, which includes capital gains distribution of \$3.0 million. DI for 1H 2019 was \$94.6 million, lower than 1H 2018's \$96.6 million due mainly to lower one-off income received from the early surrender of leases, absence of rental support in 2Q 2019, and the impact from the divestment of a 20% stake in Ocean Financial Centre. The decrease was partially offset by income contribution from the newly acquired T Tower in Seoul CBD, as well as capital gains distribution of \$6.0 million for 1H 2019.

Distribution per Unit (DPU) for 2Q 2019 and 1H 2019 was 1.39 cents and 2.78 cents respectively. Annualised distribution yield was 4.4% based on market closing price of \$1.26 per Unit as at 30 June 2019.

On capital management, \$200.0 million worth of five-year convertible bonds were issued at a coupon rate of 1.9% per annum to lower interest costs and partially fund the acquisition of T Tower. Keppel REIT also obtained its first green secured loan facility of \$505.0 million, which was used to refinance loans maturing in 2022 and weighted average term to maturity was extended to 3.7 years.

The Manager continued with its DPU-accretive Unit buy-back programme, purchasing and cancelling a total of approximately 9.7 million issued Units during the quarter. With effect from 24 June 2019, Keppel REIT was included as a constituent of Global Property Research's GPR 250 Index and GPR 250 REIT Index.

As part of ongoing portfolio optimisation, Keppel REIT completed the acquisition of T Tower, a freehold Grade A office building in Seoul CBD on 27 May 2019. With the strategic addition of T Tower, Keppel REIT's \$8.4 billion portfolio now comprises 10 properties in Singapore (82.3%), Australia (14.1%) and South Korea (3.6%).

The development of 311 Spencer Street in Melbourne is progressing, with the 30-year lease to the Victoria Police expected to commence in 1H 2020.

As at 30 June 2019, portfolio committed occupancy remained high at 99.1% while portfolio weighted average lease expiry remained long at 5.3 years.



## Keppel DC REIT Financial Results

# Steady growth

Keppel DC REIT has delivered distributable income of \$27.2 million for 2Q 2019, bringing it to \$54.4 million for 1H 2019. This was 18.1% and 23.7% higher than \$23.1 million in 2Q 2018 and \$43.9 million in 1H 2018 respectively, contributed mainly by the acquisitions of maincubes Data Centre in Offenbach am Main, Germany, and Keppel DC Singapore 5 in 2018.

Accordingly, Keppel DC REIT achieved Distribution per Unit (DPU) of 1.93 cents for 2Q 2019 and 3.85 cents for 1H 2019, 6.0% and 6.4% higher than the DPU of 1.82 cents in 2Q 2018 and 3.62 cents in 1H 2018 respectively.

On the operational front, the retrofitting works at Keppel DC Singapore 3 are scheduled for completion in 3Q 2019, and the power upgrading and fit-out works at Keppel DC Dublin 2 in preparation for client expansion is on track for completion in 2H 2019. When completed, the occupancy rate of Keppel DC Dublin 2 will increase to 100%. Asset enhancement works to improve energy efficiency at Keppel DC Dublin 1 are expected to be completed by 2020.

As at 30 June 2019, the REIT's portfolio weighted average lease expiry was

7.8 years, and portfolio occupancy rate remained healthy at 93.2%.

Looking ahead, the development and adoption of new technologies such as 5G mobile networks, autonomous vehicles, virtual reality and the Internet of Things will continue to contribute to the digitalisation wave and correspondingly, global demand for data centres. Keppel DC REIT, with its resilient portfolio in key data centre hubs across Asia-Pacific and Europe, is well-positioned to benefit from the growth of the data centre market.



1. Keppel DC REIT achieved a year-on-year increase in distributable income for 2Q 2019, due to contributions from assets acquired in 2018 such as Keppel DC Singapore 5 (pictured).
2. The strategic addition of Ixom to KIT's portfolio strengthened the Trust's distributable cash flows for 1H 2019.



## Keppel Infrastructure Trust Financial Results

# Increased distributable cash flow

Keppel Infrastructure Fund Management (KIFM), as Trustee-Manager of Keppel Infrastructure Trust (KIT), delivered a distributable cash flow (DCF) of \$45.8 million for 2Q 2019, bringing DCF for 1H 2019 to \$94.2 million. This was 26.3% and 30.0% higher than the corresponding periods in 2018 respectively, and was driven mainly by the addition of Ixom HoldCo Pty Ltd (Ixom).

KIFM also declared Distribution per Unit (DPU) of 0.93 cents for 2Q 2019, bringing DPU for 1H 2019 to 1.86 cents. This translated to an annualised distribution yield of 7.4%, based on the market closing price per Unit of \$0.505 as at 30 June 2019.

On 23 May 2019, KIT established a \$1 billion multicurrency debt issuance programme to diversify the Trust's funding sources. In June 2019, KIT successfully issued a total of \$300 million Subordinated Perpetual Securities, which was launched in two tranches of \$200 million and \$100 million respectively, and consolidated to form a single series. The issuance was well-received by investors, which is an endorsement of KIT's credit profile, balance sheet and long-term sustainable cash generating capability.

Part of the proceeds have been used to pare down debt, thereby improving gearing to 34.2% and providing KIT

with additional debt headroom for future accretive acquisitions.

KIT fulfilled all contractual obligations for its assets and businesses during the quarter. Ixom, which started contributing to KIT from 19 February 2019, is on track in delivering according to projected targets. On Basslink, the Commercial Risk Sharing Mechanism was positive at 12.5% for the quarter.

Capitalising on KIT's well-diversified portfolio of highly defensive and resilient infrastructure assets and businesses that provide essential products and services, KIFM remains committed to delivering long-term sustainable returns to Unitholders.

Keppel-KBS US REIT Financial Results

# Solid growth

Keppel-KBS US REIT (KORE) has achieved distributable income (DI) of US\$12.4 million for 2Q 2019, exceeding its IPO forecast for the same period by 23.4%, and was 31.2% higher than the DI for 2Q 2018. DI of US\$24.8 million for 1H 2019 also exceeded forecast by 23.1%, and was 30.9% above the DI for 1H 2018.

Driving KORE's higher year-on-year performance for 1H 2019 were contributions from the two acquisitions – the Westpark Portfolio in Seattle, Washington, and Maitland Promenade I in Orlando, Florida; healthy leasing momentum, especially at the business campuses in the tech hubs of Seattle, Austin and Denver; as well as positive rental reversion of 8.6% for the portfolio.

DPU for 2Q 2019 was 1.50 US cents, bringing total DPU for 1H 2019 to 3.00 US cents, which translated to an annualised distribution yield of 7.9%.

KORE leased 8.8% of its portfolio in 1H 2019, bringing its portfolio committed occupancy to 94.0%, up 2.4% from end-2018. Tech and tech-related service sectors continue to be key drivers of the US economy, and KORE continues to experience growth in leasing activities and rents due to its strategic locale in tech-focused markets. Over two-thirds of leasing activities for 1H 2019 were at KORE's business campuses in the fast-growing tech hubs of Seattle, Austin and

Denver. As at the end of 1H 2019, 29.5% of KORE's portfolio was leased to tenants in the tech sector.

As at 30 June 2019, the weighted average lease expiry by cash rental income for KORE's portfolio and top 10 tenants was 3.8 years and 4.9 years respectively.

Looking ahead, the Manager remains focused on its long-term goal of delivering stable distributions to Unitholders through leveraging KORE's strategic exposure to the growing tech markets and the REIT's unique value proposition of its business campus-like properties that are sought after by tenants.



# Strengthening connectivity

Keppel Data Centres has invested approximately €14 million in the Series C funding of Etix Group S.A. (Etix), giving it a minority stake in the Luxembourg-based data centre developer and provider of data centre colocation services. Etix leverages prefabricated data centre modules for quick data centre deployment and has built up a network of edge and high-performance computing data centres across Europe, Africa, Latin America and Southeast Asia. To date, the company has deployed more than 50 MW of colocation capacity through 12 data centres, and has a strong development pipeline for expansion.

Etix also has a unit that carries out research and development for the Etix group of companies. It has an innovative

portfolio that includes patented solutions to help partners and customers optimise energy efficiency, security, and IT workloads in their data centres.

Keppel Data Centres' investment in Etix comes at a time when the importance of edge data centres is coming to the fore. Through the deployment of smaller and decentralised servers away from the network source, enterprises are increasingly looking to bring data processing closer to where the data is actually consumed. This shift is driven by latency, data security, and data sovereignty considerations. Research company Gartner predicts that by 2022, 50% of all data would be processed in an edge environment, up from 10% in 2017.

1. Business campus-like properties such as The Westpark Portfolio (pictured), which is located in the fast-growing tech hub of Seattle, is sought after by tenants.
2. Etix provides more than 50 MW of colocation capacity through its network of 12 data centres, including Edge data centres as well as High Performance Computing facilities in the Nordics such as Etix Blönduós #1 in Iceland (pictured).



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## Significant milestones in Renewable energy

Keppel Offshore & Marine (Keppel O&M) has made significant progress in its expansion into the renewable energy sector with two offshore wind contracts secured in May 2019.

Keppel O&M's new contract wins bear testament to its efforts in actively capturing opportunities in offshore renewables and exploring ways to repurpose its technology.

By tapping on its offshore design, engineering and construction capabilities for developing solutions across the value chain of offshore wind farms, such as wind turbine foundations, substation platforms, as well as installation and support vessels, the company continues to support the evolving needs of the energy industry.

### Converter stations for TenneT Offshore

A consortium comprising Keppel O&M and Aibel AS, has secured a contract from TenneT Offshore, a leading European electricity transmission system operator in the Netherlands and Germany, for the design, engineering, procurement, construction, installation and commissioning of a 900 MW offshore HVDC (High Voltage Direct Current) converter station and an onshore converter station. Keppel O&M's share of the contract is worth about \$560 million.

Together with its subcontractor ASEA Brown Boveri, the consortium will also

undertake the installation and start-up operations of the offshore and onshore converter stations on site in Germany.

Scheduled to be completed in 2024, the two converter stations will be part of the DoIWin cluster servicing offshore wind farms in the German sector of the North Sea. The offshore converter station will be located approximately 130 km from the onshore converter station and will provide grid connection for the offshore wind power plants to transmit and supply electricity to approximately a million households in Germany.

Mr Chris Ong, CEO of Keppel O&M said, "This is Keppel O&M's first major project of this scale and extends our track record in supporting the renewable energy industry. We see opportunities in this segment as the offshore renewables market is expected to increase significantly over time with increasing concerns over climate change. Keppel O&M is able to leverage our expertise in offshore energy infrastructure to offer customised and high quality solutions across the offshore wind farm value chain."

The offshore converter station is a 900MW Gravity Based Structure (GBS) based on Aibel's patented design and will be equipped with living quarters, a helideck and lifting cranes.

To kick off the project, a team from Keppel FELS attended a planning workshop organised by TenneT Offshore in Volendam, Holland on 22 May 2019.

### Offshore substations for Ørsted

Keppel O&M has secured a contract from Ørsted, a Danish renewable energy company, for two offshore wind farm substations worth more than \$150 million.

The contract comprises detailed engineering, procurement, construction, testing and commissioning for two offshore wind farm 600 MW substations. It excludes certain electrical components to be furnished by Ørsted.

Keppel's workscope is scheduled for completion in the third quarter of 2021. The substations will be deployed in Ørsted's Greater Changhua offshore wind sites in Taiwan, which have a total potential capacity of 2.4 GW. ↗



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1. A consortium comprising Keppel and Aibel has secured a contract from TenneT Offshore for a 900 MW offshore HVDC converter station and an onshore converter station.
2. Keppel has secured a contract from Ørsted for two offshore wind farm substations.

# Vibrant precincts

in Vietnam

Keppel Land is continuing its transformation to be a multi-dimensional real estate company, with Vietnam being one of its key markets where rapid urbanisation and rising affluence continue to drive demand for quality housing and commercial developments.

On 11 July 2019, Keppel Land entered into a conditional share purchase agreement with established Vietnamese developer, Phu Long Real Estate Corporation (Phu Long), to acquire a 60% interest in three land parcels spanning 6.2 hectares in Nha Be district, Saigon South, Ho Chi Minh City (HCMC), Vietnam, for a total consideration of VND 1,304 billion (approximately \$76 million).

The three sites are situated within 400 metres of each other, along the Nguyen Huu Tho arterial thoroughfare, and are just a 25-minute drive from the HCMC central business district. The partners plan to develop a total of about 2,400 premium apartments with ancillary shophouses on the sites, which will offer around 14,650 sm of commercial space.

Mr Linson Lim, President (Vietnam), Keppel Land, said, "We are happy to collaborate with a reputable partner like Phu Long on these new residential developments which will further contribute to the vibrancy of the thriving urban precinct of Saigon South."

The agreement was signed between Mr Linson Lim (seated, right), President (Vietnam), Keppel Land, and Mr Phung Chu Cuong (seated, left), CEO of Phu Long, in the presence of the Ambassador of the Socialist Republic of Vietnam, Ms Tao Thi Thanh Huong (standing, fourth from right), CEO of Keppel Corporation and Chairman of Keppel Land, Mr Loh Chin Hua (standing, third from right), CEO of Keppel Land, Mr Tan Swee Yioo (standing, second from right), COO of Keppel Land, Mr Louis Lim (standing, far right), Chairwoman of Sovico Holdings, Madam Nguyen Thi Phuong Thao (standing, third from left) and Chairman of Sovico Holdings, Dr Nguyen Thanh Hung (standing, second from left).



# Strategic acquisitions

in Seoul

Keppel Capital, through Alpha Asia Macro Trends Fund III, has acquired 100% stakes in three Grade A freehold commercial buildings in Seoul – Yeouido Finance Tower in Yeouido business district, Nonhyun Building in Gangnam business district (GBD) and Naeja Building in Gwanghwamun central business district (CBD) – for a total acquisition price of about KRW 430 billion (approximately \$510 million) from a Korean asset management company.

Keppel Investment Management, the asset management arm of Keppel Capital in South Korea, will be appointed the local asset manager for the three prime commercial properties.

## Yeouido Finance Tower

Completed in 1994, Yeouido Finance Tower is a 21-storey office and retail mixed-use development offering approximately 42,300 sm in gross floor area (GFA). Situated within a minute's walk to the Yeouido station and Yeouido bus transfer centre, the property is well-connected to other major business districts such as GBD and CBD, as well as Gimpo Airport and Incheon International Airport.

## Nonhyun Building

Nonhyun Building is a 20-storey office and retail mixed-use development with approximately 18,600 sm in GFA. Completed in 1993, the property is located on the main thoroughfare, Gangnam-daero, in Seoul's GBD, and is adjacent to Nonhyun station.

## Naeja Building

Offering approximately 13,000 sm in GFA, Naeja Building is a 15-storey office development. Completed in 2000, the property is within a 3-minute and 10-minute walk away from Gyeongbokgung Palace station and Gwanghwamun station respectively. ✓



Yeouido Finance Tower (pictured), Nonhyun Building and Naeja Building are Grade A freehold commercial buildings located in three major business districts in Seoul.

1. DPM Heng (seated, centre) had an engaging discussion with young Keppelites on their work experiences in Keppel and their aspirations for the future.
2. DPM Heng (centre, in white) with the ROBO KRAWLER, a robotic device developed by the Keppel-NUS Corporate Laboratory, which can weld and undertake inspections in confined spaces. ROBO KRAWLER is part of Keppel O&M's Yard of the Future initiatives to improve productivity by using automation and robotic technologies.

## A visit by Singapore's Deputy Prime Minister

Deputy Prime Minister (DPM) and Minister of Finance, Mr Heng Swee Keat, who is also Chairman of National Research Foundation (NRF), visited Keppel Offshore & Marine (Keppel O&M) on 25 June 2019, where he was briefed on the transformation and growth plans of the Group and the work of the Keppel-NUS Corporate Laboratory.

DPM Heng was accompanied by senior officials, including Ms Chan Lai Fung, Permanent Secretary, NRF, and received by Dr Lee Boon Yang, Chairman, Keppel Corporation; Mr Loh Chin Hua, CEO, Keppel Corporation; Mr Chris Ong, CEO, Keppel O&M; and Prof Ho Teck Hua, Senior Deputy President and Provost, NUS, among others.

DPM Heng toured Keppel O&M's yard and viewed innovations from the Corporate Lab such as welding and inspection robots. DPM also met and interacted with young Keppelites.

Keppel Corporation and NUS set up the Keppel-NUS Corporate Laboratory in collaboration with the NRF in November 2013. The aim of the Keppel-NUS Corporate Laboratory is to create a synergistic industry-university partnership, leveraging Keppel's expertise as a world leader in offshore and marine solutions and NUS' deep research capabilities. ✓



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## Simplifying the M1 customer journey

As a part of its strategic transformation, M1 is refining its mobile offering to meet the changing needs and expectations of customers.

As a first step, M1 has simplified its mobile offering with one base plan each for SIM-only and handset bundles to replace its existing 19 plans. This simplification offers customers greater flexibility and personalisation through a mobile plan that can be made-to-measure. Customers can build and personalise their own plans over the base plan by adding on more data, voice minutes, SMS, roaming packs and other value-added services depending on their expected usage and needs. With the new plans, customers also enjoy larger data bundles compared to the older plans being replaced.

"We believe that our customers deserve true value and to pay only for what they need. These easy-to-understand and easy-to-build plans allow our customers to make their own decisions and build it just the way they want," said Mr Manjot Singh Mann, CEO of M1, during the launch of the new plan on 28 May 2019.

For better customer experience, M1 introduced a brand new website with a streamlined interface that makes it more intuitive for customers to decide on their plans and build them on-the-go. After signing up for the new mobile plans online, customers can also choose to have their SIM card and handset delivered to their doorstep at no additional cost.

"Since the recent acquisition of M1 by Keppel Corporation and SPH, the M1 team and shareholders have been working hard to crystallise our transformation strategy across all areas of our business, with the primary aim to deliver the best possible customer experience and simplification of the customer journey. The launch of the simplified plan and new website marks the start of the transformation and will pave the way for many more exciting offers in the months ahead," added Mr Mann.

Following the launch of the new plan, M1 secured more than 15,000 new customers within a month, taking its base to 2.25 million as at end-June, an increase of about 80,000 customers year-on-year. ✓



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## Collaboration at Keppel

# Harnessing synergies

Over the past few years, Keppel has been actively promoting collaboration among its business units (BU), to harness the synergies of the multi-business group. These efforts have begun to yield results, with inter-BU collaboration becoming increasingly commonplace. Ms Cindy Lim, Director of Group Corporate Development and Managing Director of Keppel Urban Solutions, has a concurrent role as a facilitator of collaboration across BUs. Keppelite spoke to Ms Lim for her take on collaboration, and how Keppel BUs have been working together.

### Winning internal customers

"The Group has made considerable progress in promoting collaboration and it is increasingly an important part of Keppel's corporate culture and language," said Ms Lim. She sees collaboration at Keppel happening on several levels.

The first is when a BU buys or sells a solution to another BU. "We encourage our BUs to transact with each other, and win business not just by offering the best value proposition to customers, but by being the 'best among the best' to our internal customers," she explained.

To facilitate such transactions, Keppel has rules of engagement for procurement and tender processes to ensure that contracts awarded to Keppel entities are transparent and above board, with proper governance structures in place. A recent example of a Keppel BU providing a service to another



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1. Keppel Urban Solutions is collaborating with Keppel Land to develop Saigon Sports City into a vibrant destination of choice.
2. Keppel Electric has partnered M1 to expand its customer reach (pictured: M1 Shop at Paragon).

is Keppel Infrastructure's partnership with Keppel Offshore & Marine (Keppel O&M) on a solar leasing project at Keppel O&M's yard in Singapore. Keppel Infrastructure is providing Keppel O&M with a retail service to sell the renewable energy certificates (RECs) generated from the solar leasing project to electricity retail customers in Singapore.

### Reaching beyond core markets

The next tier of collaboration can be described as moving up the value chain to create new businesses outside our core markets, leveraging the Group's vast network and resources.

"Some BUs have established strong reputations in certain markets, and can provide credible referrals for our other Keppel businesses. For instance, our property arm has a strong presence in Vietnam, having operated in the country for more than 20 years. Through our property business, we have been receiving more requests for our infrastructure

solutions, and are actively pursuing business opportunities that have been borne out of such referrals," Ms Lim shared.

To ensure that requests from potential clients are managed efficiently, Keppel instituted a "no wrong door" policy. As part of the policy, BUs are encouraged to maintain active dialogue with prospective clients keen on a product or service offered by any Keppel entity, and connect them directly to the team in charge within the Keppel Group.

An illustration of how collaboration allows our business verticals to reach beyond their immediate playing fields and create new customer pools is Keppel Electric's partnership with M1 to integrate Keppel Electric sales booths within M1 retail stores in Singapore. Ms Lim elaborated, "The collaboration between M1 and Keppel Electric extends beyond tapping synergies for bundled solutions and front-of-house marketing, to plans to converge on backend customer service infrastructure to

provide a holistic OneKeppel consumer experience. There is also potential for City Gas and UrbanFox to tap such partnership opportunities."

### Master development

The third tier of collaboration is what Ms Lim terms a "platform play". The formation of Keppel Urban Solutions (KUS) was based on the premise that sustainable urbanisation solutions can be a business engine, with KUS as an end-to-end master developer, bringing together the Group's capabilities and track record in energy, property, infrastructure and connectivity to create smart, sustainable urban townships and smart cities.

Ms Lim shared, "In this phase of collaboration, we see our BUs coming together to jointly pitch solutions to prospective clients, such as municipal governments or private land owners. In providing turnkey solutions for an entire city or township, we will look beyond traditional land development, to how we

can create additional value by providing complementary enablers for the city, such as placemaking, energy, water and waste management, last mile and first mile logistics and connectivity.”

An example in point is KUS and Keppel Land’s collaboration on the 64-hectare Saigon Sports City in Ho Chi Minh City, Vietnam. It is envisaged to be a bustling hub, combining modern and sustainable urban living with vibrant and healthy lifestyles, which can be a model for other urban developments in Asia.

Ms Lim explained that by working together as a group, Keppel can enhance the value of its landbank and real estate, as well as enjoy multiple income streams from developing and managing properties and infrastructure, and providing a host of high-quality urban services. She added, “We can also leverage digitalisation and big data analytics to identify potential areas for value creation.”

In addition to the many instances of collaboration happening organically, Keppel Corporation is also providing the strategic direction to drive inter-

BU projects. She said, “To embed collaboration as an integral part of our culture, all BUs are encouraged to include ‘BU plus’ projects as part of the BU’s growth strategy”; i.e. projects that involve collaboration with at least one other Keppel BU.

In concluding, she remarked, “Collaboration is a culture and an enabler. The key conditions for the culture to permeate, and for the enabler to flourish are trust and the common understanding that this collaboration is not just for the benefit of any one BU, but for the greater benefit of the Keppel Group, to allow the whole to be greater than the sum of its parts.”

#### **Stepping up collaboration**

Other examples of collaboration taking place between BUs include the following:

##### ***IoT maritime applications***

Keppel O&M is collaborating with M1 for the test-bedding of Maritime Autonomous Surface Ships in Singapore’s waters. The trial will utilise autonomous vessel technology and leverage M1’s ultra-low latency 4.5G network connectivity to

establish standards and data transfer links in terms of latency and reliability for the ship to shore communication, and support mission-critical IoT maritime applications.

##### ***Providing funding platforms***

Keppel O&M is undertaking the conversion works for the Gimi FLNG. Keppel Capital holds a 30% interest in Gimi MS, the entity undertaking the development, construction and operation of the Gimi FLNG. The current intent is that the Gimi investment would form the seed asset for a new infrastructure fund to be managed by Keppel Capital. In providing funding platforms with co-investors through Keppel Capital, we are able to seize growth opportunities across our chosen sectors, while generating recurring fee income for the Group.

##### ***Data centre solutions***

Keppel Telecommunications & Transportation (Keppel T&T) is working with Keppel O&M on proposed floating data centres that utilise water for cooling. Keppel T&T is also exploring opportunities with Keppel Electric to offer bundled power solutions to our data centre customers in Singapore. ✓

## Deepening participation

in the US

Keppel Corporation has, through a wholly-owned subsidiary held through Keppel Capital, acquired from KBS Asia Partners a 30% interest in KBS US Prime Property Management, the manager of Prime US REIT, for an aggregate consideration of US\$21.6 million. Keppel Capital also subscribed to 6.765% of the units in Prime US REIT for US\$55 million.

Prime US REIT has an investment strategy of principally investing, directly or indirectly, in stabilised income-producing office assets and real estate-related assets in the United States (US). The initial public offering portfolio consists of 11 office assets which are injected into Prime US REIT by KBS REIT III.

The acquisition of a 30% interest in the manager of Prime US REIT allows Keppel

Capital to deepen its participation in the US commercial sector, which is the largest market globally, and continue to expand the contribution of recurring asset management profits for the Group. The joint venture also strengthens the profile of Keppel Capital as a global asset manager and expands its geographic footprint in the US market with the addition of this portfolio of assets strategically located in nine key primary office markets across the US. ✓

# Trusted partner, reliable solutions

Keppel Offshore & Marine (Keppel O&M) is a trusted partner in the offshore and marine industry and in the past quarter marked several key milestones with repeat and longstanding customers.

## Contracts secured

In July 2019, Keppel O&M secured contracts from repeat customers worth approximately \$130 million for a newbuild dredger and the modification of a Floating Production Storage and Offloading vessel (FPSO).

Mr Chris Ong, CEO of Keppel O&M, said, "We are pleased to secure these contracts from repeat customers as it reflects the market's confidence in Keppel O&M's customised solutions for newbuild vessels and FPSO conversions. This is the third newbuild dredger for Van Oord and the third FPSO project for Yinson. We are able to leverage the experience of working closely with our customers as well as our engineering and construction expertise to further improve productivity on their projects."

The first contract is between Keppel FELS and Van Oord to build a high-specification Trailing Suction Hopper Dredger (TSHD). This follows from an option granted to Van Oord based on earlier contracts entered in May 2018 for two similar dredgers.

Expected to be completed in 1Q 2022, the TSHD will have a hopper capacity of 10,500m<sup>3</sup>. The dredger will be built to the requirements of classification society Bureau Veritas (BV) and will be LNG ready.

The second contract is between Keppel Shipyard and Yinson Nepeta Production Ltd, a wholly-owned subsidiary of Yinson Production Pte Ltd (Yinson), for the fast-track modification and upgrading of FPSO Allan. Keppel Shipyard's scope of work includes refurbishment and life extension works, fabrication and installation of a new riser balcony, spread mooring system and helideck, as well as modification of the vessel's topsides and marine systems.



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1. The converted Liza Destiny has a storage capacity of 1.6 million barrels of crude oil and is capable of producing up to 120,000 barrels of oil per day.
2. The TSHD will be equipped with a climate control system which utilises the vessel's existing cooling and heating sources to recycle energy, as well as automation systems which send production data to the shore support centre for processing.

The project for Yinson is scheduled to commence in 3Q 2019 with delivery expected in 1Q 2020. Upon completion, the FPSO will have a storage capacity of 700,000 barrels of oil and a processing capacity of 60,000 barrels of oil per day. It will be deployed in the Anyala and Madu fields, offshore Nigeria for First Exploration and Petroleum Development Co Ltd.

### **Naming of Liza Destiny**

On 22 June 2019, Keppel O&M celebrated the naming of the Liza Destiny, the first FPSO to operate offshore Guyana. The vessel, which was converted from a VLCC (Very Large Crude Carrier), was named by the First Lady of the Co-operative Republic of Guyana, Her Excellency Madam Sandra Granger. It will operate for ExxonMobil in the Stabroek block, one of the largest oil discoveries of the past decade.

The Liza Destiny is Keppel O&M's fifth major project with longstanding customers SBM Offshore and ExxonMobil, and the 25th delivery for SBM Offshore since 1981 when both companies worked on the world's first FPSO conversion. During the conversion of Liza Destiny, over 11,000 tonnes of new steel, 2,400 tonnes of piping, 800 km of cables, and 12,000 tonnes of process modules were added.

Keppel is the world leader in conversions and the Liza Destiny extends its track record of more than 130 floating production and storage projects.

### **Naming of ENSCO 123**

In April 2019, Keppel O&M delivered the ENSCO 123, the ninth harsh environment jackup and the fourth enhanced KFELS Super A Class unit built for Ensco Rowan plc, which has been renamed Valaris plc with effect from 31 July 2019. The rig was delivered on schedule and with zero lost-time incidents.

Chartered for operations in the UK North Sea ahead of its delivery, the ENSCO 123 is designed to drill to total depths of 40,000 feet for the most

demanding large multi-well platform programmes, ultra-deep gas programmes and ultra-long reach wells.

Mr Gilles Luca, Senior Vice President of Operations Support for EnscoRowan, said, "The delivery of ENSCO 123 is the culmination of the efforts of EnscoRowan and Keppel FELS personnel over many years to design and construct our four ENSCO 120 Series rigs. These harsh environment jackups are amongst the most capable shallow-water assets globally, and offer technical capabilities that help us deliver increased efficiencies to customers as they execute their offshore projects. The completion of ENSCO 123 without a lost time incident speaks to the unwavering

safety focus of the team during this project, and is indicative of the consistent professionalism that Keppel FELS has displayed towards EnscoRowan over the course of our long-standing relationship."

### **Gimi FLNG**

On 26 July, Keppel O&M marked the project commencement of the Gimi Floating Liquefaction Vessel (FLNG) project with the strike steel ceremony which was attended by project partners Golar LNG and Black & Veatch.

The partnership between Keppel, Golar LNG and Black & Veatch started in 2015 when the three companies embarked on the Hilli Episeyo, the world's first converted FLNG. The landmark project was delivered in 2017. ✓

Featuring Keppel's proprietary and superior jacking and fixation system, the KFELS Super A Class jackup design can operate in a variety of environments in water depths up to 400 feet



## Sharpening competitive edge

In June 2019, Floatel International, an associated company of Keppel O&M, together with Floatel's substantial shareholders, FELS Offshore and OCM Wonder PF/FF Holdings PT, entered into a merger agreement with Prosafe SE.

The combined company will have the largest and most versatile fleet in the

global accommodation space and will be better equipped to strengthen its customer offering, ensuring a more robust company able to sustain a cyclical downturn.

After the transaction is completed, Prosafe and Floatel shareholders will, on a fully diluted basis, own 55% and 45% of the combined company's equity, respectively. FELS

Offshore's holding in the newly combined company will be approximately 22%.

The transaction is subject to the fulfilment of certain conditions precedent. If all conditions are met, the transaction is expected to be completed by 3Q 2019 and is subject to a long stop date of 31 December 2019. ✓

## A Keppel stalwart

After close to 30 years of dedicated service with Keppel Offshore & Marine (Keppel O&M), Mr Abu Bakar Bin Mohd Nor, MD (Gas & Specialised Vessels), Keppel O&M, left the Keppel Group on 30 June 2019 to pursue other interests.

Mr Bakar first joined Keppel as an Assistant Safety Officer at Keppel Shipyard in 1990. He rose through the ranks and was appointed CEO of N-KOM, the joint venture shipyard in Qatar, in 2011. Mr Bakar returned

to Singapore in 2014, and was appointed MD of Keppel Singmarine, where he helped to grow the company's specialised vessels business. He was redesignated MD (Gas & Specialised Vessels), Keppel O&M, in 2017 following the reorganisation of Keppel O&M's divisions.

Mr Bakar was cited by Prime Minister Lee Hsien Loong in his 2014 National Day Rally speech as an example of someone who had achieved good career progression by

learning on the job, performing well and attaining higher qualifications along the way. In 2017, Mr Bakar received the prestigious Berita Harian Achiever of the Year award for his professional achievements and contributions, through serving in external organisations. To thank him for his valuable contributions to the company, the senior management of Keppel Corporation and Keppel O&M hosted an appreciation dinner for Mr Bakar on 27 June, and wished him success in his future endeavours. ✓

Senior management including Mr Loh Chin Hua (fifth from right), CEO of Keppel Corporation and Chairman of Keppel O&M, Mr Chan Hon Chew (sixth from right), CFO of Keppel Corporation, and Mr Chris Ong (fourth from left), CEO of Keppel O&M, hosted an appreciation dinner for Mr Bakar (fifth from left).



## Contributing to a Rapidly urbanising China

Keppel has a strong track record of having provided various solutions for sustainable urbanisation in 27 Chinese cities. In the past quarter, the Group continued to deepen engagement with Chinese cities, and also held an outreach event to share with the Chinese media how Keppel has been contributing to China's development.

### Strengthening ties

On 6 May 2019, a 16-member delegation led by Mayor of Wuxi Municipal Government, Mr Huang Qin, visited Keppel as part of an economic and trade mission to the region.

The delegation was received by Mr Tan Swee Yiow, CEO of Keppel Land, Ms Cindy Lim, Director (Group Corporate Development) of Keppel Corporation and MD of KUS, and senior management from across the Keppel Group. Representatives from Envision Group, led by CEO of Envision, Mr Zhang Lei, were also present.

Mayor Huang expressed his support for Singapore projects in Wuxi and highlighted that the Wuxi Municipal Government will continue to actively strengthen collaboration between Singapore and Wuxi companies to create high-quality projects that are replicable and scalable.

Separately, on 19 June 2019, a Keppel delegation led by Mr Ben Lee, President of Keppel Land China, called on Mr Cheng Lianyuan, Party Secretary (PS) of the Communist Party of China Kunming Municipal Committee in Kunming, China. Keppel Land has been in Kunming since 1992 when it partnered the Kunming Municipal Government and embarked on

the development of Spring City Golf & Lake Resort (Spring City). Mr Lee shared with PS Cheng on plans for the transformation of Spring City into a wellness resort.

PS Cheng expressed Kunming's support for Keppel's development and the hope that both sides could strengthen cooperation in broader areas such as healthcare.

### Engaging the Chinese media

On 23 May 2019, senior management from the Group's business units in China engaged 16 media outlets, including People's Daily, Xinhua and the Global Times, at a roundtable session in Shanghai.

Keppel's representatives shared about the Group's sustainable and innovative solutions in China and addressed media queries on the company.

Mr Eric Goh, Chief Representative (China) of Keppel Corporation, said, "Keppel has been operating in China for over 30 years and is pleased to have contributed to its economic growth, environmental management and community development. We will continue to innovate in areas such as waste-to-energy technology, clean energy, smart and green homes, as well as asset management, and remain committed to supporting China's sustainable urbanisation."



1. At the Keppel media roundtable in Shanghai, Keppel was represented by senior management from our business units in China, led by Mr Eric Goh (middle), Chief Representative (China) of Keppel Corporation.
2. Mr Huang Qin (centre, front row), Mayor of Wuxi Municipal Government, and delegation were received by Mr Tan Swee Yiow (right, front row), CEO of Keppel Land, Ms Cindy Lim (left, front row), Director (Group Corporate Development) of Keppel Corporation and MD of Keppel Urban Solutions (KUS), and senior management from across the Keppel Group.
3. The first two phases of Keppel Land's new residential project, China Chic, were well-received.

## Strong demand in Nanjing

Keppel Land expanded its presence in China with its entry into Nanjing with a new residential project, China Chic, in the Nanjing Jiangbei New Area.

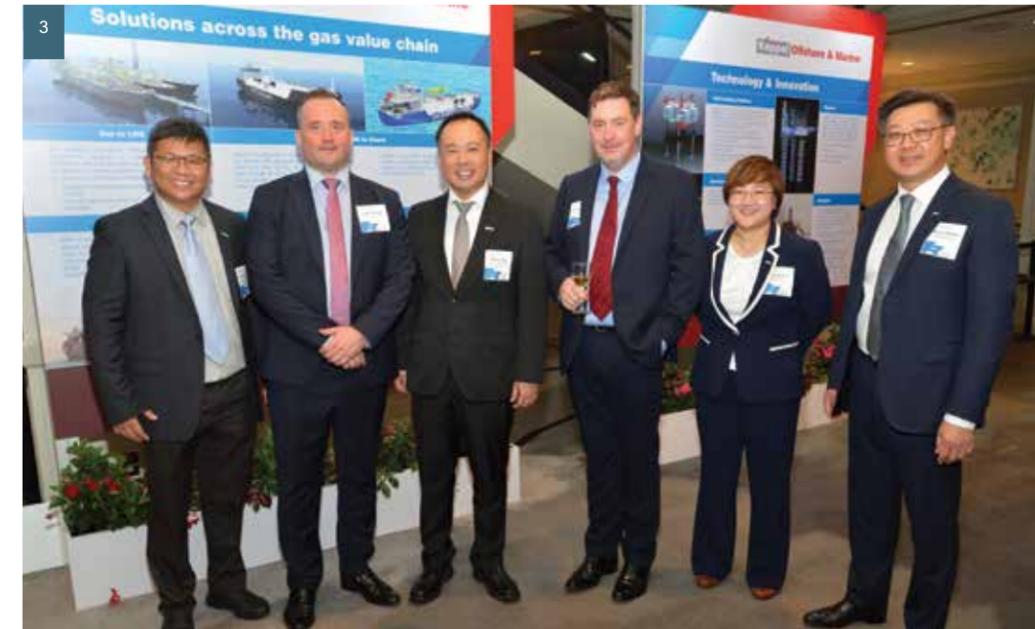
Developed in partnership with Gemdale Corporation, the

development enjoys close proximity to major transport nodes with good connectivity to Nanjing's city centre. When completed in 2022, the development will comprise about 1,600 high-rise apartment units and 38 street-front shop units.

The first two phases of the project were well-received, with the launched units 10 times oversubscribed. To date, all 716 units launched in April and May 2019 have been fully sold.



1. Dr Lee Boon Yang (seated in centre), Chairman of Keppel Corporation, together with customers, as well as representatives from Enterprise Singapore and Association of Singapore Marine Industries.
2. Mr Loh Chin Hua (seventh from right), CEO of Keppel Corporation and Chairman of Keppel O&M, Mr Chris Ong (fifth from right), CEO of Keppel O&M, and Mr Chor How Jat (third from right), MD (Conversions & Repairs), Keppel O&M, hosted MODEC management including Mr Toshiro Miyazaki (eighth from left), Chairman of the Board, MODEC; Mr Yuji Kozai (ninth from left), President & CEO, MODEC; Mr Takeshi Kanamori (seventh from left), Executive Vice President, MODEC; and Mr Minoru Sawada (first from right), Executive Managing Officer, MODEC.
3. Mr Jens Berge (second from left), CEO, Awilco Drilling, and Mr Roddy Smith (third from right), COO, Awilco Drilling were welcomed by Mr Chris Ong (third from left), CEO of Keppel O&M, Mr Tan Leong Peng (first from left), Executive Director (New Builds), Keppel O&M, Mr Marlin Khiew (first from right), General Manager (Corporate Development), Keppel O&M, and Ms Wong Xin Yi (second from right), Deputy General Manager (Business Development - Drilling & Production), Keppel FELS.



## Forging ties in the Offshore and Marine industry

Keppel Offshore & Marine (Keppel O&M) regularly participates in international tradeshows to strengthen partnerships with longstanding customers and build new ties with other industry players.

On 4 May 2019, Keppel O&M hosted its annual dinner reception held in conjunction with the Offshore Technology Conference in Houston, Texas. A mainstay on Keppel O&M's annual calendar, the highly anticipated event was attended by over 800 guests, including clients, partners, and representatives from industry associations and government agencies.

Further up north in Oslo, Norway, Keppel O&M also took part in Nor-Shipping 2019 from 3 to 7 June 2019. A significant annual event for the maritime industry, this edition of the tradeshow welcomed over 30,000 unique visitors and featured 846 exhibiting companies from 47 countries. ✓

## Appointments

### Mr Tan Leong Peng

Mr Tan Leong Peng has been re-designated as ED (New Builds) at Keppel Offshore & Marine (Keppel O&M) with effect from 1 July 2019, and has relinquished his role as ED (Engineering) at Keppel O&M. Mr Tan will continue to report to Mr Chris Ong, CEO of Keppel O&M.

### Mr Paul Atkinson

Mr Paul Atkinson has been appointed as CEO of Ixom with effect from 17 June 2019. Mr Atkinson took over from Mr Dean Draper, who stepped down as CEO on 7 May 2019.

BCA Awards 2019

## Environmental accolades

Keppel is committed to deploying energy-efficient and low-carbon solutions for our property developments, as well as proactively managing our environmental impact to shape a better, more sustainable world.

For its contributions to a more sustainable built environment, the Group garnered 14 awards at the Building and Construction Authority (BCA) Awards 2019 on 29 May 2019.

The awards include the prestigious BCA Quality Excellence Award – Quality Champion (Platinum), which was awarded to Keppel Land as well as the BCA Green Mark Platinum Awards for

Keppel Bay Tower and International Financial Centre Jakarta Tower 2.

Ocean Financial Centre, a 43-storey premium Grade A CBD office tower which Keppel REIT has a majority interest in, also received the BCA Green Mark Platinum Award for its myriad sustainable features.

Keppel Corporation, Keppel Land and Keppel Capital were also recognised for commitment towards environmental protection and efforts in improving staff health and well-being. All three companies were awarded the BCA-Health Promotion Board Green Mark Platinum certification for Healthier Workplaces. ✓

1. Bearing testament to the Group's commitment to sustainability, Keppel garnered 14 awards at the BCA Awards 2019.
2. SSTEC's booth at the Innovate4Climate 2019 showcased the innovative urban solutions implemented in the Eco-City.



## Promoting the Eco-City

in China and beyond

After more than a decade of development, the Sino-Singapore Tianjin Eco-City (Eco-City), a landmark bilateral cooperation project between the governments of China and Singapore, has become a green, vibrant and integrated township with 100,000 people living and working there, as well as some 7,800 registered companies.

In line with the Eco-City's goal of being a model for sustainable city development in China, Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (SSTEC) has been actively promoting smart and sustainable solutions adopted by the Eco-City as well as the opportunities in the Eco-City. SSTEC, a 50-50 joint venture between a Keppel-led Singapore consortium and our Chinese consortium partner, is the master developer of the Eco-City.

### Industry outreach

On 29 May 2019, close to 100 company representatives were briefed on the progress achieved as well as opportunities in the Eco-City at a roundtable session held at the Embassy of the Republic of Singapore in Beijing City, China. The session was co-organised by SSTEC and the Singapore Chamber of Commerce and Industry in China, and supported by the Sino-Singapore Tianjin Eco-City Administrative Committee (ECAC) and Enterprise Singapore.

Mr Tay Lim Heng, CEO of SSTEC, said, "The Eco-City has progressed well in its first 10 years of development. As its master developer, SSTEC is excited to share how Singapore and Singapore-based companies can leverage this Government-to-Government platform for their business growth in China. SSTEC is committed to supporting them and serving as their first point of contact in the Eco-City and the Tianjin business ecosystem."

Participants were also briefed on key industries in the Eco-City, the different assistance programmes offered by the Singapore and Chinese governments, and plans for the development of the Eco-City's Central District into a commercial and recreational hub.

### Connecting with like-minded partners

The Eco-City's smart and sustainable solutions were featured at the Innovate4Climate 2019 in Singapore, which was held in conjunction with Ecosperity Week 2019 from 4 to 7 June 2019.

Visitors to SSTEC's booth learnt more about the latest developments in the Eco-City, including the city's usage of data analysis to support municipal operations, eco-friendly and smart public buses and bus stops, integrated uses of renewable energy, comprehensive water and waste management systems as well as the Low Carbon Living Lab in the Eco-Business Park. ✓

# Committed to sustainability

Keppel is committed to sustainability, both as a responsible corporate citizen and as a provider of solutions that contribute to a more sustainable world. Keppel Corporation published its 2018 sustainability report in May 2019, to communicate the company's sustainability strategy and performance. Separately, Keppel Land has also published its sustainability report 2019 to showcase how the company provides innovative and sustainable real estate solutions. Keppelite shares highlights from the two reports.

"Beyond the sustainable practices adopted across our businesses, we see sustainability as a business – whether it is providing access to cleaner sources of energy, building and operating water treatment or waste-to-energy plants, planning and building sustainable cities, or providing green data centres and logistics operations," shared Mr Loh Chin Hua, CEO of Keppel Corporation, in his message to stakeholders in the Keppel Corporation Sustainability Report 2018.

Keppel's progress in sustainability ties in with initiatives led by the United Nations (UN). Keppel is a signatory of the UN Global Compact and is committed to its 10 universal principles on human rights, labour, environment and anti-corruption. The Company has incorporated the Sustainable Development Goals (SDGs) as a supporting framework to shape and guide its sustainability strategy, and in the report, shared how Keppel's eco-system of companies contribute towards ten of the SDGs through responsible business practices and its spectrum of innovative and sustainable solutions for urbanisation.

Mr Loh remarked, "Channelling our capabilities to shape a more sustainable future aligned with the UN SDGs, while harnessing the business and investment opportunities that these create, are at the core of the Keppel Group's strategy and how we see ourselves contributing to a better world."

## Keppel Corporation 2018 Highlights

- Keppel Corporation set a goal in 2014 to achieve a 16% improvement in carbon emissions intensity from 2020 business-as-usual levels. In 2018, the Company established a longer term target to achieve a 28.8% reduction in carbon emissions intensity by 2030, from 2010 levels. As at end-2018, the Company has achieved a 24% average reduction in carbon emissions intensity from its 2010 baseline for its operations in Singapore and overseas, and is on track to achieving Keppel's 2020 target.
- Energy efficiency initiatives implemented across the Group in 2018, including Keppel Land's Green Mark-certified developments, are estimated to have saved 812,134 GJ of energy, equivalent to 9% of the Group's total energy consumption, during the year. This translates to an estimated \$55 million in cost savings, and an avoidance of approximately 95,000 tonnes of carbon dioxide (tCO<sub>2</sub>) emissions.
- All new suppliers in 2018 were screened in accordance with environmental, social and governance criteria, and 99.8% of qualified suppliers signed the Keppel Supplier Code of Conduct or have their own codes which met Keppel's requirements.
- Keppel invested over 500,000 hours training and developing its global talent

pool, tapping digital platforms for faster and better reach.

- The Keppel Group invested \$8.9 million on worthy social causes, and Keppel Care Foundation, the Group's philanthropic arm, has disbursed over \$36 million to worthy causes since its launch in 2012. Separately in the year, employee volunteers across the Group in Singapore achieved over 14,000 hours of community service and brought cheer to more than 2,600 beneficiaries.

Keppel continued to be recognised in Singapore and internationally for its sustainability efforts and reporting. Keppel Corporation was the winner of the UN SDGs category at the Sustainable Business Awards. Keppel Corporation has also continued to be listed on various sustainability indices and rankings, including the MSCI World ESG Leaders Index, Euronext Vigeo Eiris Index – World 120, as well as the iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index by the Singapore Exchange.

Keppel's report is externally-audited and is prepared in accordance with the Global Reporting Initiative (GRI) Standards. This year, the Company enhanced the reporting of its community impact to align with the LBG framework (formerly London Benchmarking Group), the global standard for measuring and reporting on corporate community investment. ✓



Keppel considers environmental factors during the planning and design of its property developments. Energy efficiency initiatives implemented across the Group in 2018 are estimated to have saved 812,134 GJ of energy translating to an estimated \$55 million in cost savings. (Photo credit: ST Press)

## Leading Green Developer

Separately, in his message to stakeholders in the Keppel Land Sustainability Report 2018, Mr Tan Swee Yiow, CEO of Keppel Land, shared, "Keppel Land embraces a multi-faceted approach towards sustainability. As a responsible corporate citizen and a leading green developer, we will continue to align ourselves with best practices and international benchmarks, as we strive to shape a sustainable future for generations to come."

### Keppel Land 2018 Highlights

- Keppel Land has set the benchmark for all its new Singapore developments and overseas

commercial projects to be certified to the Building and Construction Authority of Singapore's (BCA) Green Mark Gold<sup>PLUS</sup> standard, or its equivalent, and for all overseas residential developments to be certified to the BCA Green Mark Gold standard, or its equivalent. All newly acquired completed commercial buildings are also to be certified to the BCA Green Mark Gold standard, or its equivalent, within two years.

- To-date, Keppel Land has garnered a total of 83 BCA Green Mark Awards for its properties in Singapore and overseas, of which 16 are Platinum. The

total estimated reduction in energy consumption from all of its Green Mark-awarded projects when they are fully completed will be over 200 million kWh per annum, which is the equivalent amount of energy required to power more than 38,000 homes in Singapore for one year.

- A total of over 66,000 workers were trained at the five Keppel Land Safety Awareness centres as at end-2018. The Company set up its fifth Safety Awareness Centre in 2018, in Wuxi, China, and has four other Safety Awareness centres, located in Ho Chi Minh City, Jakarta, Johor Bahru and Tianjin. ✓



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## Synergising efforts to enhance safety

Safety is a core value at Keppel and a key focus area of our management teams, who set the tone from the top to ensure a high-performance safety culture.

### HSE strategic review

In Singapore, 26 Health, Safety and Environment (HSE) and Operations staff from across the Group convened for a HSE Strategy Review workshop in July 2019. In addition to tracking and reviewing the Group's HSE progress, attendees brainstormed action plans to

strengthen the Group's strategic efforts and shared best safety practices.

Marc Liu, Head, Asset Management, Keppel Infrastructure Fund Management, said, "This year's workshop organised by Group HSE was a helpful common platform for HSE leaders and frontline

managers across the Group to identify new opportunities and initiatives to further scale up our efforts in delivering the Zero Fatality Strategy. It is important that we all play a part in building Keppel's safety culture and sustaining our strong safety performance."



1. Business units will have access to our safety awareness centres across China, including the mobile safety awareness centre in Wuxi (pictured).
2. Mr Burt Loh (right), GM (Operations) at Keppel Shipyard, received the Safety Initiative Award on behalf of the company.

Another participant, Oh Kheng Huat, GM, Strategic Business Unit, Keppel Logistics, shared, "This was a very insightful workshop. Not only did I learn some of the best practices in safety through sharing by other BUs, but I could also contribute ideas and tangible action plans, which will shape our HSE strategy and strengthen our safety culture in the long-term."

### Building local capabilities

To ensure alignment in safety objectives and practices across the Group, Group HSE, together with Keppel Corporation's China Office, set up a HSE steering committee in China, which held its inaugural meeting held in May 2019.

The committee, which comprises Keppelites from across our China business units, will strengthen the implementation of Group policies, strategies and standards in China. This includes the Keppel Zero Fatality Strategy, Global High Impact Risk Activities (HIRA) Standards and the Keppel Road Safety Policy.

This centralised committee will strengthen the synergy among our business units who can share resources for cross-business unit incident investigations and audits. Business units will also have access to Keppel's safety training centres and safety awareness centres across

cities in China, including Nantong, Wuxi and Tianjin.

In addition, the committee will enhance local expertise in addressing site-specific HSE risks, plan Group-level activities like safety leadership courses, and facilitate the alignment of operations with new local legislations and regulations.

### Safety recognition

Keppelites are constantly on the lookout for new initiatives to enhance safety standards and operations at their worksites. On 28 June 2019, Keppel Shipyard received the Seatrade Maritime Safety Initiative Award 2019 in recognition of its efforts to promote a stronger safety culture.

In 2017, Keppel Shipyard launched a four-year Total Workplace Safety and Health strategic plan which focused on safety core competency, workforce wellness, and building a strong safety culture among contractors. The following year, the company ran campaigns to reiterate the importance of hands, finger and heavy vehicle safety.

Keppel Shipyard also launched a new Hazard Reporting and Engagement Programme booklet which details

positive observations of safe behaviour and practices, and encourages workers to look out for both safe and unsafe behaviours and work conditions.

### Leading by example

On 5 July 2019, Mr R K Jaggi, GM of Group HSE, Keppel Corporation, gave a presentation titled 'Keppel's Journey for Safety Excellence' at PUB's Safety & Health Day. Mr Jaggi shared about the Group's approach in managing safety and its partnership with PUB in raising safety standards in the industry.

### Keppel Group Safety Awards: Nominations open

The annual awards, which will be presented at the Keppel Group Safety Convention, recognises the contributions of Keppelites who go the extra mile to improve HSE culture and enhance HSE practices.

Keppelites interested to make nominations may contact their respective business unit HSE representatives. Nominations close on 30 August 2019.



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## Green loan

for Seasons City

Keppel Land has secured, through a wholly-owned subsidiary of Keppel Land China, its first green loan facility (green loan) worth RMB 850 million from the HSBC Group China for the development of Seasons City (Phase 1) in the Sino-Singapore Tianjin Eco-City (Eco-City) earlier in June.

This is the first green loan granted by HSBC Group China to support the development of a property project in Mainland China. Green loans are loan instruments made available exclusively to finance or re-finance eligible green projects, where the project must demonstrate environmental benefits.

Phase 1 of Seasons City has been conferred the Building and Construction Authority (BCA) Green Mark Platinum Award (Provisional), the highest accolade under the BCA Green Mark scheme. The commercial development adopts energy-efficient lighting designs, chillers and ventilation systems, and utilises non-potable water to reduce water consumption. The project has also installed a photovoltaic system and a solar hot water system to utilise solar energy. These efforts are estimated to help achieve over RMB 9 million a year in total energy and water savings.✔

## Live, work, play

Co-living in Jakarta

Keppel Land, in collaboration with CoHive, has successfully launched Jakarta's first co-living project at Keppel Land's residential development, The Crest, West Vista at Puri.

All 27 units of the project's first phase have been fully occupied since the Phase 1 launch in April 2019. Residents include popular Indonesian social media influencers as well as executives working in the Puri central business district. Phase 2, which comprises 37 units, will commence operations in August 2019.

Residents can choose from a range of configurations to suit their personal needs, including studio, one- or two-bedroom units. The co-living project features many communal areas such as a common kitchen, co-working areas as well as a movie lounge. Regular events are held to encourage social interaction among residents and build a dynamic community.✔

## M1 5G trial

M1 has announced its participation in the 5G Trial Tech Call programme, a joint collaboration between the Infocomm Media Development Authority (IMDA) and PSA Corporation Ltd (PSA). Aimed at growing the performance and capabilities of maritime operations through 5G technology in a live environment, M1's participation will play a key role in providing a significant leap in port operations through the provision of the supporting trial 5G network.

Through the 5G Trial Tech Call collaboration, PSA will provide a live testing ground to gain a deeper understanding around the potential of 5G technology and its integration capabilities, before moving to a more widespread adoption phase of a Smart Port. The 5G trial will serve as a testbed for the development of 5G networks and capabilities.

M1 will be supporting IMDA and PSA over the duration of 18 months to study 5G performance and capabilities for port applications, which include tele-remote control of port equipment and enhancing Automated Guided Vehicles operations.

Findings from these tests will provide deep learnings for future 5G deployments to a wider range of parties, including government, service providers and various industries.✔

## Knowledge sharing

As part of ongoing efforts to engage and educate retail investors, Keppel Capital participated in the REITs Symposium 2019, which saw participation from over 1,400 retail investors ranging from young adults to retirees.

During the Symposium, Ms Ang Sock Cheng, CFO of Keppel Capital, gave a presentation introducing Keppel Capital and its listed REITs and business trust to the investors. Keppel Capital's Investor Relations team also engaged retail investors at the company's booth which showcased its listed entities - Keppel REIT, Keppel Infrastructure Trust, Keppel DC REIT and Keppel-KBS US REIT.

Separately, Mr Chua Hsien Yang, CEO of Keppel DC REIT Management, shared his experiences and insights on foreign REIT listing in Singapore in a panel discussion during the REITAS Conference 2019. Attended by around 300 industry practitioners, the conference also shed light on topics such as the competitive landscape for S-REITs.✔



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1. The incorporation of environmental factors in the planning and design of Seasons City (pictured) will enable the property development to achieve energy and water savings.
2. Keppel Capital's Investor Relations team addressed queries from retail investors at the company's booth.



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1. Keppel Land's Long Service Award recipients were recognised at the company's Dinner and Dance, where they received their awards from Mr Tan Swee Yiow (seventh from left), CEO of Keppel Land.
2. Keppel Land China senior management, led by Mr Ben Lee (third from left), President of Keppel Land China, addressed questions from staff during the ASC's question and answer segment.

## Keppel Land's Annual Staff Conference

# Meeting of minds

Keppel Land's Annual Staff Conference (ASC) is an important annual event which serves as a platform for senior management to share the company's strategic direction and key performance highlights with staff. It also facilitates the exchange of best practices and ideas among employees.

'Agility in Action, Speed in Execution' was the theme for this year's ASC, which took place over four days from 28 to 31 May 2019 at the Marina Bay Sands Expo & Convention Centre in Singapore. This theme was consistent across the respective ASCs in Keppel Land China and Keppel Land Vietnam held earlier in April.

The ASC in Singapore was attended by over 400 employees from both Singapore and overseas. In his opening speech, Mr Tan Swee Yiow, CEO of Keppel Land, spoke on the company's performance

over the past year and highlighted the importance of speed in execution. Mr Tan shared that against the backdrop of a dynamic business environment, the company must continuously evolve. Among the new initiatives that will be rolled out are greater use of digital technology, investing in start-ups as well as growing the company's operating platforms as additional engines of growth.

Over the course of the conference, employees also exchanged best practices and ideas as they participated in teambuilding sessions and functional training sessions. One of the highlights this year was the Learning Festival event which offered an array of workshops such as Digital Acceleration and Influential Conversations, all of which were targeted at upskilling the workforce on both professional and personal levels.

The conference culminated in the highly anticipated annual Dinner and Dance on 31 May 2019.

Keppel Land China's staff conference was attended by over 200 staff from across Chinese cities. The event saw robust discussions and exchange of ideas on how the company could transform its business to continue growing in the digital age (see box story).

In Vietnam, over 400 Keppelites gathered for the staff conference from 2 to 5 April 2019. Staff participated in functional training workshops and also had an exciting carnival-themed Learning Festival which included competitions covering various topics such as soft skills, business milestones and compliance issues. Other highlights included the 'Design for Safety' workshop, teambuilding activities as well as a Dinner and Dance party. ✓

## Driving transformation in the digital age

Keppel Land China held its ASC from 24 to 26 April 2019 in Shanghai. At the ASC, senior management shared with staff how the company is undergoing transformation to capture growth arising from the digital wave.

Explaining the rationale for the ASC theme of 'Agility in Action, Speed in Execution', Mr Ben Lee, President of Keppel Land China, said in his opening address, "Today, the China market is going through rapid changes. Rising affluence and a growing middle class present increasing consumption. The sharing economy is gaining popularity among the millennial generation, and digitalisation has enabled smarter platforms, greater connectivity and higher mobility among people.

"The roles of developers have also changed from property builders into solution providers for urban living. As competition intensifies, we must keep on changing to remain relevant and competitive. We must actively try out new initiatives, including exploring innovative smart urban living solutions, and accelerating our digital transformation process, in order to stay ahead."

Mr Lee added, "Technology is a great enabler, but the truth is that digital transformation is often not just about technology, but about changing our mindsets to progress with the times and tap new business opportunities."

To spark new ideas in the digital innovation process, speakers from leading

high-tech company Alibaba Cloud as well as telecom equipment providers Huawei and ZTE were invited to share insights on the impact of digitalisation, 5G application and Internet of Things to businesses.

The ASC also saw the application of new technologies such as automated real-time interpretation, virtual emcees and facial recognition for the registration process.

Examples of the digital innovations that Keppel Land China has implemented include Ji Shu Ju (吉数据), an online platform that manages Keppel Land China's entire procurement and contracting process. Keppel Land China also plans to implement an online platform for long-term

rental apartments in China, which leverages technology to provide services and complement the lifestyle preferences of tenants.

Commenting on the 2019 Keppel Land China ASC, William Huang from HR, Keppel Land China said, "This year's ASC was truly inspiring. The ASC not only equipped staff with knowledge of digital transformation, but also allowed us to gain a better understanding of the blueprint for Keppel Land China's future growth and the necessary transformation to be undertaken, such as changes to our mental models." ✓



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Spotlight on:

# Tan Swee Yiow

In the latest instalment of interviews with Keppel Group senior management, Keppelite speaks to Mr Tan Swee Yiow, CEO of Keppel Land, who shares his views on the transformation of Keppel Land over the years, as well as his thoughts on innovation, and the importance of health and wellness.

## Q: How has your close to three-decade journey in Keppel Land been like?

There have been challenging times and happy times. One of the most demanding and also satisfying periods for me personally was when we were developing Marina Bay Financial Centre (MBFC) and Reflections at Keppel Bay, while also making a bid for the Marina Bay integrated resort and trying to launch the initial public offering for Keppel REIT, all at more or less the same time. I was starting my family then and my children were young. It was an incredibly busy time, but with the support and understanding of the leaders of Keppel Land then, and my colleagues, we were able to pull through together and emerge stronger.

I have many happy memories over the years, often associated with the various landmark projects which were completed at different periods of time. One vivid memory was when we completed MBFC Tower 3 – the third and final office tower of the mixed-use development. It marked the completion of a series of developments we had undertaken in the financial district over the years – One Raffles Quay, Ocean Financial Centre and MBFC. At that time, we said to ourselves with satisfaction, “After so many years of working on these projects, we have delivered something major and are contributing significantly to the skyline of Singapore’s central business district.”

## Q: How has Keppel Land evolved over the three decades?

Keppel Land has transformed significantly over the years. I first joined in 1990. Back then, we had a much smaller team than we do today. Our net profit then was around \$20m to \$40m. I recall that Mr Lim Chee Onn, our MD at that time, used to liken ourselves to a provision shop, and we hoped that we could one day grow to become a departmental store. If you follow this analogy, today, we have become not just a departmental store – but a regional retail chain.

We have grown significantly, not just in terms of scale, but also the kinds of businesses we run, the type of assets we own and operate, as well as our geographical spread.

## Q: As Keppel Land’s CEO, what are some of the challenges that you foresee will lie ahead for the company?

The competitive landscape and business environment are constantly changing. We must therefore think of how we can ensure the continued success of the company for decades to come – how we can become better and stronger, and remain relevant in this fast-changing environment.

We have done well in two overseas markets – China and Vietnam. Going forward, we need to identify future growth markets. What would be the next China or the next Vietnam for us? We

need to find markets that are deep and wide, which can provide opportunities for sustainable growth, so that we do not have to keep on exploring and opening up new frontiers.

Digitisation is changing our business model and operations – we also need to see how we can apply this to our business. We are not a proptech company, and digitisation cannot solve every problem. For us, it is about how we can harness digitisation to develop new businesses, strengthen our competitiveness, or help us to penetrate new markets.

We will continue to improve our business model and the scope of our business, as well as actively groom a pool of dedicated talents to drive the company’s growth.

Colleagues like Linson Lim (President of Keppel Land in Vietnam) joined the company around the same time as I did. We have all grown with, contributed to and are continuing to contribute to the company. Looking ahead, we will need to find and groom the next core team that can help us move forward. In the past, our business was mostly in Singapore; but now, we will need to find people who are able to do business regionally, if not, internationally, and at the same time, understand Singapore and share our core values. We would need to further enhance our human resources management, so that top talent can be transferable between countries and different business sectors.



**Q: 'Innovation' is today's buzzword. What does innovation mean to you and how will you continue to drive it in Keppel Land?**

Innovation is not new for Keppel Land. We have been incorporating innovation in our products and services in one way or another for quite some time now.

For example, one of the first projects I worked on in Keppel Land was Bugis Junction. It was the first shopping mall in Singapore to feature streets which were covered by a glass roof and were fully air-conditioned. We were inspired by the European cities, where people could enjoy al fresco dining in the cool weather and wanted to do the same in Singapore. In those days, Bugis Junction was considered quite a breakthrough. The concept has now been applied in other projects.

Innovation is not just about undertaking big, grandiose ideas. I believe that innovation often manifests itself in simple ways such as finding practical solutions to problems. To me, harnessing innovation is a necessity

and a key survival skill that we all need to hone so that we can overcome obstacles – be it working out a deal structure or exploring different means to execute our businesses.

**Q: We know you place a lot of emphasis on health and well-being. Can you share with us some of your thoughts on this as we seek to make Keppel a great place to work?**

I always believe that while remuneration packages are important, people will not work for a company just because they offer you the highest pay. People will want to have a sense of belonging, feel valued, and feel that they are taken care of.

One way of achieving this is to take care of the health, wellness and well-being of our staff. They will then be more productive and can contribute better to the company. That's what I want for colleagues – for everyone to feel like they're part of a family and that they're well taken care of, so that everyone comes to work every day happily and leaves work safe.

**Q: What, in your opinion, is one particular trait of a Keppelite?**

We have this never-say-die attitude, which enables us to constantly strive for stronger results and reinvent ourselves to do better. Challenges are part and parcel of life and of any business, but as long as we continue to have the *Can Do* spirit and a strong belief in the company, I believe that we can overcome whatever challenges that may arise.

**Q: What are your hobbies?**

I love running – I do it to keep myself healthy and to destress. The best thing about it is that I'm able to do it wherever I go – be it in Singapore, or even when I travel overseas. I usually run distances of between five to seven kilometres each time.

Recently, when I was in Switzerland in cool 16-degree weather, I ran by lakes against the backdrop of beautiful snow-capped mountains. While I enjoy running as a sport, it also helps me to justify my other hobby – which is eating! After a good run, I feel that I have earned my right to indulge in my favourite foods, which are *char kway teow* and *mee pok*. ✓

## Embracing new challenges

Jens Peter Müller, Country Manager for Keppel Data Centres (Keppel DC) in Germany, is not one to shy away from a challenge.

One of his first tasks at Keppel DC was to support the transformation of Keppel DC Frankfurt 1 (KDC FRA 1) from a single tenant facility into a multi-tenant, hyperconnected colocation data centre for enterprise customers.

This was a challenging task considering Germany's competitive data centre market. Moreover, KDC FRA 1's transformation took place against a rapidly advancing data centre market, where enterprise customers harboured higher expectations regarding the services and benefits provided by data centre ecosystems.

Jens said, "The transformation can be likened to turning a family home into a modern hotel. It is critical that the operator provides infrastructure and solutions that are attractive to a range of customers. At

the same time, the data centre business is moving from a real estate play to a services play. Services that would differentiate the providers include connectivity options as well as convenience services like business continuity and disaster recovery solutions.

"Keppel DC's advantages are that it has a strong presence in the Asia Pacific region as well as ties with various international customers. We have started to tap on some of these strengths to build our customer base in Germany. We have also been able to position ourselves as these companies' gateway into the expanding Asia Pacific market."

In his career, Jens embraces change and new challenges as well. Starting his career as a lawyer, Jens later joined a leading telecommunications group in Germany where he branched out of his legal background to oversee various functions such as personnel, and eventually led the company's data centre subsidiary. In 2017,

Jens decided to join Keppel DC as he was interested in the opportunity to help strengthen its foothold in Germany.

Jen shared, "It is invigorating to be part of the pioneer team growing Keppel DC in Germany. As we have a small team, and the company is pushing to evolve rapidly, you can really see and feel how actions translate to progress."

"I would encourage everyone, especially my younger colleagues, to venture out of their comfort zones. Don't be afraid to try something new – in today's world all business is global and having an understanding of markets and trends from a broad range of perspectives is important."

When not plugged into the fast-paced data centre industry, Jens enjoys the quiet life. He resides with his family outside of Frankfurt, in a picturesque village with a population of 3,000. ✓



1. Country Manager Jens Peter Müller (far left) speaking at the Keppel DC opening event on a riverboat in May last year.
2. Keppel's central wellness committee maintains an urban farm housed within Keppel Land's office, where produce is harvested and distributed to staff regularly.
3. Employees were encouraged to take charge of their career development at Keppel Capital's inaugural Career Day.



## Keppel Capital Career day

Keppel Capital organised its inaugural Career Day on 28 June 2019, to encourage employees to take charge of their own learning and career development.

The day's activities kicked off with a sharing by Ms Christina Tan, CEO of Keppel Capital, who spoke on her career journey. Ms Tan recounted how she overcame challenges in pitching in overseas markets during the

early days of Alpha Investment Partners. She encouraged staff to have open conversations with their managers on their career goals, and to leverage the company's learning platforms to build their skills and knowledge.

Employees also learned how to plan their careers, initiate conversations on their career goals, and understand their individual working styles. ✓

## Green fingers

Keppel is committed to creating green urban environments, even within its own offices. As part of the recent office renovations at Keppel Bay Tower, Keppel Land staff worked together to design and build an indoor urban farm within the office premises at Level 2. The farm is maintained by staff volunteers, who harvest and distribute the vegetables regularly to Keppelites at Keppel Bay Tower to promote healthy eating. Among the vegetables grown are lion head lettuce, butterhead lettuce, rockets, basil and cherry tomatoes.

Ryan Wong, Deputy Manager, Digital Technology at Keppel Land, who is also leading this initiative, said, "Beyond getting the chance to watch the vegetables grow, our indoor office farm has also created many wonderful opportunities for staff across various business units and job functions to interact through the farming and harvesting activities. It is heartening to see staff enjoy the fruits of our labour!" ✓

# Fun at the workplace

The hallways of Keppel Corporation's corporate office at Keppel Bay Tower came alive with the laughter of children at the company's Kids@Work event on 21 June 2019.

Children of Keppelites, aged five to 12 years old, enjoyed a full-day programme that aimed to provide them with a better understanding of what their parents do at work. The day's activities kickstarted with interactive games that introduced Keppel's ecosystem of companies to the children. The highlight of the day was the office tour in the afternoon, where children completed a series of tasks centred on the roles and functions of the different departments.



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1. Management of Keppel Corporation including Mr Loh Chin Hua (centre in blue), CEO, Keppel Corporation, interacted with the children of Keppelites.
2. The children were fascinated by the 3D printing demonstration at Keppel Technology & Innovation.
3. The children participated in games organised by the different departments.

## Keppel Young Leaders Leaders' Dialogue

Keppel Young Leaders kickstarted the Leaders' Dialogue 2019 series, themed 'Crossing Borders,' with a dialogue session with Mr William Tan, Head of Property Development (Operations) and Head of Smart Developments and Digitisation, Keppel Land China, on 7 May 2019.

Over 40 Keppelites attended the session at Keppel Leadership Institute in Singapore, where Mr Tan shared about Keppel Land's journey in China. He also encouraged Keppelites to consider overseas job postings and to embrace the challenges of working abroad.

As part of the refreshed Leaders' Dialogue format, a small group of Keppelites participated in a smaller group discussion with Mr Tan to gain more in-depth and personal insights from his experiences.



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## Celebrating Singapore's 54<sup>th</sup> birthday

As a homegrown multi-business company, Keppel joins Singapore in commemorating its independence as a major sponsor of the National Day Parade (NDP) 2019.

The Keppel marching contingent this year is led by Linus Wong, Senior Executive, Finance, at Keppel Capital. Demonstrating their support for the contingent, Keppel senior management, led by Mr Loh Chin Hua, CEO of Keppel Corporation, attended a rehearsal session on 20 July 2019 at Suntec Singapore Convention & Exhibition Centre, and joined the contingent in celebrating the birthdays of Keppelites born in the month of July.



1. Mr Loh Chin Hua, CEO of Keppel Corporation, thanked the contingent for their hard work and encouraged them to continue flying the Keppel flag high.
2. Keppel's senior management, led by Mr Loh Chin Hua (seated, eight from left), showed their support for the Keppel marching contingent during an NDP rehearsal session.
3. The Keppel marching contingent at a rehearsal session at the Padang.





1. Children learn about scale and proportion through imaginative play at the Project Gallery.
2. Chairman of Keppel Corporation, Dr Lee Boon Yang (second from left); CEO of Keppel Corporation, Mr Loh Chin Hua (fifth from left); and CEO of National Gallery Singapore, Ms Chong Siak Ching (fourth from left) visited the refreshed spaces at the Keppel Centre for Art Education together with Keppel Volunteers and children from New Life Community Services.
3. At the Art Corridor, children explore a wall of textures inspired by the Gallery's collection of works.

## Fostering creativity in children

Through supporting arts education, we aim to foster creativity and expression, which in turn contribute to the vibrancy of our society.

The Keppel Centre for Art Education at National Gallery Singapore, which was established in 2015 with a \$12 million commitment from Keppel, has been refreshed with new and exciting exhibits that encourage creativity, imagination and self-led exploration among young children. The refreshed spaces were launched in conjunction with the Gallery's Children's Biennale 2019.

At the opening of the Children's Biennale on 25 May 2019, Ms Grace Fu, Minister for Culture, Community and Youth, said, "I would like to encourage all families to visit the Biennale, and the Keppel Centre for Art Education. Both serve to connect children with art, which can be the foundation of a creative and caring generation for our future."

Among the first visitors to the refreshed Keppel Centre were

about 30 children from New Life Community Services, who explored the reimagined spaces together with 20 Keppel Volunteers on 3 June 2019. Joined by Chairman of Keppel Corporation, Dr Lee Boon Yang, and CEO of Keppel Corporation, Mr Loh Chin Hua, the children interacted with larger-than-life sculptures at the Project Gallery, created their own virtual sculptures at the Children's Museum and discovered new textures at the Art Corridor.

First-time volunteer, Sayuri Sim, Manager, Regulation and Risk Management, Keppel Infrastructure, shared, "The children had an awesome time exploring the interactive exhibits. It was a fun learning experience and many of the children said that they could not wait for the next Keppel Volunteers activity!"



## Reimagining art education

National Gallery Singapore refreshes about half the spaces in the Keppel Centre every year to ensure that the exhibits remain interesting for repeat visitors. The Project Gallery, Children's Museum and Art Corridor have recently been refreshed with new exhibits.

### Project Gallery

Inspired by Malay proverbs, Singapore sculptor Zainudin Samsuri beckons visitors on board the Dayung Sampan, a Malay phrase which translates into 'row your boat'. Children can discover a collection of giant objects that resemble a foot and a cage, and learn about scale and proportion through imaginative play.

### Children's Museum

Step inside a sculpture studio and discover different sculpture materials, tools and techniques. Children can also create their own virtual sculpture and 'exhibit' it on a virtual wall.

### Art Corridor

Explore a wall of textures inspired by the National Gallery's collection of works, where children can put their hands in covered boxes containing surprise materials and objects.

# Touching lives

Committed to being a good corporate citizen, Keppel continued to support various initiatives that uplift communities.

## Building inclusive societies

Keppel Volunteers brought cheer to the underprivileged by hosting them at several exciting events.

Keppel Volunteers and Keppel Care Foundation collaborated to host some 100 beneficiaries at Singapore Chinese Orchestra's (SCO) opening concert for its 2019-2020 season on 12 July 2019. The event was graced by Guest-of-Honour President Halimah Yacob, who was accompanied by Mr Mohamed Abdullah Alhabshee.

It was a special evening for beneficiaries from Thye Hua Kwan Home for Disabled, Singapore Association of the Visually Handicapped (SAVH), Pathlight School and The Purple Symphony, who were excited to meet the President and enjoy an evening of orchestra music by SCO musicians and guest percussionists. For many of them, it was their first time experiencing an orchestra performance.



1. Volunteers hosted 100 beneficiaries from four charities, including SAVH, at the SCO opening concert.
2. Keppel Volunteers and beneficiaries with President Halimah Yacob (fourth from left), who was accompanied by Mr Mohamed Abdullah Alhabshee (third from left), and CEO of Keppel Corporation, Mr Loh Chin Hua (fourth from right), at the SCO opening concert.
3. Spirits were high among SPD beneficiaries as they celebrated Singapore's national day with Keppel Volunteers at the Padang.
4. Young circus fans from M1's adopted charities enjoyed an unforgettable night previewing Cirque du Soleil's dazzling new production ahead of the official opening.

Separately, Keppel Volunteers celebrated Singapore's birthday with 13 beneficiaries from SPD (formerly Society for the Disabled) at the National Day Parade National Education Show on 13 July 2019. The beneficiaries were captivated by the exciting performances and breathtaking fireworks display.

## Bringing cheer

As part of M1's efforts to support the arts and help underprivileged children and youths-at-risks, the company hosted

650 children and youth from its adopted charities to a sneak preview of Cirque du Soleil's 'KURIOS – Cabinet of Curiosities,' of which M1 is the presenting sponsor.

Held at Cirque du Soleil's brand new white-and-grey Big Top at Bayfront Avenue on 4 July 2019, the dazzling show transported children from Beyond Social Services, Brahm Centre, Children-At-Risk Empowerment Association (CARE), and the M1 Students Support Fund into a magical world featuring hidden realms, otherworldly characters and astonishing acrobatics.

"Our children have been looking forward to this show with great anticipation and excitement. We are most grateful to M1 for journeying with CARE since 2002, supporting our youth with rich learning opportunities and making this an inspiring experience for every child. These opportunities have been greatly instrumental in shaping our children's lives and widening their perspectives. M1's support sends a clear message that the community cares and this has positively impacted their lives," said Ms Adelyn Poh, Co-Founder, Director of Enterprise, CARE Singapore.



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1. As part of the befriending session at NKF, volunteers distributed goody bags comprising nutritious food items to the dialysis patients.
2. Volunteers from Keppel Capital hosted MDAS beneficiaries in a coffee art canvas workshop.
3. Volunteers from Keppel Land China visited schools in Guangnan County and organised activities for the students.

Continuing the company's befriending sessions with the National Kidney Foundation (NKF), about 15 volunteers from Keppel Corporation visited dialysis patients at NKF's Kim Keat dialysis centre on 12 June 2019 and distributed goody bags comprising nutritious food items.

Volunteers from Keppel Offshore & Marine celebrated Hari Raya with elderly from Yishun Community Hospital on 30 May 2019. In addition to singing festive songs and playing Bingo, the elderly made handicrafts using traditional *Ketupat* weaving techniques.

Bringing cheer to beneficiaries from Muscular Dystrophy Association Singapore (MDAS) were volunteers from Keppel Capital who engaged beneficiaries in a coffee art canvas workshop at Udders Ice Cream on 10 May 2019. After an afternoon

of making their own artistic creations using coffee, participants ended the day with a scoop of ice cream!

**Green ambassadors**

Keppel Volunteers stepped up once again to promote the Keppel Discovery Wetlands at Singapore Botanic Gardens during the June school holidays. 14 volunteers engaged over 500 children and visitors to appreciate Singapore's rich biodiversity over five art and craft sessions at the Jacob Ballas Children's Garden.

**Making a difference in China**

In support of the Chinese government's poverty alleviation efforts, Keppel Land China collaborated with the Shanghai Charity Foundation, the Shanghai Jing'an District Education Bureau and the Shanghai Jing'an District Education



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Association to provide teaching resources to schools in the impoverished areas of Yunnan Province.

About 1,900 teachers and student representatives participated in symposiums and trainings which equipped participants with the skills to utilise the training resources provided. To further support the students' learning, Keppel Land donated computers and books to schools in Guangnan County.

Separately, in June 2019, 20 Keppel Volunteers in Shanghai participated in a blood donation drive. Led by Mr Ben Lee, President of Keppel Land China, volunteers donated a total of 2,800 millilitres of blood.



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## Promoting education

for financially disadvantaged students

Keppel believes that inclusive, quality education can lift communities out of poverty by enabling children and youth to create brighter futures for themselves and their families.

### Keppel Care Foundation scholarships

Three outstanding students from the Institute of Technical Education (ITE) received the inaugural Keppel Care Foundation Scholarships that were presented at the ITE Student Achievers' Awards presentation ceremony on 14 May 2019.

As part of Keppel's celebration of its 50th anniversary in 2018, Keppel Care Foundation made a \$10 million donation to the ITE Education Fund to set up the Keppel Care Foundation Scholarship and Keppel Merit Awards, which provide financial support for deserving students from low-income families.

"I feel very honoured to be awarded this scholarship. It is a recognition of my hard work. Coming from a humble family background, the scholarship will also enable me to have bigger dreams, and encourages me to strive to continue to do well!"

**Toh Yi Jing, Keppel Care Foundation scholarship recipient pursuing Higher Nitec in Cyber & Network Security**



1. Mr Chris Ong (far left), CEO of Keppel Offshore & Marine and Member of ITE Board of Governors, Mr Ho Tong Yen (second from left), CEO of Keppel Care Foundation, and Ms Low Khah Gek, CEO of ITE (far right) together with scholarship recipients Toh Yi Jing, Norhidayah Bte Hashim, and Baby Mazlisuziati Binti Muhammad Mazli.
2. Over 24,000 students have benefited from the Keppel Nights programme with Esplanade - Theatres on the Bay since its relaunch in 2013.

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## Community partner

Keppel supports advancement of the arts in Singapore through key sponsorships including the Keppel Centre for Art Education and Keppel Nights.

In recognition of the Group's contributions, the National Arts Council presented Keppel Corporation with a Patron of the Arts Award on 17 July 2019.

Keppel Offshore & Marine (Keppel O&M) received the Singapore Police Force (SPF) Community Partnership Award on 17 June 2019, in recognition of the company's close collaboration with the police in ensuring a safe and secure environment.

For example, as part of SGSecure initiatives, Keppel O&M holds regular joint exercises with the SPF to coordinate response plans and ensure that personnel are vigilant and well-equipped to assess and respond to different situations at its yards and offices.

Separately, Keppel Land China was recognised for its corporate social responsibility efforts at the 8th China Finance Summit 2019 held on 11 July 2019 in Beijing, where it received the '2019 CSR Model Award'.

## Academic awards

Over 100 children of Keppel FELS Employees Union (KFEU) members received bursary awards amounting to \$58,150 in May 2019. The KFEU bursary awards is supported by contributions from Keppel FELS Multi-Purpose Co-Operative Society, which is matched dollar-for-dollar by Keppel FELS, as well as Keppel Offshore & Marine's senior management and the NTUC-U Care Fund.

Separately, a total of 17 Keppel Credit Union (KCU) book prizes amounting to \$11,400 were awarded to children of KCU members who have achieved academic and technical excellence for the year at an awards ceremony on 29 May 2019.



Students at the Binhai Foreign Language School – Primary School Campus III participated actively in the marine conservation quiz.

## Raising eco-consciousness

Keppel is committed to supporting efforts by international and local communities to tackle climate change.

### Singapore

On 12 July 2019, Marina at Keppel Bay hosted a group of students from Compassvale Secondary School as part of the Floating Classroom Educational Outreach programme. Organised by the International Seakeepers Society, the programme seeks to raise awareness among school children on Singapore's marine biodiversity.

Separately, Keppelites in Singapore learned more about the circular economy through dialogue sessions held in May 2019.

Founder of Circular Economy Club Singapore, Mrs Marialine Verdickt, spoke on the benefits of moving towards a circular economy and shared how resource recovery is applied in different sectors.

In another session, Chief Sustainability Officer of Interface, Ms Erin Meezan, presented on the business case and opportunities associated with implementing circular economy principles in business strategies.

### China

In support of World Environment Day 2019, the Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (SSTEC) partnered Nankai University's College of Environmental Science and Engineering to organise a lesson on marine conservation at the Binhai Foreign Language School – Primary School Campus III. It was an enriching day for the students. Through interactive games and quizzes, the students learnt how they could contribute to marine conservation efforts.

Separately, the Sino-Singapore Tianjin Eco-City Administrative Committee (ECAC) and SSTEC organised the 2019 Youth "Eco-Innovation: Green Action" Competition in May 2019, where participants developed innovative and practical green solutions for the development of eco-cities.

This year's winning project was the Solar Cube-Selective Photovoltaic Concentrator System from Tianjin University, which can reduce the energy consumption of buildings through functions to integrate natural lighting, heat insulation and solar power.

Since its launch eight years ago, the competition has received 750 innovative and implementable project proposals from 202 universities, institutions and organisations across 70 Chinese cities. ✓





**Shaping a Sustainable Future**

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