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# KEPPELITE

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MCI (P)  
060/01/2020

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Cover image: A Keppel-led consortium has secured an Engineering, Procurement and Construction contract for the development of a Waste-To-Energy facility and a Materials Recovery Facility for Singapore's new Tuas Nexus Integrated Waste Management Facility (artist impression pictured).

# Editor's Note

COVID-19 is a global crisis, impacting the health and well-being of numerous people, disrupting economies, and transforming many aspects of modern life that we have come to take for granted.

Keppel's first priority in our response to the pandemic is to safeguard our employees, customers and stakeholders. In addition, we have put in place robust measures to ensure business continuity. Keppel's businesses provide many essential services – such as power, water and waste treatment, telecommunications, data centres and logistics – which continue to operate during the pandemic, including the circuit breaker period in Singapore (page 33).

We are proud of the numerous Keppelites across the Group who have been working tirelessly on the frontlines and behind-the-scenes to keep our operations running. Their efforts ensure that critical services remain available (page 35).

During this challenging period, Keppel has also stepped forward to support communities where we operate and committed over \$5 million to support those affected by the pandemic in Singapore and overseas (pages 44 to 47).

While supporting efforts to combat COVID-19, we are also uniting our people to deliver on our mission to provide solutions for sustainable urbanisation.

In February 2020, we held our annual group-wide townhall, the Global Keppelite Forum, where Mr Loh Chin Hua, CEO of Keppel Corporation, unveiled the Group's refreshed Vision, Mission and Core Values, and provided an overview of Keppel's progress towards Vision 2020 and our plans for the future. The inaugural *OneKeppel Awards* were also presented at the Forum to recognise impactful and collaborative business units, Keppelites and projects (pages 14 to 19).

Despite COVID-19, Keppel continued to actively pursue exciting business opportunities. A Keppel-led consortium has secured a \$1.5 billion Engineering, Procurement and Construction contract for the development of a Waste-To-Energy facility and a Materials Recovery Facility for Singapore's new Tuas Nexus Integrated Waste Management Facility (see page 23); M1 was awarded a 5G network licence together with StarHub (page 28); while Keppel Capital continued to attract strong interest among investors, and launched the

US\$1 billion Keppel Asia Infrastructure Fund (pages 26 and 27).

Furthermore, Keppel Offshore & Marine has formed a partnership with Energy Market Authority to develop innovative energy solutions (pages 30 and 31), while Keppel Data Centres is exploring the feasibility of developing a Floating Data Centre Park in Singapore (page 29).

COVID-19 is accelerating changes in how governments, businesses and people work and interact, including the increasing prevalence of telecommuting, virtual meetings and digital transactions. These may bring about lasting changes in social norms and human behaviour, beyond the immediate impact of the pandemic. Keppel will continue to embrace our core value of agility in adapting and responding to the evolving environment, while preparing to seize opportunities that may emerge during and after COVID-19.

Amidst these changes, we remain steadfast in providing reliable, quality services, and staying true to our vision of building a sustainable future for all.

***Keppelite Editor***

# Resilience in adversity

Mr Loh Chin Hua, CEO of Keppel Corporation, discussed the Group's performance and operations amid the COVID-19 global pandemic at the Company's 1Q 2020 financial results announcement on 29 April 2020. *Keppelite* reproduces his speech.

Following the change in Singapore Exchange's (SGX) regulations regarding quarterly reporting, Keppel Corporation will be switching to half-yearly reporting. We welcome the SGX's move to encourage the market and companies to take a longer-term perspective on growth. However, in view of the voluntary pre-conditional partial offer by Temasek, we will continue to provide quarterly reports for the duration of the offer period, to keep the market abreast of the Company's latest performance. We will also take this opportunity to provide an update on how Keppel's business has been affected by COVID-19, and the steps we are taking in response.

## Impact of COVID-19

COVID-19 is having a massive impact on the lives of countless people around the world, as well as the global economy. International Monetary Fund has projected that the global economy may contract by 3% this year. Based on Singapore's Ministry of Trade and Industry's advance estimates, the Singapore economy contracted by 2.2% year-on-year in 1Q 2020. In response to COVID-19, the Singapore Government has unveiled a series of impactful support measures, to help the people and companies in Singapore tide through the crisis.

Keppel operates in over 20 countries, providing solutions for sustainable urbanisation. We are not directly involved in the sectors most severely impacted by COVID-19. Nevertheless, with the sharp fall in global economic activity, lockdowns

and circuit breakers in various countries, and disruptions to the workforce and supply chains, Keppel's businesses have inevitably also been affected.

Keppel's diversification helps to strengthen our resilience during times like these. Many of our businesses provide essential services, such as power, data centres and telecommunications, and continue to operate even during the ongoing circuit breaker in Singapore. The health and well-being of our employees are our top priority, and we have put in place all the necessary precautions, such as split teams and safe distancing, at our workplaces as we continue operating through the pandemic. I would like to take this opportunity to express my deep appreciation to the many frontline and operational staff in Keppel, who are working hard to provide essential services for the community during COVID-19.

Beyond what we are doing within the Group, Keppel is also supporting national and international efforts to combat COVID-19. These include a \$4.2 million relief package co-funded by directors, management and staff of the Group to support vulnerable communities in Singapore. The package goes towards supporting families living in 1 and 2-room Housing and Development Board flats through rebates offered by Keppel Electric, M1 and City Gas, as well as The Courage Fund, among others. We

have also expedited payment terms for the SME (small and medium-sized enterprises) community to help improve their cashflows during this period.

## Financials

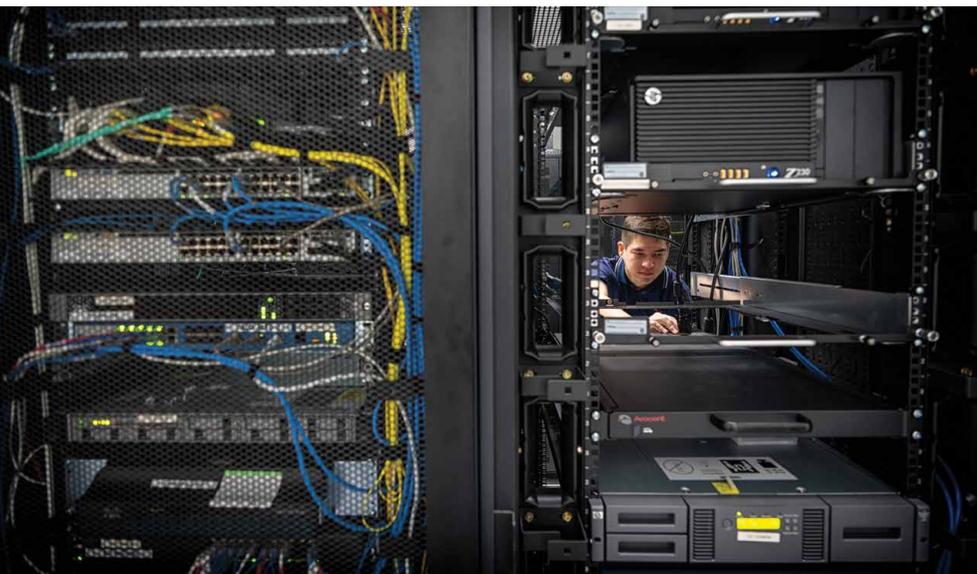
Amidst a challenging environment, Keppel made a net profit of \$160 million. All our key business units remain profitable, despite the pandemic. Net profit was 21% lower than the \$203 million for 1Q 2019, mainly due to the absence of \$49 million in profit from the disposal of a stake in Dong Nai Waterfront City in Vietnam last year. Our Return on Equity was 5.7% on an annualised basis. Free cash inflow was \$37 million in 1Q 2020, compared to a free cash outflow of \$534 million in 1Q 2019, mainly due to lower working capital requirements.

Net gearing rose slightly to 0.88x as at 31 March 2020, compared to 0.85x as at 31 December 2019, mainly due to acquisitions and investments during the quarter.

Keppel continues to have a strong balance sheet and the necessary credit lines to finance the Group's operations. Nevertheless, given the tightening liquidity environment, we are watching our cashflow and gearing carefully, and will manage costs across the Group, as we prepare for a difficult operating environment that may persist for some time.

## Offshore & Marine

Over the past two months, oil prices have been roiled by shrinking global demand caused by COVID-19, as well as the



Many of Keppel's businesses provide essential services such as power, data centres (pictured) and telecommunications, and continue to operate even during the ongoing circuit breaker in Singapore.

price war triggered by Saudi Arabia. The International Energy Authority estimated that global oil demand could fall by 9% this year due to COVID-19. Brent hit a low of below US\$20 per barrel, a level not seen since the early 2000s. The weak demand for oil coupled with overflowing storage capacity even resulted in WTI (West Texas Intermediate) plunging into negative territory last week. Given the current highly volatile environment and low prices, oil majors are curtailing exploration & production spending, which will push back the nascent recovery that we had just begun to see in the Offshore & Marine (O&M) sector.

We expect the O&M business to face very challenging conditions in the near future. We would also need to keep a close watch on customers and associates who would be affected if there is a prolonged downturn in oil prices. Nevertheless, Keppel O&M is in a stronger position to weather the crisis today, compared to 2015, when the last crisis began. Over the past few years, Keppel O&M has undertaken extensive rightsizing and reduced its overheads. Today, it is a leaner, more efficient, and

more diversified business, compared to the situation a few years ago, when the offshore rig building business ground to an abrupt halt after years of rapid growth.

For 1Q 2020, Keppel O&M made a net profit of \$3 million. At the operating level, the profit was \$28 million, higher than the \$3 million operating profit in 1Q 2019; but this was partly offset by losses from associated companies.

In Singapore, Marine & Offshore Engineering companies involved in ship/vessel repair and maintenance and overhaul services have been defined as essential services. Our Singapore yards have continued to provide these essential services during the circuit breaker, but with reduced manpower and various precautionary measures in place. Our overseas yards are also operational, except for those in the Philippines, due to the lockdown imposed by the Philippine Government.

Arising from the lockdowns in various countries and disruptions to international supply chains, several of Keppel

O&M's projects have been delayed. We have served force majeure notices to customers of the affected projects and are working closely with them to mitigate the impact of COVID-19.

As at end-March 2020, our net orderbook stood at \$4.0 billion. While progress in securing new orders has slowed due to COVID-19 and the fall in oil prices, Keppel O&M continues to have a sizeable orderbook which will keep our yards occupied for the next two years. We continue to focus on execution, and delivered two newbuild projects and a floating production storage & offloading modification and upgrade project in 1Q 2020, despite COVID-19.

Our pivot away from oil has helped Keppel O&M remain resilient, with renewables and gas-related solutions making up the majority of our orderbook. We will continue to actively pursue opportunities in gas and renewables, and also repurpose Keppel O&M's technology for other floating infrastructure uses.

Earlier this month, Keppel O&M signed a memorandum of understanding with the Energy Market Authority to develop sustainable energy solutions. Keppel O&M is also setting up a Floating Living Lab off its Tuas shipyard, which will serve as a platform to testbed and commercialise promising power and technology solutions for the marine sector.

### Property

Amid a challenging environment, our Property Division achieved a net profit of \$35 million for 1Q 2020. This was lower than the \$132 million in 1Q 2019, mainly due to the absence of gains from the divestment of the stake in Dong Nai Waterfront City, and a tax write-back last year.

Keppel Land has limited retail and hospitality assets and our office portfolio is relatively resilient to COVID-19. The impact of the pandemic is therefore mainly on residential trading projects and its impact across markets is not uniform. The

Chinese market slowed down during the lockdown over the Chinese New Year but has since started recovering. In Singapore, the market slowed down with the closure of showrooms during the circuit breaker and more cautious sentiments among buyers; while the market in Vietnam remained relatively resilient during the quarter.

In 1Q 2020, we sold around 450 homes, higher than the 390 homes in 1Q 2019, with total sales value of about \$320 million. China contributed to the bulk of home sales, with 330 units. Significantly, more than 200 of these units were sold in February and March 2020, after the COVID-19 outbreak, reflecting the improving confidence and sentiments in China. Over the last weekend of April, we launched 251 units of a residential project in Wuxi and 164 units, or 65%, were booked over the weekend, at prices comparable with homes sold last year.

Home sales were slower in Vietnam mainly because we did not launch any new projects during this period, while in Singapore, we sold about 50 units.

We expect to recognise revenue for some 8,830 overseas homes already sold worth about \$4.1 billion upon completion and handover from 2Q 2020 to 2023. With the slowdown in construction resulting from COVID-19, the handover of certain projects may be delayed by a few months.

Our total residential landbank currently stands at about 45,000 homes. As part of our capital recycling strategy, Keppel Land divested our equity interest in the Jiangyin project in China for approximately \$95 million. Keppel Land also continued to deepen its presence in promising Chinese regions, such as Taicang City, to meet the demand for homes in the greater Shanghai area.

Our commercial portfolio stands at about 1.6 million square metres



of gross floor area, of which about 50% is under development. They will progressively contribute to the Group's stable recurring income, when the projects are completed.

Keppel Land and Keppel REIT have rolled out a series of measures to support the tenants in our commercial properties, who have been affected by COVID-19. We will do what we can to support our stakeholders, where possible, through this difficult period.

#### **Infrastructure**

The Infrastructure Division made a net profit of \$174 million for 1Q 2020, compared to \$16 million over the same period a year ago. This was on the back of improved earnings from Energy Infrastructure, as well as a gain of \$131 million arising from the reclassification of Keppel Infrastructure Trust from an associated company to an investment.

Even excluding this gain, Keppel Infrastructure performed well, with earnings double those of 1Q 2019, mainly driven by improved performance in Energy Infrastructure.

With rapidly depleting landfill capacities and rising public awareness of environmental and pollution issues in many cities around the world, governments have become more proactive in sourcing for sustainable waste management solutions. Leveraging its advanced technology and strong track record in execution, Keppel Seghers is well positioned to support governments and industries with its sustainable environmental solutions.

Earlier this year, Keppel Seghers won two contracts to supply waste-to-energy (WTE) technology and services to Gujarat in India. These WTE projects would be the first-of-their-kind in Gujarat.

In April 2020, a Keppel-led consortium secured a \$1.5 billion contract to design and build a 2,900 tonnes per day (tpd) WTE plant and a 250 tpd Materials Recovery Facility, which will be part of Singapore's new integrated waste management facility. Keppel's share of the contract is about \$720 million. As the consortium lead, Keppel Seghers will be in charge of overall project management, as well as providing the core WTE technology solutions.

In the meantime, construction works at the Keppel Marina East Desalination Plant (KMEDP) and Hong Kong Integrated Waste Management Facility have slowed as a result of COVID-19. However, the KMEDP remains on track to commence operations later in 2020.

Digitalisation continues to drive demand for data centres. With COVID-19 and work from home arrangements further increasing the demand for digital connectivity, Keppel Data Centres has received enquiries from customers on new data centre capacity. At the same

time, Keppel Data Centres continues to explore innovative and energy efficient data centre solutions. It is now looking into the feasibility of developing a Floating Data Centre Park at the Loyang Offshore Supply Base in Singapore.

In April 2020, Keppel Telecommunications & Transportation (Keppel T&T) sold a small 2.33% stake in Keppel DC REIT. This was an opportune move to realise the profits from our data centres business, allowing the funds released to be redeployed to seize other opportunities. We expect to recognise a gain of about \$46 million from the transaction. After the sale, Keppel T&T continues to be the single largest unitholder and sponsor of Keppel DC REIT, and we remain committed to the long-term growth of the REIT.

COVID-19 has also increased the demand for online sales and urban logistics, especially for fast moving consumer goods and health products, but there has been a corresponding reduction in the demand for other non-essential goods.

## Investments

Our Investments Division recorded a net loss of \$52 million this quarter, compared to a net profit of \$49 million in 1Q 2019, which had benefitted from a fair value gain from the re-measurement of the previously held interest in M1 at acquisition date. Earnings for the quarter were also dampened by mark-to-market losses on some of our investments.

### Asset Management

Keppel Capital continued to generate steady recurring fee income, though earnings were lower than in 1Q 2019, mainly due to mark-to-market loss of \$26 million on its holdings in a listed REIT.

Despite the challenging economic climate, Keppel Capital continued to see strong investor interest for quality real assets that provide stable, long-term cashflows. The recently launched US\$1 billion Keppel Asia Infrastructure Fund and its co-investment vehicles have, through a second closing and an impending commitment from the Asian Infrastructure Investment Bank, raised



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1. In 1Q 2020, Keppel Land sold 44% more homes in China than in 1Q 2019, mainly in Nanjing (pictured), Chengdu and Wuxi.
2. The recently launched US\$1 billion Keppel Asia Infrastructure Fund has acquired, as its first investment, an interest in the Gimi floating liquefied natural gas facility.

total aggregate capital commitments of US\$570 million. The Fund has also acquired as its first investment an interest in the Gimi floating liquefied natural gas facility.

In addition, a large Asian pension fund and a sovereign wealth fund each committed US\$200 million to be invested in funds managed by Keppel Capital.

Separately, the Keppel-Pierfront Private Credit Fund achieved a first close of US\$200 million earlier in April, while Keppel Capital has entered a 50:50 joint venture with Australian Unity to establish funds focused on the Australian metropolitan office sector.

#### **M1**

With consolidation of a full quarter's earnings, M1 made a bigger contribution to the Group, compared to 1Q 2019. Demand for mobile services remained resilient despite the pandemic. M1 added 20,000 postpaid customers in the quarter. However, roaming and prepaid revenue have fallen due to the sharp drop in international travel, while the sale of handsets and information and communications technology related equipment have also slowed due to customers deferring their spending and supply chain disruptions.

Over the past few months, M1 has enhanced the connectivity solutions across its business lines to support customers' needs amid COVID-19. Notwithstanding the short-term headwinds, COVID-19 has accelerated digital transformation for many organisations as well as the adoption of new ways of working. This will, over the longer term, create new opportunities for our connectivity business.

In the meantime, M1 is continuing its transformation to enhance its digital capabilities and digitise its business

model. During the quarter, M1 and StarHub also submitted a joint bid for a 5G licence.

#### ***Sino-Singapore Tianjin Eco-City***

In China, our joint venture master developer Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (SSTEC) continued to drive the development of the Tianjin Eco-City. In April 2020, SSTEC sold a residential plot for RMB 1.17 billion, at a land price comparable to a similar plot sold in 2019. This reflects the continuing confidence and demand for land in the Eco-City. The sale is expected to contribute earnings of about \$30 million to the Group when it is completed in the second quarter.

#### **Vision 2030**

As we manage the impact of COVID-19, we remain focused on executing our plans and building a sustainable business for the long term. During the FY 2019 results announcement, I spoke about Keppel's Vision 2030 exercise, where we gathered younger business leaders in the company to draw up Keppel's long-term strategy. This process, which started from 1H 2019, has continued over the past few months.

Looking ahead, we see Keppel growing increasingly as one integrated business, collaborating and channelling our capabilities to provide solutions for sustainable urbanisation. Through Keppel Capital, we will tap third-party funds for growth and our eco-system of REITs and business trusts to recycle capital. Many investors are on the lookout for real assets with cashflow. Opportunities could emerge after the COVID-19 crisis and Keppel is well positioned to tap these opportunities, together with our strategic investors.

We will take a disciplined approach to managing our businesses. The Group

will streamline and focus our business in four key areas: Energy & Environment, Urban Development, Connectivity and Asset Management, all of which are part of a connected value chain, which we will grow both organically and inorganically.

Capital allocation will be driven by the Group's strategy and business model. These include (i) whether the business contributes to our ROE target of 15%, (ii) whether it is scalable, (iii) its potential for integration and synergy with other parts of Keppel, and (iv) whether it is aligned to our Vision, Mission and environmental, social & governance goals. As part of the process of refocusing our business, we have commenced a strategic review of our logistics business.

Keppel's Vision 2030 is close to being finalised, and we will share more with the investment community in the next few weeks.

To conclude, COVID-19 will cause considerable disruption and pain. The post-pandemic world may also not be the same as before. Trends like working from home, learning from home and online shopping will probably become even prevalent. Countries and companies may seek to further diversify their supply chains. This will create additional disruptions, as well as opportunities for companies able to seize them. Notwithstanding the immediate challenges posed by COVID-19, there is inherent value in Keppel's businesses and our synergy as a group providing solutions for sustainable urbanisation. This will not change because of the pandemic. Keppel has faced many challenges over the past five decades. I am confident that working together as a group, and with the support of our stakeholders, we will overcome COVID-19 and emerge stronger. 

# Financial highlights

**Keppelite** reproduces excerpts of the presentation by Mr Chan Hon Chew, CFO of Keppel Corporation, on the Company's 1Q 2020 financial performance.

## 1Q 2020 financial highlights

\$m	1Q 2020	1Q 2019	% Change
Revenue	1,857	1,531	21
Operating Profit	273	322	(15)
Profit Before Tax	247	283	(13)
Net Profit	160	203	(21)
EPS (cents)	8.8	11.2	(21)

### 1Q 2020 financial highlights

In 1Q 2020, the Group recorded a net profit of \$160 million, which was 21% lower than the same quarter last year, with the Infrastructure Division being the top contributor to the Group's earnings, followed by the Property Division and Offshore & Marine Division. This translated to Earnings Per Share (EPS) of 8.8 cents.

Consequently, annualised Return on Equity decreased to 5.7% as at 31 March 2020.

The Group's revenue for the first quarter was 21% or \$326 million higher than 1Q 2019. Higher revenues from the Offshore & Marine and Investments divisions were partially offset by lower revenues from the Property Division.

However, operating profit fell by 15% or \$49 million despite higher revenues, largely due to the absence of fair value gain on remeasurement of previously held interest upon acquisition of M1 compared to first quarter in 2019, lower gain on disposal of subsidiaries and higher fair value loss on investments, partly offset by the mark-to-market gain from reclassification of the Group's interest in Keppel Infrastructure Trust from an associated company to an investment carried at fair value through comprehensive income.

Profit before tax of \$247 million for 1Q 2020 decreased by a smaller extent as compared to the decrease in operating profit, due mainly to lower net interest

expense and lower share of losses from associated companies.

Free cash inflow was \$37 million during the quarter, as compared to an outflow of \$534 million in the 1Q 2019 mainly due to lower working capital requirements from Property Division and positive working capital changes for Infrastructure Division, partly offset by higher working capital requirements from the construction progress of Offshore & Marine Division's major projects such as the Awilco semisubmersibles, Borr jackup rigs and Golar Gimi Floating Liquefied Natural Gas vessel.

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

# In conversation

**Keppelite** shares highlights of management's responses to questions from the media and analysts at the Company's 1Q 2020 results conference call.

**Q: How are the downturn and current oil prices impacting new order flow for Keppel O&M?**

**LCH:** The current situation with the oil price has obviously created some challenges for the offshore sector. Fortunately for Keppel, our existing orderbook is quite decent. We have almost \$4 billion of net orders that will keep us busy, at least for the next two years.

We have also pivoted away from oil since 2015, so you will find that the majority of orders in our orderbook are in renewables, gas solutions and non-oil and gas. Going forward, you would expect that unless oil prices recover faster, there will be an impact on the Exploration & Production spending by the oil majors.

Having said that, we continue to see quite strong enquiries and interest in the renewables space; and I believe that demand for production assets like FPSOs and FLNGs will remain quite robust.

**Q: Both foreign worker dormitories that Keppel operates are under quarantine, can you take us through the situation there?**

**LCH:** Both dormitories, Acacia and Cassia@Penjuru, have been gazetted and isolated by Ministry of Health (MOH). MOH has designated three clusters in our Group. One is at Keppel Shipyard, and two at the dormitories you have just mentioned that are operated by Keppel Housing.

We had our first COVID-19 case at Keppel Shipyard on 30 March. We were very fast in quickly putting about a hundred

of our colleagues and co-workers, who were deemed to be in close contact with the infected employee, on leave of absence. That expanded very quickly to 1,200 workers by 6 April. Over time, we have put almost 4,000 workers on leave of absence. This was on our own accord, before any intervention by MOH.

The safety of our workers comes first. Keppel O&M moved very quickly to ensure that we were able to get some control over the situation.

We cannot talk about the individual conditions of the workers; but generally, as you have read in the papers, amongst the migrant workers, most of the cases are either asymptomatic or they have very mild symptoms. More importantly, at this moment, none of our workers are in the ICU (intensive care unit). We are watching this very closely.

Keppel is acknowledged in the industry for running very good quality dorms. These dorms would typically have a sitting room with two bedrooms. We also have a games room, a supermart and various recreational facilities for the workers.

From the agencies that have worked with us on these two dorms, their feedback on the morale and discipline of our workers was very good, and of course we do our best. It is a very difficult situation for them. The management team at Keppel O&M is in regular contact with the workers. It is not just about providing food and all that, which is very important, but also providing access so that they can speak to their families with SIM cards and also with WIFI. More importantly,

it is to reassure them that they will get paid. They do not have to worry about being paid. The main thing is to get well.

We are also now planning: When the circuit breaker is over at some point, how do we return to work safely? At the end of the day, safety comes first. This has guided us in how we have managed this very difficult moment, and it will continue to guide us as we think about post-circuit breaker, because the danger will still probably reside for quite a while.

**Q: Given the encouraging performance from the China residential launches over the weekend, are you planning to ramp up launches over the next few months?**

**LCH:** It is very encouraging, and we are looking at how we can do more launches. We have quite a number of units in China, a number of projects that are launch-ready. Depending on the market conditions, if we think it is favourable, we will definitely push ahead.

For Vietnam, there was not much sales in the first quarter, not because the market was weak, but mainly because we have no units to sell. The reports on the ground are that the demand for housing apartments in Ho Chi Minh City remains strong.

We are now looking to see whether we can have some projects to launch. Our colleagues in Keppel Land Vietnam are quite confident that we can get a good result. We have also heard in recent days that the lockdown in Vietnam has either been removed or has been

reduced, and some of the retail malls are also now reopened.

**Q: Are the plans to redevelop Keppel Towers still ongoing? Or will the plans be delayed in the current environment?**

**LCH:** Keppel Towers has been decanted. We used it for a while as an alternate work site in March. During March, in the early part of the virus pandemic, we had split teams and some of us were actually using Keppel Towers for a few weeks. But it is now vacated. The plan is that it will be demolished and redeveloped. I do not believe there will be any delays, other than the fact that we can't start work during the circuit breaker.

**Q: On the partial sale of Keppel DC REIT units, is this a general cash-raising strategy that we can expect given the current circumstances, or is this just to take advantage of the share price of Keppel DC REIT?**

**LCH:** This is just part of our way of recycling and locking in some profits. This is done by Keppel T&T. We are still very bullish about the data centre space. You know the business model we have with using private funds to work with investors to build this and then hopefully when it is de-risked, monetise it by selling it to Keppel DC REIT. From time to time, Keppel T&T will also need to free up its capital, so that we can continue to invest in new projects that are under development. So, it has got more to do with that.

I think Hon Chew and the finance team have done a great job in making sure that the Group's finances are in good order, in good shape. That would explain why you can see that the cash balance in the Group has gone up.

**Q: Could you share the rationale for reclassifying Keppel Infrastructure Trust (KIT)?**

**CHC:** The KIT reclassification did not just happen overnight, but is something

that has taken place over time. If you look at KIT's portfolio, it has evolved over the years and the nature of the assets has expanded beyond the focus as well as the scope of the Group. In 2015, there was the combination of KIT and Cityspring Infrastructure Trust (Cityspring). If you look at the assets, there are a lot that are not quite the Group's focus. More recently, KIT invested in Ixom, which just happened last year.

Arising from the merger with Cityspring, our stake was also diluted down to 18%. With the recent development in terms of the reduction in our Board representation, and also the undertaking to provide KIT unitholders with the right to endorse the appointment of directors of the Trustee-Manager, these have resulted in the loss of significant influence over KIT.

So the right accounting treatment for the stake in KIT is not as an associate, but it should be an investment. Under the accounting standards, even for investments you have a choice between fair value to P&L and fair value to OCI (Other Comprehensive Income). We have chosen to account for it as investment for fair value to OCI. The reason is that the sponsorship relationship is still very important. That is important to reinforce, because the sponsorship relationship is for the mutual benefit of both KIT and Keppel. We do not expect to sell the stake for profit in the future. So any movement in the fair value goes to the OCI, rather than P&L. That is the rationale behind that.

**Q: Could you give us more colour on the buyer and price of Tianjin Eco-City's recent land sale? Should we be expecting more in 2H 2020?**

**LCH:** The SSTEAC (Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd.) land sale is something that is quite encouraging. This is, of course, still very early days in terms of China coming back from their lockdown.

We were very pleased to see that three very credible developers registered to tender for this site, and there was quite active bidding. We managed to sell the site at a small premium to the reserve price.

It is one of the themes that we see, namely that the pandemic has affected different parts of our business and even geographies differently. We have seen that China was the first to be affected. They went through a very severe lockdown particularly in Hubei and Wuhan. But in the last few weeks, many of these cities are now back online, including Wuhan.

We have seen that the land sales in some of these cities have been quite encouraging, where developers are bidding and are prepared to bid, and frequently the sites are being obtained at a premium. Some of the premiums are quite significant over the reserve price.

For the SSTEAC land sale, the price per square metre of about RMB7,000 is about the same as a site that we sold last year.

As for whether we will sell more sites this year, that would depend on the market conditions. SSTEAC does some self-development and also does land sales. So we would expect that to continue.

**CHC:** The buyer is a major developer listed on the Hong Kong Stock Exchange with headquarters in Tianjin.

**Q: On the Temasek partial offer, is there any financial impediment given the volatility that we are seeing in the market right now?**

**LCH:** There are three MAC (material adverse change) clauses. As of the first quarter results, I do not believe we have breached any of these three MAC clauses. ✓

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

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



1. The functional collaborative spaces in Keppel Pacific Oak US REIT's properties provide a live-work experience for tenants. Pictured here is Bellevue Technology Center in Seattle, Washington.
2. HSBC Singapore begins its 10-year lease at one of Keppel REIT's properties, Marina Bay Financial Centre Tower 2 (pictured), in May 2020.

## Keppel Pacific Oak US REIT Key Business and Operational Updates

# Steady returns

Keppel Pacific Oak US REIT (KORE) has adopted half-yearly announcement of financial statements with effect from the financial year ending 31 December 2020. Accordingly, the next announcement of financial statements will be for the half-year period ending 30 June 2020. Nevertheless, KORE has provided key business and operational updates for the first quarter of 2020 to engage investors and other stakeholders on the performance of KORE.

KORE has achieved distributable income of US\$14.4 million for 1Q 2020, 16.1% higher than in 1Q 2019. The continued year-on-year improvement is largely due to contributions from One Twenty Five in Dallas, Texas, which was acquired in November 2019, as well as positive rental reversions from leasing done in 2019.

On 7 April 2020, the final tax regulations under Section 267A of the United States Internal Revenue Code were issued. Arising from the final regulations, with effect from 16 April 2020, KORE has reverted to a structure which does not involve the Barbados entities, largely following the structure which KORE used when it was initially listed.

Based on the latest audited financial statements of KORE for the financial year ended 31 December 2019 (FY2019), had the restructuring been completed on 1 January 2019, the distributable income for FY2019 would have increased by approximately 1.5%.

In 1Q 2020, the Manager leased 104,000 sf of space, mainly in Seattle, Atlanta and Houston. This was equivalent to about 2.2% of KORE's total portfolio, bringing KORE's portfolio committed occupancy by net lettable area to 94.0% as at 31 March 2020. KORE's overall portfolio recorded a positive rental reversion of 12.0%. For the rest of 2020, KORE has only 6% of leases due for renewal.

The Manager continues to maintain its prudent approach towards capital management. KORE has limited interest rate exposure with term loans significantly hedged. As at 31 March 2020, the weighted average term to maturity of KORE's debt was 2.9 years with an all-in average cost of debt of 3.53% per annum. Aggregate leverage and interest coverage ratios were 36.9% and 4.2 times respectively.

Notwithstanding the COVID-19 situation, the Manager remains focused on delivering sustainable distributions and strong total returns to Unitholders. KORE's resilient and highly diversified portfolio with low tenant concentration risk will continue to sustain long-term returns for Unitholders.

With approximately 55% of its portfolio in the key technology hubs of Seattle, Denver and Austin, KORE's focus on the growth in defensive technology and healthcare sectors is a distinctive factor and a cornerstone of its strategy. Almost all of KORE's leases have built-in average annual rental escalations of 2.6%, which will continue to be a key organic growth driver for Unitholders.

Looking ahead, the Manager remains committed to operational excellence with a focused leasing strategy to maximise rents and achieve positive rental reversions, while seeking value accretive acquisitions in key growth markets, as well as maintaining a prudent approach towards capital management. ✓

# Resilient income

Keppel REIT has achieved distributable income of \$47.3 million for 1Q 2020, including capital gains distribution of \$5.0 million. Notwithstanding the absence of rental support and lower income contribution following the divestment of Bugis Junction Towers in November 2019, distributable income was maintained year-on-year due mainly to the acquisition of T Tower in May 2019, higher capital gains distribution, as well as lower borrowing costs. Distribution per Unit for 1Q 2020 was 1.40 cents.

As at the end of 1Q 2020, the majority of loans due in 2020 have been refinanced while commitments have been received for the remainder. Aggregate leverage was 36.2% and all-in interest rate was 2.58% per annum with interest coverage ratio at 3.2 times. To meet future financing obligations, Keppel REIT has approximately \$966 million of undrawn credit facilities available, of which approximately \$400 million are committed facilities.

With the safety of its tenants as the Manager's first priority, precautionary measures were implemented across all properties at the onset of the COVID-19 outbreak.

In Singapore, to ease tenants' cash flow and cost pressures during the COVID-19 outbreak, Keppel REIT has extended approximately \$9.5 million of tenant support measures. These include the full pass-through of property tax rebates (estimated to amount to approximately \$8.2 million) of 30% to its office tenants and 100% to its retail tenants, in line with the Singapore Government's Resilience Budget which was announced on 26 March 2020, as well as full rental waiver for April 2020 to eligible retail tenants. In addition, eligible retail tenants

will also be able to utilise one month's security deposit to offset rent payment.

As for Keppel REIT's overseas markets, support measures in line with the relevant government advisories issued will also be extended to all qualifying tenants. These measures serve to support the business continuity of tenants and the long-term interests of all stakeholders.

As at 31 March 2020, Keppel REIT's portfolio committed occupancy was high at 98.9%. The portfolio and top ten tenants' weighted average lease expiry (WALE) remained long at approximately 4.7 years and 6.7 years respectively.

Keppel REIT has a diversified tenant base, many of whom are established blue-chip corporations.

Notable tenants that are scheduled to move into Keppel REIT's properties include HSBC Singapore, whose 10-year lease at Marina Bay Financial Centre Tower 2 begins in May 2020, as well as the Victoria Police, whose 30-year lease at 311 Spencer Street in Melbourne is expected to start by end-2Q 2020.

The COVID-19 pandemic presents unprecedented challenges to the business community. The Manager remains focused on maintaining stable and sustainable distributions to Unitholders, and achieving long-term growth. Keppel REIT's portfolio of established tenants from diversified sectors, high portfolio committed occupancy and long WALE will continue to support the REIT's income resilience.



## Essential asset class

### Updates for 1Q 2020

Keppel DC REIT has adopted half-yearly announcement of financial statements with effect from the financial year ending 31 December 2020. Accordingly, the next announcement of financial statements will be for the half-year period ending 30 June 2020. Nevertheless, Keppel DC REIT continues to engage stakeholders proactively, and provided key business and operational updates for the first quarter of 2020 on 21 April 2020.

Keppel DC REIT has delivered distributable income of \$35.8 million for 1Q 2020, 32% higher than 1Q 2019's \$27.1 million, supported by contributions from Keppel DC Singapore 4 and DC1; both acquisitions were completed in 4Q 2019.

Accordingly, Keppel DC REIT achieved a distribution per Unit (DPU) of 2.085 cents for 1Q 2020, 8.6% higher than the DPU of 1.920 cents in 1Q 2019.

In March 2020, the Manager obtained a EUR 50 million revolving credit facility and a EUR 50 million term loan facility. The REIT's aggregate leverage remains low at 32.2%, providing a comfortable debt headroom to pursue further growth.

Keppel DC REIT's average cost of debt remained low at 1.7% per annum and its interest coverage ratio remained high at 12.8 times. As at 31 March 2020, the Manager has locked in 77% of its borrowings through floating-to-fixed interest rate swaps. In addition, forecasted foreign-sourced distributions have also been substantially hedged till 2H 2021 with foreign currency forward contracts.

The Manager maintains a proactive asset management strategy to improve the efficiency and returns of its portfolio. As at 31 March 2020, the portfolio occupancy rate remained healthy at 94.7% and the weighted average lease expiry (WALE) remained long at 8.3 years.

During the quarter, Keppel DC REIT completed the acquisition of the remaining 999-year leasehold land interest at Keppel DC Dublin 1. As part of its proactive asset management approach, the Manager also announced plans to convert vacant space at Keppel DC Dublin 2 into a data hall, which is expected to complete in 1H 2021.

As the COVID-19 outbreak continues to evolve, the Manager has put in place stringent measures at its colocation facilities to protect its employees and

clients. Global supply chains have been strained due to the pandemic, and as such, the Manager is closely monitoring the progress of its asset enhancement works at Keppel DC Dublin 1, Keppel DC Singapore 5 and DC1. Development of Intellicentre 3 East Data Centre in Sydney is expected to be complete in 1H 2021.

The data centre market remains resilient in this pandemic. Notwithstanding increased competition in the data centre industry, Keppel DC REIT will continue to seek growth opportunities and strengthen its presence across key data centre hubs globally.

### Completion of acquisition

On 1 May 2020, Keppel DC REIT announced that the acquisition of the 100% freehold interest in Kelsterbach Data Centre, in Germany, has been completed. ✓

Keppel DC REIT has completed the acquisition of the remaining 999-year leasehold land interest at Keppel DC Dublin 1.



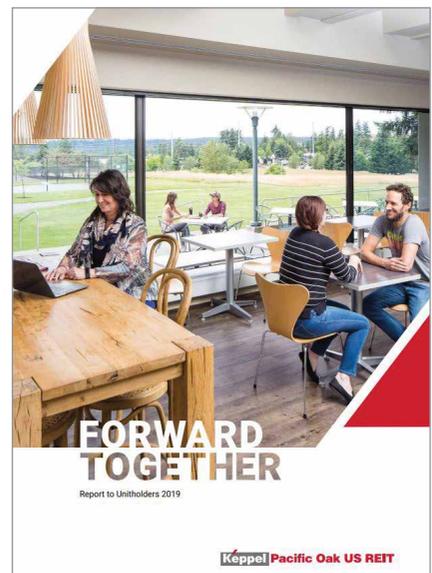


# Forward together

We are building a sustainable future for all our stakeholders as *OneKeppel*, creating a spectrum of solutions which are good for the planet, for people and for the Group.

Beyond the variety of businesses they represent, the Group's FY 2019 annual reports converge on the Keppel difference – our ability to harness Keppel's diverse capabilities to create value for stakeholders at different stages of the value chain.

Collaborating with one another, Keppel's business units open up opportunities that each may not have been able to capture alone. ✓





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solutions for a sustainable world, that are good for the planet and people, and create new profit pools in the process."

**Vision 2030**

Looking ahead beyond 2020, Mr Loh said, "As we complete Vision 2020, we must set our eyes on the future. We are now finalising Vision 2030, with interim targets for 2025. We should grow as one integrated business, with a clear growth trajectory and a repeatable model, as well as have a more rationalised portfolio focusing on our key strengths of engineering, project development, operating and managing specialised assets, as well as capital and asset management. We will also continue to tap third party funds to grow our businesses."

**Trusted and reliable company**

Mr Loh also shared the outcome of a Keppel brand review, announced at

GKF 2019, and implemented during the course of 2019. He said, "There is a consensus among internal and external stakeholders that Keppel is a trusted and reliable company. While this is a hard-earned reputation that we must maintain, we must also strengthen our focus on sustainability, as well as be an agile and innovative company. This will be an integral part of our strategy and how we run our businesses."

To sharpen Keppel's focus, the company's vision and mission statements will be shortened to "A trusted global company building a sustainable future" and "We deliver solutions for sustainable urbanisation safely, responsibly and profitably", respectively.

Keppel's core values have also been reviewed. Core values with similar themes will be combined, and the eight core values

will be reduced to five – Agility, People-focus, Accountability, Can Do and Safety.

To reflect our common purpose and collaboration as *OneKeppel*, the logos with the Keppel wordmark have also been aligned with effect from 1 March 2020.

**Great place to work**

Recognising that people are the company's greatest assets, Mr Loh also said, "We will continue to make Keppel a great place to work and offer Keppelites a purposeful and varied career. We have been recognised by Forbes as being among the world's best employers. This year, we will roll out further initiatives, including enhancing Keppelites' physical and mental well-being. Group Human Resources will also look into implementing flexible work arrangements, taking into account each business unit's operational requirements."

## Engaging Keppelites around the world

At the Global Keppelites Forum 2020, Mr Loh Chin Hua, CEO of Keppel Corporation, provided an overview of Keppel's progress and plans for the future, and had a candid dialogue with Keppelites around the world.

The sixth annual Group-wide townhall, the Global Keppelites Forum (GKF), was held on 6 February 2020 at the Suntec Singapore Convention & Exhibition Centre. The forum was attended by about 400 Keppelites in person and simultaneously broadcasted live to about 2,100 Keppelites at 60 satellite locations globally.

In his address, Mr Loh Chin Hua, CEO of Keppel Corporation, shared that the Group had delivered resilient performance despite a challenging and volatile external environment. He said, "There are challenges and risks, but also opportunities. Keppel must continue to

remain agile and nimble, stay relevant and retain a growth mindset in order to seize these opportunities. Moving ahead, our focus is on executing our strategy."

**Progress towards Vision 2020**

Mr Loh provided an update of the Group's progress towards Vision 2020, which was launched in 2014. He said, "Collaboration is now more prevalent and increasingly a part of the Keppel DNA. There are many projects today involving collaboration.

"We have also improved organisational health, strengthened our succession pipeline, enhanced controls, compliance and risk management as well as

improved processes through Autobots and HaRmony. We now have a common digital spine running through the whole organisation. Going forward, we will be able to gain more efficiencies with process automation and continuous monitoring."

The Group has also made strides in safety, with zero fatalities in 2019, the first time this was achieved in over 25 years.

Mr Loh also emphasised Keppel's commitment to sustainability, which is now a core part of the company's strategy. He shared, "We must make sustainability our business, and create



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1. Mr Loh Chin Hua, CEO of Keppel Corporation, reiterated the Group's commitment to provide solutions for sustainable urbanisation.
2. Keppelites were enthusiastic in posing questions during the fireside chat segment. The questions ranged from topics on business strategy and sustainability, to how Keppelites can contribute to the growth of the company.

## Valuable insights

Following Mr Loh's address was a fireside chat segment, where Keppelites were able to pose questions to Mr Loh either in person, or online through the Yammer platform.

*Keppelite* shares highlights of the fireside chat segment, which was moderated by Mr Ho Tong Yen, Director of Group Corporate Communications.

**Q: We emphasise our commitment to sustainability. Indeed, Keppel has done a lot in terms of green buildings, environmental solutions etc. But we also have business units that are involved in building rigs and production assets for the oil and gas industry. How do we reconcile our focus on sustainability, with our involvement in the oil and gas sector?**

**LCH:** While the world is moving towards cleaner energy, the reality is that the shift is not going to happen overnight. There is still a need for fossil fuels. We identified some years ago that gas will be an important transition fuel, and we started developing gas solutions at Keppel Offshore & Marine (Keppel O&M). It is not by coincidence that I have put Keppel Renewable Energy under Keppel O&M. A lot of the engineering capabilities that we have at Keppel O&M can be put to use in a different way. For other aspects of our business, we endeavour to be the most energy efficient. In terms of our portfolio, we want to emphasise renewables.

**Q: People-focus is one of our core values. But at the same time, Keppel O&M has undergone significant rightsizing. Other business units are also looking at value enhancement, with possible headcount reduction. How do we maintain a balance between being people-focused, with the need to manage headcount to improve efficiency?**

**LCH:** In 2013, Keppel O&M achieved the Guinness World Record for delivering 21 jackup rigs. Shortly after, in 2014, we went from 100 miles an hour to hitting a wall. It was a matter of survival. If we did not do our rightsizing, we may not have survived as a business.

Looking at the broader question of value enhancement across the Group, this is something that is necessary. The world of work has changed. With the advent of robotics and artificial intelligence, all our jobs will be changed. We have

to change along with it. When we are confronted with a rapidly changing world, our business strategy will have to adapt accordingly. We need to have the right people with the right experience executing on the strategy.

It is important that we give people a chance to learn and upgrade their skills. That is being done, and something that we will continue to do. There could be situations where people may feel that they cannot make that transition, or they may feel that this is not the right thing for them to do. Under such circumstances, it may be unfortunate, but necessary for us to part company.

**Q: What can employees do to contribute to the long-term growth of the company, besides doing well in their day-to-day work?**

**LCH:** I would encourage all Keppelites to bring up good ideas, new ways or more effective ways of doing things. In the world that we are in today, it is important for leaders to listen more – it doesn't mean that we know everything. If you see a trend that we are not seeing, or if there is something that we can do better, we can always discuss it, as we are open to ideas.

**Q: Amongst the many initiatives or plans set in motion today, which do you expect to have the most significant impact to the Group in the next 10 years?**

**LCH:** I think Vision 2030 will be a very important plan. The document, when finalised, will chart our course in the next decade and more. The world is changing rapidly. One of the key traits of Keppel is that we have always reinvented ourselves. We used to own a bank. At the time when we sold the bank, that contributed 50% of our profit. Some analysts back then wondered if Keppel could survive. Not only did we survive, we prospered. This ability to constantly make ourselves relevant, and reinvent ourselves to fit the



Mr Loh Chin Hua (left), CEO of Keppel Corporation, addressed questions from Keppelites during the fireside chat segment, moderated by Mr Ho Tong Yen (right), Director of Group Corporate Communications.

circumstances of the day, is one of the strengths of the Group.

**Q: How big of an impact will the COVID-19 outbreak have on Keppel? How will Keppel navigate through this?**

**LCH:** Safety is our core value, and the most important thing is to keep our people safe. We have taken measures to do that. As for impact on Keppel financially, the immediate impact is not obvious as we do not own a lot of hotels or retail properties, or food and beverage outlets, where you can see the impact immediately. But we must also be prepared for the long haul. If this turns out to be a long, drawn-out affair, there will be an impact on the economy, and Keppel's businesses will not be immune from that.

**Q: Many Keppelites are curious to know more about their CEO. What was your ambition when you were a student? What path did you take to get to where you are today?**

1. *kampung*: Malay word for village

**LCH:** When I was young, I did not have ambitions to become a lawyer or doctor. I grew up in a simple setting. I recall, at a very young age, that a person deemed to have done well in my *kampung*<sup>1</sup> would be someone with a secondary school qualification, working as a clerk. That was the kind of role model that we had. Over time, when I was a student, I did think about becoming a forensic scientist. But that may have more to do with the fact that I enjoyed watching Hawaii Five-0 – I never took any steps towards that.

Looking back at my career, and even before that when I was deciding where to go to school, I had taken some unusual paths. First, I did a degree in real estate in New Zealand, which was not common, but that was how I could get a scholarship.

Later, I was supposed to work in the tax department. However, I wanted to work for GIC, though I was not able to join them when I applied as I was a Public

Service Commission (PSC) scholar. When I joined the workforce, we had one of the first downturns in Singapore. Even for scholars, the government was not able to give us any jobs. The silver lining was that this allowed us to apply for jobs in statutory boards. I got into the Monetary Authority of Singapore and spent two weeks with them, before moving to GIC.

At GIC, I was working in the equities department. I did fairly well, and after that I went to the real estate department, even though my boss then said that real estate was a small department. At that time, everyone wanted to do investments, which was considered more glamorous. But I chose to do asset management instead. You can see that I have taken slightly different paths, and I don't think that that has hurt me. ✓

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

# OneKeppel Awards

The inaugural *OneKeppel Awards* were also presented during GKF 2020. The awards aim to recognise impactful collaborative projects, exemplary Keppelites, and the business unit that best embodied the *OneKeppel* spirit. The award winners are as follows.

## Special Mention

- Autonomous tug project by Keppel O&M, M1, Keppel Telecommunications & Transportation (Keppel T&T) and Keppel Technology and Innovation (KTI): This is a pilot project with the Maritime Port Authority of Singapore, where a 65-metric tonne tug from Keppel SMIT will be retrofitted with an autonomous navigation system which will leverage M1's ultra-low latency 4.5G network, making it capable of autonomously navigating

Singapore's harbour waters. Keppel Data Centres provided guidance on the data infrastructure required, while KTI helped to develop the overall project concept.

- Keppel Bay Tower Photovoltaic (PV) project by Keppel Land, Keppel Infrastructure and Keppel O&M: Keppel Land will install solar panels on top of Keppel Bay Tower, and through Keppel Electric, purchase renewable energy certificates generated from the PV panels installed in Keppel O&M's

yards in Singapore. This makes Keppel Bay Tower fully solar-powered and Singapore's first commercial building that is fully powered by renewable energy.

## Project of the Year

- Gimi FLNG conversion project by Keppel O&M and Keppel Capital: In this project, Keppel O&M executes the engineering, procurement and construction contract including underwriting schedule and performance risks, while Keppel Capital provides end-to-end transaction



- Keppel DC Singapore 4 demonstrates how different business units in the Group collaborate, create value and earn income streams through the life cycles of our assets.

- Dr Lee Boon Yang (seventh from left, front row), Chairman of Keppel Corporation, Mr Loh Chin Hua (sixth from left, front row), CEO of Keppel Corporation, Mr Chan Hon Chew (eighth from left, front row), CFO of Keppel Corporation, together with the winners of the *OneKeppel Award*.



services including structuring advisory, financing, lending, and asset management. This project serves as a seed asset for the Keppel Asia Infrastructure Fund.

- Saigon Sports City, a 64-hectare smart, integrated township in Ho Chi Minh City, Vietnam, jointly developed by Keppel Land and Keppel Urban Solutions. Keppel Land brings to the project its capabilities and strong track record in Vietnam, while Keppel Urban Solutions brings together multiple Keppel business units and external partners to Saigon Sports City, while also working with Keppel Land to explore new revenue streams.
- The Keppel DC Singapore 4 (KDC SGP 4) project by Keppel T&T and

Keppel Capital: In 2017, the Alpha Data Centre Fund (ADCF) took a 70% stake in KDC SGP 4, which was then being developed by Keppel Data Centres. In 2019, Keppel Data Centres and ADCF divested KDC SGP 4 to Keppel DC REIT. The Group continues to earn recurring income from the operation and maintenance of the data centre, as well as asset management fees. KDC SGP 4 demonstrates how different business units in the Group collaborate, create value and earn different income streams through the life cycles of the assets that we build, operate, maintain and manage.

## OneKeppel Role Model Award

- Ms Lynn Koh, GM of Group Treasury, Keppel Corporation, who provided

valuable guidance and advice on the capital management process to Keppel business units.

- Mr Linson Lim, President (Vietnam), Keppel Land, who led Keppel Land Vietnam to actively collaborate with Keppel Urban Solutions on the development of Saigon Sports City, and is also working with different business units on other projects in Vietnam.

## Business Unit of the Year

- Keppel O&M: Exemplifying the *OneKeppel* spirit, Keppel O&M clinched the award in recognition of its top and middle management's push for collaboration, as well as commitment to initiate projects that involve Keppelites from across the Group.

# What the refreshed vision, mission, and core values mean to me

The Keppel Group's refreshed Vision, Mission and Core Values were unveiled by Mr Loh Chin Hua, CEO of Keppel Corporation, at the Global Keppelites Forum (GKF) 2020. The changes took effect from 1 March 2020. Keppelites across the Group share what the Core Values mean to them.



Keppelites bring Keppel's Core Values to life in their work and daily lives.

<p><b>Vision</b></p> <p>A trusted global company building a sustainable future.</p>	<p><b>Mission</b></p> <p>We deliver solutions for sustainable urbanisation safely, responsibly and profitably.</p>
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The Vision and Mission have been shortened to sharpen the Group's focus. The Core Values have also been streamlined, whereby values with similar themes have been combined. These Core Values serve as an inner compass for Keppelites, as they uphold the values of Agility, People-focus, Accountability, Can Do and Safety in their work and daily lives.

 <b>Core Values</b>	<p><b>Agility</b></p> <p>Adapt to change &amp; innovate for growth</p>	<p><b>People-focus</b></p> <p>Value people &amp; partnerships</p>
<p><b>Accountability</b></p> <p>Do the right thing for people, planet &amp; company</p>	<p><b>Can Do</b></p> <p>With passion &amp; vigour, together we can</p>	<p><b>Safety</b></p> <p>Committed to safe &amp; healthy workplaces</p>

Keppel's refreshed Core Values

"In the shipyard work environment, 'Safety' is very important. When we assess and manage risks, we pay particular attention to safety issues to ensure the well-being of not just ourselves but also our colleagues, customers and partners. While delivering projects on time and within budget are crucial, we must also ensure that everyone goes home safe."

**Ekaterina Fasolko,**  
Engineer, Keppel Offshore & Marine

"'Can Do' is about having a positive attitude, as well as pursuing everything we do with passion and vigour. As a management associate, Keppel has given me the opportunity to take on roles that have taken me outside of my comfort zone. Approaching these experiences with a 'Can Do' spirit has allowed me to learn new skills and accomplish challenging tasks. I see this spirit being embraced by my colleagues across business units, which demonstrates how deeply embedded this core value is within Keppel's culture."

**Jonathan Teo Kai Zhi,**  
Senior Executive (Living X), Keppel Land

"To me, 'Accountability' means taking responsibility for the way we act and behave, which can be as simple as completing tasks assigned or behaving with integrity. Having and practising it as a personal value fosters a healthy corporate environment. At Keppel Capital, as an asset manager, we want to be a trusted partner to our investors. We need to be accountable in how we make investment decisions and create value for them. It is also significant that our accountability does not stop just with the company, but also extends to people and planet."

**Jason Chua Jie Cheng,**  
Finance Manager, Keppel Capital

“I’m proud to be part of M1’s Digital Transformation Journey. Through this, we have managed to halve the duration of the IT tender process for delivery partners and software vendors. The core value of ‘Agility’ guided our teammates in rethinking the existing way of doing things, and adapting to new ways of working. The increased efficiency would not have been possible without strong trust among the team members as we worked together in balancing speed with accuracy.”

**Hoo Sze Yoong,**  
**Manager, Digital Office, Program Office, M1**

“Keppel’s core values guide the actions of all Keppelites. Take ‘People-focus’ for example. The company frequently organises events and platforms that provide Keppelites like myself with opportunities to interact with colleagues from other departments and business units. The camaraderie that we have built through such events really helps improve our working relationships and facilitates collaboration in the workplace.”

**Sim Zhen Wei,**  
**Senior Executive, Group Treasury, Keppel Corporation**

“I am part of a small Operations and Maintenance team at a Waste-to-Energy Plant, and so being ‘People-focused’ is important. Through open communication and mutual respect, we build strong rapport between team members, which allows us to work more productively and ensure that our plant operations run efficiently and reliably. Building relationships with our external stakeholders is also important, as this allows us to anticipate and meet our customers’ needs effectively.”

**Clifton Tan Jun Hao,**  
**Senior Engineer, Keppel Infrastructure**



1. Embracing Keppel’s core values, Keppelites across the Group fly the Keppel flag high.
2. When completed, the Tuas Nexus IWMF Waste-to-Energy facility and Materials Recovery Facilities will be amongst the largest of such facilities in Singapore, and will help to manage Singapore’s waste in a sustainable manner.



# Waste management solutions

On 22 April 2020, a Keppel-led consortium secured a \$1.5 billion Engineering, Procurement and Construction (EPC) contract from the National Environment Agency (NEA) for the development of a Waste-To-Energy (WTE) facility and a Materials Recovery Facility (MRF) for Singapore's new Tuas Nexus Integrated Waste Management Facility (IWMF).

The consortium comprising Keppel Seghers Engineering Singapore Pte Ltd (Keppel Seghers), the environmental engineering arm of Keppel Infrastructure, China Harbour (Singapore) Engineering Company Pte Ltd (China Harbour) and ST Engineering Marine Ltd (ST Engineering), will design and build a 2,900 tonnes per day (tpd) WTE facility and a 250 tpd MRF as part of the IWMF Phase 1 development. To be co-located with PUB's Tuas Water Reclamation Plant (Tuas WRP) at the Tuas View Basin site, the IWMF WTE facility and the MRF will be amongst the largest of such facilities in Singapore when they are completed in 2024. Keppel Seghers,

China Harbour and ST Engineering's share of the works under the EPC contract will be approximately 48%, 31%, 21% respectively.

Dr Ong Tiong Guan, CEO of Keppel Infrastructure, said, "As a developer and operator of two of Singapore's current four WTE plants, Keppel, together with its partners, is honoured to contribute further to Singapore's sustainable urbanisation through this flagship project. This project is a testament to Keppel's leadership in world class WTE technology and will reinforce our position globally as a competitive and reliable waste management solution provider."

Based on Keppel Seghers' proven and proprietary WTE technology, the WTE facility will generate sufficient electricity to sustain the operations of Tuas Nexus IWMF Phase 1 and the initial phase of Tuas WRP, with excess electricity for export to the grid. WTE is an effective waste management strategy as it significantly reduces the volume of solid

waste to be landfilled by up to 90%, extending the lifespan of landfills and reducing greenhouse gases that are released in landfills.

The state-of-the-art WTE facility will feature Keppel Seghers' air-cooled grate, boiler design, and advanced combustion system. In addition, the facility's wet flue gas cleaning system will ensure the facility's emissions comply with Singapore's regulatory requirements as well as standards. As the consortium lead, Keppel Seghers will also be responsible for the overall project management.

China Harbour will undertake the civil, structural and landscaping scope of the project, while ST Engineering will be responsible for the construction of the MRF, power-island and the balance of plant. With advanced technologies to sort metals, paper, cardboard and plastics automatically, the MRF will improve sorting efficiency, contributing towards the overall recycling rate in Singapore. ✓



1. Keppel Land China expands further in the Yangtze River Delta region with a residential site in Taicang City, Jiangsu Province, China.
2. Apartments in the 19 Nassim development feature a first-of-its-kind AI-powered smart home management system.

## Expansion in Yangtze River Delta region

Keppel Land China will jointly develop a 5.85-ha residential site in New District, Taicang City, Jiangsu Province, China, with property developer CIFI Holdings (Group) Co., Ltd. (CIFI) through a joint venture.

On 5 March 2020, Keppel Land China, through a wholly-owned subsidiary, acquired a 49% equity interest for approximately RMB498 million (approximately \$97 million) in Taicang Xuchang Property Co., Ltd., which owns the site. The remaining 51% stake is held by a subsidiary of CIFI.

Taicang City borders Shanghai in the southeastern part of Jiangsu Province, 40 km from Shanghai's city centre, and is often regarded as Shanghai's gateway city to the north. Taicang City has been identified as a key city that will benefit from China's Yangtze River Delta integration plan, backed by the ongoing infrastructure development and a sound industrial base.

Mr Ben Lee, President of Keppel Land China, said, "Keppel Land China is pleased to partner CIFI, one of the top 15 developers in China, for this maiden project in Taicang City. This collaboration marks our further expansion in the Yangtze River Delta region. We are confident that our residential development in Taicang City's New District will meet the rising aspirations and needs of homebuyers in the greater-Shanghai area."

Mr Lin Feng, CEO of CIFI, said, "Ensuring win-win cooperation has always been CIFI's key operating principle and we are honoured to partner Singapore's leading developer Keppel Land on this project. I believe that the Taicang project will garner strong interest from the market with its high-quality product offerings. The project marks the start of our strategic partnership and I look forward to deepening collaboration with Keppel Land to provide

cutting-edge products and excellent services to more customers."

The site has a gross floor area (GFA) of 117,052 sm and can yield 1,072 high-rise residential units. Phase 1 is expected to be launched in 4Q 2020 and development of the entire project is slated for completion in 2021.

The site is located in the High-Tech Industrial Development Area of Taicang City, a provincial-level economic development zone where infrastructure and other amenities are already well-developed. The upcoming Shanghai-Nantong High-Speed Rail in 2H 2020 will further integrate Taicang City into the Yangtze River Delta high-speed rail network and greatly improve the connectivity between Taicang City and Shanghai. The site is also within a five-minute drive from malls such as Wanda Plaza, Rand Rhine City Square, Robinson Square and Nanyang Square. ✓

# Address for the privileged

A private preview of Keppel Land's latest residential development, 19 Nassim, was held on the weekend of 20 to 22 March 2020.

19 Nassim is set to be the definitive address for the privileged and discerning. The development comprises 101 exclusive apartments with thoughtfully-designed layouts. Situated in one of Singapore's most prestigious locations, the development enjoys close proximity to Orchard Road, Dempsey and the Singapore Botanic Gardens, and is just a

short walk away from the Government's proposed 6-km green connection linking Singapore Botanic Gardens and the Singapore River.

In addition, 19 Nassim is the first residential development in Singapore with an artificial intelligence (AI)-powered smart home management system. This first-of-its-kind AI-powered smart home management system gradually learns homeowners' daily habits, and allows them to seamlessly control in-house devices and access community and lifestyle services via popular messaging

apps such as WhatsApp and WeChat, improving their smart living experience.

19 Nassim's amenities include a 30-metre lap pool, a heated jet pool, a kids pool, a relaxation pool, a garden lounge, a modern gymnasium, a club house, barbeque grills as well as a rooftop lounge, terrace and sun deck.

Keppel Land continues to receive a steady stream of enquiries from potential homebuyers and investors about the development. 



# Creating value

Keppel Capital's recent strategic transactions aim to capture growth opportunities in fast-growing sectors, create value and generate stable, long-term cash flows for its investors.

Keppel Capital has been moving steadily towards its AUM target, carvings its niche as a manager of multi-asset portfolios across sectors fuelled by sustainable urbanisation trends. Keppel Capital was active in 1Q 2020, having successfully achieved the first and second close of its new infrastructure fund, as well as expanding into new asset classes.

## Launch of Infrastructure Fund

Keppel Capital has launched the Keppel Asia Infrastructure Fund, a new closed-end infrastructure private equity fund with a target size of US\$1 billion.

In March 2020, the Fund and its co-investment vehicles raised US\$570 million in total aggregate capital commitments, achieving second close with US\$420 million in aggregate commitments, as well as a US\$100 million commitment and a co-investment sleeve of up to US\$50 million from the Asian Infrastructure Investment Bank.

The Fund and its co-investment vehicles achieved first close earlier in January, receiving initial capital commitments of US\$360 million from investors including a sovereign wealth fund and an endowment fund.

The Fund has since acquired a 30% interest in the Gimi floating liquefied natural gas (FLNG) facility, which is currently undergoing conversion at Keppel Offshore & Marine.

Ms Christina Tan, CEO of Keppel Capital, said, "The highly-anticipated Keppel Asia Infrastructure Fund builds on our

ability to harness the Group's collective strengths to create quality investments that are highly sought after by global investors, who are attracted not just by the capabilities of Keppel Capital, but the Keppel Group's ability to develop, operate and maintain these specialised assets."

The Fund will be managed by the private fund manager Keppel Capital Alternative Asset, which focuses on establishing, offering and managing investments in new alternative asset classes, including infrastructure, senior living and education. The Fund aims to grow its portfolio, which will include both operational assets and select greenfield projects in the Asia Pacific region.

## Deepening Australian Footprint

In January 2020, Keppel Capital announced its entry into a shareholders' deed to form a 50:50 joint venture company (JV Co) with Australian Unity Limited, a company providing healthcare, financial services, as well as retirement and living services, with the primary objective to provide attractive income yield and total return to investors over the long term through establishing funds focused on the Australian metropolitan office sector.

At the same time, the JV Co entered into an agreement to acquire a 100% stake in Australian Unity Investment Real Estate Limited, the Responsible Entity of the Australian Securities Exchange-listed REIT, Australian Unity Office Fund.

The Australian Unity Office Fund has a market capitalisation of A\$467 million and assets under management

of A\$668 million as at 31 December 2019. The REIT's portfolio comprises nine office properties located across key metropolitan and central business district markets in Sydney, Adelaide, Melbourne, Brisbane and Canberra.

Ms Tan said, "Keppel Capital, through Keppel REIT and funds managed by Alpha Investments Partners, has been investing in Australian real estate for nearly a decade. Australian real estate continues to be an attractive asset class, generating attractive income returns in a low yield environment. Leveraging the strengths and network of Australian Unity, we are excited to commence this partnership to create investment opportunities for investors in the Australian metropolitan office markets."

## Expansion into Senior Living

On 3 March 2020, Keppel announced the completion of acquisition of a 50% stake in leading US senior living operator, Watermark Retirement Communities (WRC).

According to the United Nations, there were 703 million persons aged 65 years or over in the world in 2019, and this number is projected to double to 1.5 billion in 2050. Populations in parts of Asia as well as in the US are rapidly ageing, driven by the large baby boom generation.

Against this backdrop, Keppel's acquisition of Watermark is a strategic move to expand into the fast-growing senior living sector, leveraging WRC's deep expertise and agile business model.

As a solutions provider for sustainable urbanisation, Keppel is well placed to

expand its capabilities into senior living, with a view to offer customised solutions to Singapore and other markets in Asia. Keppel Capital can raise funds and potentially serve as a capital partner for future senior living projects managed by WRC, offering more options to Keppel Capital's investors and providing another avenue to grow Keppel's assets under management and recurring management fees.

### Venture into Private Debt

Keppel Capital completed the acquisition of a 50% stake in Pierfront Capital Fund Management (Pierfront Capital) on 30 March 2020.

Pierfront Capital is a Singapore-based fund manager offering bespoke private credit and mezzanine financing solutions in real asset sectors globally, and the Manager of Keppel-Pierfront Private Credit Fund (the Fund). The Fund has achieved its first close of US\$200 million, with commitments of US\$100 million each from joint sponsors Keppel Capital and Pierfront Capital Mezzanine Fund (PCMF).

The Fund aims to provide debt solutions to corporates or projects predominantly in real asset sectors of the Asia Pacific region, such as infrastructure, real estate, offshore and marine, transportation, energy and natural resources, where financing needs are not met by traditional commercial banks.

Ms Tan said, "Private debt is a growing asset class, particularly in today's environment in Asia Pacific, where we have observed considerable demand for alternative lending solutions to meet capital needs of corporates and projects in real asset sectors, arising from the structural tightening of traditional bank lending in select markets. We believe that this increasing demand for alternative lending solutions, coupled with the Keppel Group's capabilities and PCMF's track record in credit investments, positions the Fund well to capture opportunities in Asian private debt markets."



Keppel Capital formed a joint venture company with Australian Unity to acquire a 100% stake in Australian Unity Investment Real Estate Limited, which has nine office properties in its portfolio, including 150 Charlotte Street (pictured).

# M1 wins 5G network licence

On 29 April 2020, M1 was awarded a 5G network licence following Singapore's Infocomm Media Development Authority's (IMDA) call for proposal to bid for 5G spectrum allocation.

M1 has been granted the opportunity by IMDA to build and operate a state-of-the-art 5G standalone (SA) network infrastructure, together with StarHub, leveraging a 3.5GHz spectrum and delivering 5G services. This strategic cooperation will allow both companies to optimise infrastructure and spectrum costs.

The 5G network licence will see M1 roll out 5G network coverage across Singapore, bringing a suite of new products and services to consumers, enterprise and government. 5G technology will not only bring an

exponential increase in network speeds, but also offer ultra-low latency, enhanced network resiliency and security, as well as complex end-to-end slicing to drive the digital economy of Singapore.

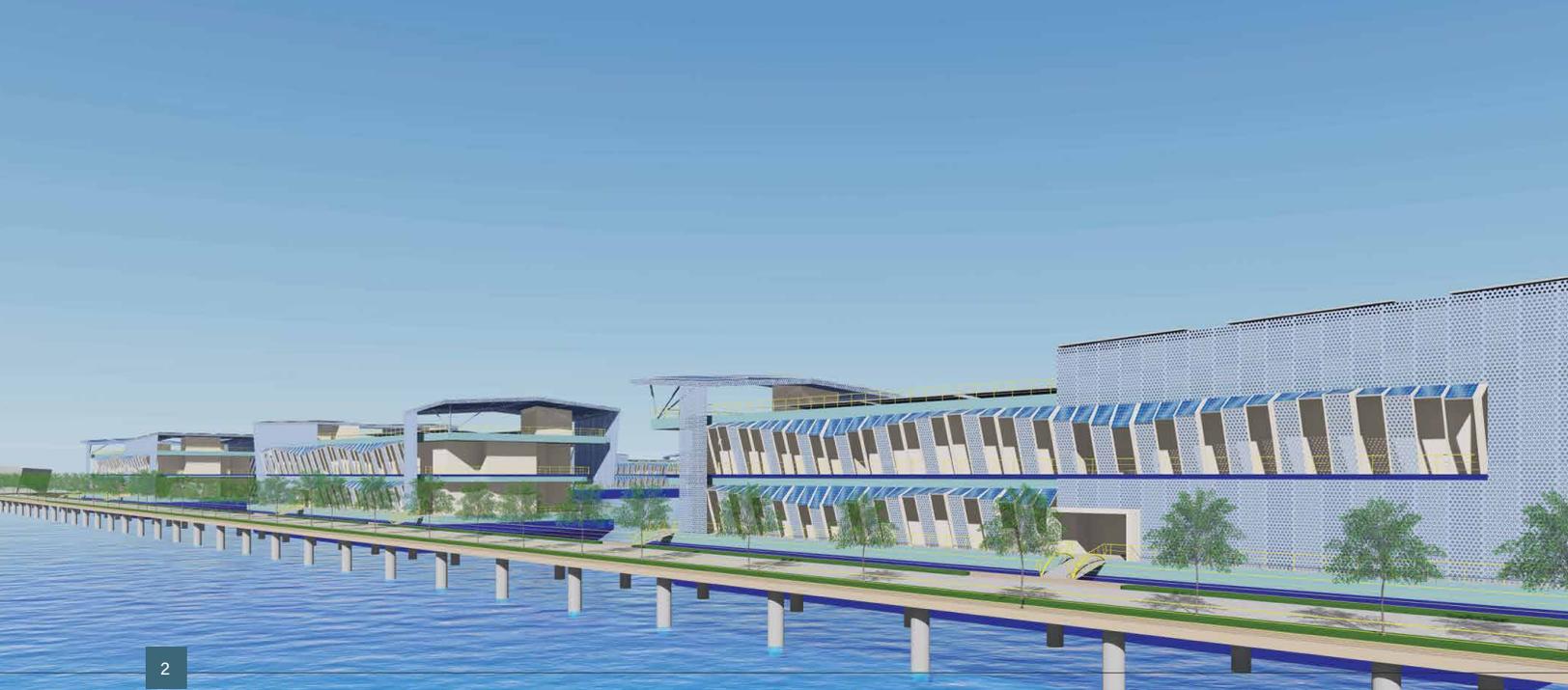
M1 has been leading in Singapore's enterprise segment to trial 5G use cases through a range of partnerships. A collaboration with PSA Corporation and IMDA demonstrated the potential use of 5G in a Smart Port for Automated Guided Vehicles (AGV) and remote control of container handling equipment to support maritime operations. M1 has also partnered with Keppel Offshore & Marine (Keppel O&M) to establish reliable ship-to-shore communication for autonomous vessels, and support mission-critical Internet-of-Things (IoT) maritime applications. Other collaborations

include M1 partnering with Nanyang Technological University (NTU) to help develop the first 5G cellular vehicle-to-everything (C-V2X) communication, as well as with Singapore University of Technology and Design (SUTD) for remote operations of robots using 5G.

Leading up to the 5G network licence award, M1 has also been able to demonstrate 5G technological advancements in the consumer space. At this year's Chingay Parade, M1 leveraged its 5G SA technology to livestream an aerial footage of the longest dragon dance, one of the key highlights of the parade through the lens of a camera drone. M1 also collaborated with Haidilao's new flagship restaurant to turn it into a smart restaurant with enhanced customer experience. ✓



1. With the 5G network licence, M1 will roll out 5G network coverage across Singapore, bringing a suite of new products and services to consumers, enterprise and government.
2. The FDCP concept is an environmentally-friendly and resource-efficient way to meet the expanding needs of the digital economy.



# Joint studies for Floating Data Centre Park and LNG-to-power solutions

Keppel Data Centres has signed separate MOUs with Toll Group and Royal Vopak respectively to study the feasibility of developing a Floating Data Centre Park (FDCP) and LNG-to-power infrastructure in Singapore.

Keppel Data Centres and Toll Group will look into developing a near-shore FDCP at the Loyang Offshore Supply Base, which is operated by Toll Group.

In addition, Keppel Data Centres, together with Royal Vopak, will conduct a feasibility study and assess the commercial viability of establishing LNG and possibly hydrogen infrastructure for the power and cooling plants, which will form part of the FDCP development at Loyang Offshore Supply Base. The exploration of hydrogen infrastructure is part of Keppel Data Centres' strategy to work towards the decarbonisation of its operations.

Keppel Data Centres' FDCP concept is an environmentally-friendly and resource-

efficient way to meet the expanding needs of the digital economy. Data centres consume significant amounts of energy for cooling purposes, especially in the tropics. A floating data centre utilises seawater for cooling and is much more energy efficient than conventional land-based data centres. It also avoids the use of potable or industrial water in cooling towers, which typically results in significant water loss through evaporation. In addition, FDCPs free up valuable land for other urban uses, making it a particularly attractive proposition for land-scarce cities.

The FDCP is envisaged to be the first-of-its-kind, and is envisioned to optimise energy usage by integrating LNG and possibly hydrogen infrastructure for onsite power generation. This would also eliminate reliance on the national grid. Furthermore, the adjacent LNG and possibly hydrogen infrastructure will potentially allow FDCPs to tap on cold energy generated from LNG regasification to supplement the cooling load.

Mr Wong Wai Meng, CEO, Keppel Data Centres, said, "We see great potential in FDCPs as a commercially viable and attractive innovation that conserves land, water and energy, compared to traditional land-based data centres."

"Our FDCP concept will feature a modular design, which can be scaled up quickly according to customers' demand. Fabrication of FDCs can be done quickly and cost effectively in controlled environments such as Keppel Offshore & Marine's yards and deployed in a 'plug-and-play' manner. This greatly reduces the construction-related carbon footprint of data centres, as well as the development costs and speed to market. Given the modular design, new FDC modules can be readily developed and deployed to replace the older ones, while the older FDC modules can be recycled for deployment in other locations, thus contributing to the circular economy."

## Reliable delivery

The complexities of undertaking large scale offshore projects require in-depth engineering expertise and project management experience—traits Keppel Offshore & Marine (Keppel O&M) is renowned for. Notwithstanding the impact of COVID-19, it strengthened its extensive track record over the last few months with the safe and reliable delivery of several high-quality projects.

### Fastest brownfield FPSO

In February 2020, Keppel O&M delivered the world's fastest brownfield Floating Production Storage and Offloading vessel (FPSO) modification and upgrading project safely and on time.



The vessel, the FPSO Abigail-Joseph, was delivered to Yinson Nepeta Production Ltd (Yinson), a wholly-owned subsidiary of Yinson Holdings Berhad. Upgraded in under seven months, it is Keppel's 134th production vessel and third FPSO conversion project with Yinson.

Keppel's scope in this project included refurbishment and life extension work, engineering and procurement, fabrication and installation of new structures including the helideck and riser balcony, as well as the installation, integration and completion of topside modules.

Chartered by First Exploration and Petroleum Development Company Ltd (FIRST E&P) on a firm seven-year contract with options to extend, FPSO Abigail-Joseph will be deployed in Block OML 83/85 in the Anyala-Madu field, Niger State, Nigeria.

### State-of-the-art jackup rig

Keppel O&M delivered its sixth jackup rig to Borr Drilling Limited (Borr Drilling) in April 2020, out of the 11 that have been ordered. Named Hild, the state-of-the-art rig was built to Keppel's proprietary KFELS Super B Class design

and delivered safely, on time and within budget.

It is capable of operating at a depth of 400 feet and drilling up to 35,000 feet. Equipped with a maximum combined cantilever load of 2,700 kips and high capacity hook loads of two million pounds, the KFELS Super B Class has tremendous horse power during drilling operations.

Following this delivery, Borr Drilling will have nine KFELS B Class and two KFELS A Class rigs in its fleet. ✓

## Test-bedding cleaner energy solutions

With the world increasingly adopting cleaner energy and prioritising environmental sustainability, Keppel Offshore & Marine (Keppel O&M) and the Energy Market Authority (EMA) have forged a \$10 million partnership to develop energy solutions in areas of distributed energy resources, digitalisation and emerging low carbon alternatives. As part of this partnership, they have launched a grant call for solutions relating to energy storage systems and smart power grids for the offshore and marine environment.

To augment research and development in this area, Keppel O&M will be setting up a first-of-its-kind Floating Living Lab (FLL) to testbed and commercialise promising power and technology solutions for the marine sector. Selected solutions from the grant call will have the opportunity to testbed their solutions on the FLL.

Expected to be operational by end 2021, the FLL will have LNG bunkering facilities for harbour crafts and small vessels. It will also house an embedded power generation system to power Keppel O&M's operations, with excess electricity to be exported to the national grid.

Mr Ngiam Shih Chun, Chief Executive of EMA, said, "We hope to develop innovative energy solutions for the marine sector through this partnership with Keppel O&M. We are seeking solutions that incorporate the use of cleaner energy, optimise energy consumption and reduce carbon emissions. By doing so, we are building Singapore's Energy Story by co-creating solutions for a more sustainable energy future with stakeholders."

Mr Chris Ong, CEO of Keppel O&M, said, "Our Floating Living Lab will help to

reduce our carbon footprint by leveraging and test bedding clean floating energy solutions. At the same time, it enables Keppel O&M to provide power for our own operations, support customers in delivering cleaner power, grow our LNG bunkering services and improve the efficiency of the current supply chain, while extending our gas offerings in the floating power segment."

Located off its shipyard in Tuas, Keppel O&M's FLL will also harness synergies across the Keppel Group by being a test bed for new technologies from the Group's business units such as IoT-enabled energy storage devices, as well as utilising the power solutions from floating data centres and infrastructure. The FLL will also be able to leverage Keppel's smart yard low latency connectivity infrastructure powered by M1 in the digitalisation of the smart grid. ✓



1. Completed by Keppel O&M in under seven months, the FPSO Abigail-Joseph is the world's fastest brownfield FPSO modification and upgrading project.

2. The FLL will have onboard a digitalised Energy Management application leveraging Keppel O&M's proprietary IIoT (Industrial Internet of Things) platform, AssetCare, to enable machine learning on energy output optimisation.

## Injecting further vitality into the Tianjin Eco-City

Another residential land plot in the Sino-Singapore Tianjin Eco-City (Eco-City) was successfully sold in April 2020 by the Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (SSTEC), injecting further vitality into the development of the Eco-City's Central District.

The 10.86 ha plot was sold to a wholly-owned subsidiary of Sunac China Holdings Limited (Sunac) for RMB 1.174 billion.

Sunac has developed many prime business and high-end residential projects in China, and was named one of China's top 10 real estate developers in 2019 by the China Real Estate Association. This is its first foray into the Eco-City.

The plot is well-located in the Central District, adjacent to the Eco-City's largest city level park, the China-Singapore Friendship Garden which is currently under construction, as well as the China-

Singapore Friendship Library. The plot is also close to premium education facilities and will be developed into an eco-friendly, highly liveable project comprising low-rise and mid-rise buildings.

SSTEC, the master developer for the Eco-City, is a 50-50 joint venture between the Singapore Consortium led by the Keppel Group and the Chinese Consortium led by Tianjin TEDA Investment Holding Co., Ltd. ✓

1. The latest residential land plot to be sold in the Tianjin Eco-City (pictured) is well-located, close to premium education facilities, and will be developed into an eco-friendly, highly liveable project.
2. Across the Group's business units, pandemic flu representatives have been identified and trained in the protocols and procedures to handle confirmed and suspected cases of COVID-19.



## Ensuring business continuity through the COVID-19 pandemic

Since the start of the COVID-19 outbreak, Keppel has been actively putting in place measures to safeguard the well-being of its stakeholders as well as ensure that its businesses and operations continue to function as smoothly as possible.

### Providing essential services for businesses and communities

Many of Keppel's businesses provide essential services.

Keppel's businesses running critical infrastructure like electricity generation and transmission, water and waste treatment plants, have to ensure uninterrupted operations to support the reliability and resilience of Singapore's power and water supply, and waste management systems.

As more work, transact, learn and play from homes, there has been an exponential rise in e-commerce, cloud storage and digital consumption. Keppel's data centre facilities remain 100 percent operational during this period to protect mission critical operations as well as facilitate information flow and communication.

The Group's logistics arm is also dealing with a surge in the volume of deliveries from warehouses and supermarkets to homes. Keppel's logistics arm has been working alongside its customers, such as those providing essential supplies and services in the food and healthcare industries, to meet the needs of

consumers, while adhering to enhanced safety measures.

Meanwhile, M1 is catering for the surge in mobile and fixed network traffic from homes and migrant worker dormitories across Singapore. M1 is continuously monitoring network performance and has implemented expanded capacity where necessary to ease network congestion.

### Ensuring continuity and safety

Keppelites have been receiving regular updates from Keppel's Group Business Continuity Management Committee and the Group Risk & Compliance department on the steps the Group is taking to protect its staff and other stakeholders as well as ensure business continuity.

Since the start of the pandemic, the Group has rolled out a series of measures, including more frequent cleaning of office facilities and temperature screening as well as implementing split teams, alternative work sites, safe distancing and working from home where practical.

In addition, across the Group's business units, pandemic flu representatives have been identified and trained in the protocols

and procedures to handle confirmed and suspected cases of COVID-19. Training topics include isolation, evacuation and contact tracing. The Group also has a pool of crisis first responders that are trained to provide emotional and psychological support to affected staff.

Since the implementation of the circuit breaker in Singapore, the majority of Singapore-based staff, other than those providing essential services, have been working from home. IT collaborative tools and platforms are used to facilitate telecommuting with daily monitoring of network utilisation to ensure efficiency. Ongoing training and communications, including training on cyber safety practices and work productivity, have also been rolled out. Townhalls and other staff engagement initiatives have also been launched to facilitate communication and ensure that staff's needs are addressed even while they are working from home. These include team-building activities, mental wellness talks and virtual fitness classes, as well as medical teleconsultation services for Keppelites and their family members to seek medical assistance online.

The Group will continue to refine and update its measures in line with the advisories issued by the authorities. ✓



Keppel Corporation has been rated as an ESG leader in the areas of corporate governance, labour management, and opportunities in clean technology in the MSCI All Country World Index.

## Triple-A rating

Keppel Corporation was upgraded to a triple-A rating in the Morgan Stanley Capital International (MSCI) environmental, social and governance (ESG) ratings in February 2020. Triple-A is the highest rating attainable on the index.

Keppel Corporation is ranked among the top 11% of industrial conglomerates, based on ESG criteria, in the MSCI All Country World Index (ACWI), MSCI's flagship global equity index, which covers more than 3,000 constituents. The company was also rated as an ESG leader in the areas of corporate governance, labour management, and opportunities in clean technology.

MSCI ESG ratings aim to measure companies' resilience to long-term ESG risks and their ability to manage those risks relative to peers. Companies are scored on an industry-relative triple-A to triple-C scale across 1,000 data points on ESG policies, programmes

and performance. Keppel Corporation is a constituent on the MSCI ACWI and World ESG Leaders Indexes, and has been included on the MSCI ESG Leaders Indexes since 2014.

Keppel is committed to sustainability, both as a responsible corporate citizen and as a provider of solutions that contribute to a more sustainable world. The company is a signatory to the United Nations Global Compact, and is committed to the 10 principles of the Global Compact. The company is also committed to supporting the United Nation's Sustainable Development Goals (SDGs), and has identified 10 SDGs that it actively contributes to, and incorporates them as a supporting framework to guide the company's sustainability strategy.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, "We are encouraged that Keppel's sustainability efforts have been internationally recognised. We have

adopted sustainability as the core of our strategy, and we carefully consider ESG issues in our strategic and investment decisions. We firmly believe that a company that is aligned with the global sustainable development agenda can not only enhance its social licence to operate, but also improve the sustainability, resilience and competitiveness of its business."

Driven by a firm commitment to continuously strengthen its ESG management and strategy, Keppel's sustainability efforts have been affirmed by its inclusion on several global sustainability benchmarks. In addition to the MSCI ESG Leaders Indexes, Keppel Corporation is also an index component of the FTSE4Good Index maintained by the Financial Times Stock Exchange Group, the iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index by the Singapore Exchange, and the Euronext Vigeo World 120 by Euronext, the primary exchange in the Eurozone. ✓

# Frontline heroes

Many Keppelites are on the frontlines and in essential services, keeping Singapore running during the Circuit Breaker period. *Keppelite* speaks to a few of these frontline heroes about the work they are doing:

“We need to plan ahead to ensure the health and well-being of all our residents, and I take pride in attending to their needs and providing conducive living conditions in the lodges that we operate. Each housing unit has a TV set, and we ensure that the residents have mobile data cards so that they can stay in touch with their family and friends. All residents are provided three meals a day and given thermometers and masks. Counsellors are also available to provide emotional and psychological support. Our staff should feel supported and reassured during this challenging period.”

**Steven Lee,**  
GM of Keppel Housing



“My team ensures that the plant continues its 24/7 production and supply of NEWater to meet the nation’s water requirements. We are committed to operating the plant safely and at 100% availability. Work has been more challenging during the COVID-19 situation, with less manpower at the plant at any one time due to split team arrangements. The team has been able to rise to the challenges.”

**Arulmurugan Palanisamy,**  
Assistant Operations Engineer, Ulu Pandan NEWater Plant



“My duties range from conducting health screenings and administering medication to initiating health promotion activities. With the spread of COVID-19, my responsibilities have also evolved to include implementing public health measures across the yards and providing medical advice relating to the virus. During this difficult period, one of my goals is also to maintain the health and morale of fellow nursing officers so that we are physically and mentally fit enough to take care of our colleagues.”

**Irfan Murdipi,**  
Assistant Manager & Senior Nursing Officer, Keppel O&M

# Safety excellence

In this issue of Keppelite, we take a closer look at some of the innovative projects and outstanding individuals from the Keppel Group Safety Convention 2019.

## Exceptional Innovations

Every year, Keppelites embark on Safety Innovation Team (SIT) projects to devise innovative solutions to workplace problems. After multiple rounds of evaluation by a panel of judges from HSE across the Group and selected Heads of Department from Keppel Corporation, two teams clinched the Platinum SIT Award 2019 as their projects were judged to have the greatest impact on the reduction of HSE risks at workplaces.

The first winning team, Project Angler, was from the Hull department of Keppel Offshore & Marine's (Keppel O&M) Conversions & Repairs Division. The team designed an adjustable worktable that allowed steel outfits to be fabricated horizontally, replacing the conventional

vertical fabrication method. This eliminates hazards such as the toppling of objects and having workers in the line of fire. After implementation, productivity doubled and resources such as cranes have been freed up for better utilisation.

The team is now further fine tuning the solution to improve its versatility and inject automation. Future projects to enhance operational safety, such as the elimination of panel overturning and back gouging, are also in the pipeline.

The second winning team, Project Cranov, was from the Plant & Maintenance department of Keppel O&M's Conversions & Repairs Division. The team installed CCTV cameras at strategic locations on the cranes to eliminate blind spots during

lifting operations. Besides improving safety, it has increased productivity by reducing the lifting crew needed from four to two personnel, and cutting the lifting time by more than half, from 25 minutes to just 10 minutes on average.

Besides routine monitoring, the team has also gathered feedback during Crane Drivers' Engagement Sessions to further improve their solution. They are also looking to employ Artificial Intelligence (AI) using surveillance technology to better calculate the danger zone during lifting operations based on factors such as altitude, surrounding wind speed and more. Knowing the danger zone allows operators to assist crane coordinators on site and keep track of workers who are near or within the danger zone.



Project Angler, one of two Platinum Award-winning teams, with Guest Of Honour Mr Silas Sng (centre), Commissioner for Workplace Safety and Health, and Mr Loh Chin Hua (second from left), CEO of Keppel Corporation.

## Outstanding Individuals

The Outstanding Safety Award recognises Keppelites for going the extra mile and for their outstanding contributions to improve workplace safety and health culture. Here are the winners from 2019.



### Outstanding Executive Award

Alan Ng Peng Yam received the Outstanding Executive Award. He installed additional safety features such as fall arrestors and swing gates at cat ladders, as well as metal gratings above fire stops in risers in the buildings that he manages, making the building safer for contractors and workers alike.

“Making the workplace safe for staff, occupants and the public is very important. Everyone has a part to play. When my colleagues know that their safety at work is being taken care of, they will also be more motivated and focused when carrying out their duties.”

**Alan Ng Peng Yam,**  
Assistant GM,  
Keppel Land Real Estate Services



### Outstanding Individual Award

Ze Yar was presented the Outstanding Individual Award for proactively managing risks. He stopped sub-contractors from using a faulty fan at the reception hall traffic control room at the Senoko Waste-to-Energy Plant that posed an electrical hazard, demonstrating Keppel's safety principle that everyone is empowered to stop unsafe work.

“Compliance to safety rules is paramount, and everyone should actively report hazards in order to reduce risks at the workplace. Encouraging contractors to follow in-house rules is also essential. All these actions make our workplaces safer.”

**Ze Yar, Senior Technician,**  
Senoko Waste-to-Energy Plant,  
Keppel Infrastructure



### Outstanding Supervisor Award

The Outstanding Supervisor Award went to Ravi Desetti. Going above and beyond his duties, Ravi inspected tools used by sub-contractors and took the initiative to review and suggest improvements to the Risk Assessment process and Standard Operating Procedures of the Welding Department.

“I believe that everyone deserves to go home safe, and I am committed to make it happen.”

**Ravi Desetti,**  
Production Welding Superintendent,  
Keppel O&M, New Builds

## Spotlight on: Mr Linson Lim

In the latest instalment of interviews with Keppel Group senior management, Keppelite speaks to Mr Linson Lim, Country Representative (Vietnam), Keppel Corporation, and President (Vietnam), Keppel Land, who shares about Keppel Land's growth and projects in Vietnam, as well as his views on collaboration.

**Q. You have had a long career of 25 years with Keppel. Can you share with our readers Keppel Land's journey in Vietnam since the company first entered the country?**

Keppel Land first entered the country in 1991 to develop International Centre into the first international-grade office building in Hanoi. We then developed PetroVietnam Tower, a high-quality office development in Vung Tau's prime commercial district.

In 1996, we shifted our focus to Ho Chi Minh City. We started with the development of the first phase of Saigon Centre and went on to develop luxury riverfront villa developments, Villa Riviera and Riviera Cove which brought waterfront living to a whole new level in the country at that time.

Our first high-rise condominium project, The Estella, became the first development in Vietnam to obtain the Green Mark Gold Award from the Building and Construction Authority of Singapore. Today, eight years since the completion of the development, The Estella is still considered the benchmark for high-quality residential developments in Ho Chi Minh City.

We presently have several exciting ongoing residential projects, mainly in Ho Chi Minh City. These include the highly anticipated Empire City in the Thu Thiem New Urban Area, the Palm City integrated waterfront development

and Riviera Point. When completed, Riviera Point will boast the tallest condominium tower in District 7. In collaboration with Phu Long, we are also developing Celesta in the Nha Be District in the upcoming Saigon South.

Today, with a pipeline of about 16,000 homes in Vietnam, we have become one of the most established foreign property companies in Vietnam.

**Q. What are the key trends shaping the real estate industry in Vietnam, and how does Keppel Land stay competitive?**

Vietnam has a young population who is hungry for growth, and there is also an expanding middle class. As a developer which has grown with the country, we develop homes to meet the needs of our target audience and incorporate features they desire in their homes.

For example, we received feedback that the local homeowners prefer bigger master bedrooms. We also know that the Vietnamese like to entertain. Thus, they prefer open kitchens so that they can interact with their guests and other family members while preparing meals. They also love sports.

We have incorporated such feedback into the design of our homes. We now have standard dimensions for living rooms and master bedrooms in our residential developments that meet the demands of the local market. In addition, we have

incorporated open kitchens into the design of the homes we build, as well as introduced entertainment lounges and sporting facilities, such as half-basketball courts, in our properties.

**Q. How has Vietnam evolved over the years that you have been there?**

The country has grown very quickly in a short time. The development of the real estate sector in Vietnam benefitted from the country's economic development as well as a number of pro-investment policies introduced by the government over the years. For example, in 1986, the introduction of the Đổi Mới policy, or open-door policy, encouraged the establishment of privately owned enterprises which was crucial to Vietnam's growth.

In 2015, Vietnam also amended its Housing Law, to allow foreigners to buy apartments and condominiums in Vietnam. The introduction of this law drew a wave of foreign investments into Vietnam's real estate market. Keppel Land was able to benefit from this as well. Today, foreigners make up about 30 per cent of our homebuyers.

**Q. How has the COVID-19 situation affected businesses and the way of life in Vietnam?**

The Vietnam government has responded quickly by closing its borders and allowing only essential services to continue operations since end-March. For

Keppel Land, our focus is on the safety and well-being of all our stakeholders, including our colleagues, commercial tenants, shoppers and homebuyers.

While there are many challenges posed by COVID-19 in the near future, I believe that the country will continue on its growth trajectory, and there will continue to be strong demand for high-quality homes, commercial spaces and integrated developments, which Keppel Land is in a good position to meet. Vietnam, being a very resilient country, will bounce back from this crisis.

**Q. Keppel Land is partnering Keppel Urban Solutions for the development of Saigon Sports City, a township in Ho Chi Minh City. What are some upcoming milestones for this project?**

In November 2019, Keppel Land and Keppel Urban Solutions broke ground for the highly

anticipated Saigon Sports City, a 64-hectare site which will be developed into a smart, integrated township in the prime District 2 of Ho Chi Minh City. We have also received the 1:500 masterplan approval for the township and are currently working with the architects on the retail and commercial zones. There are some very interesting concepts that we are currently exploring, including hybrid malls, co-working and co-living spaces, as well as some attractive sporting concepts. We hope to unveil these plans soon.

**Q. At the Global Keppelites Forum this year, you received the inaugural OneKeppel Role Model Award, which recognises Keppelites who best showcase the OneKeppel spirit. What are your thoughts on collaboration?**

The recognition was a pleasant surprise. When we were approached by Keppel Urban Solutions to collaborate on Saigon Sports City about two years ago,

the decision was, for me, a resounding 'yes.' I believe that through collaboration, we can create an even better project.

Collaboration has been an integral part of our culture. In Vietnam, most of our projects are developed in joint ventures with other developers.

In the case of Saigon Sports City, collaboration between Keppel Land and Keppel Urban Solutions is key, and demonstrates Keppel's capabilities in developing large-scale, smart and integrated townships. If we can do this right, we can explore replicating a similar model in other cities such as Hanoi and Dong Nai, where there is high growth potential.

**Q. What advice would you give to young Keppelites who are aspiring to grow their careers in Keppel, and perhaps, in Vietnam?**

I would encourage them to leave their comfort zones and challenge themselves by immersing in new environments, and working with different colleagues and external partners from various backgrounds. As a multi-business company, Keppel presents many opportunities and it is up to one to grab them.

As for those aspiring to grow their careers in Vietnam, the country is at an inflection point and opportunities abound. Vietnam's development in the past 30 years has been phenomenal. I have grown professionally and personally from taking the leap to Vietnam.

**Q. What is your favourite Vietnamese food? What food do you miss most from home?**

I like simple food. I quite like beef pho, as well as the usual favourites from my hometown of Penang, such as *char kway teow*, *Hokkien mee* and *curry mee*, which I can cook at home. I do miss the *bak kut teh* in Rangoon Road as well as Muthu's Curry at Race Course Road in Singapore, and make it a point to eat there when I am back. ✓



# Fuelling the future of green energy

The Pacific Ocean is the world's largest and deepest body of water. So colossal that it can fit all of Earth's continents. Hence, it comes as no surprise that the secret to meeting the world's future green energy needs could lie here—4,100m deep.

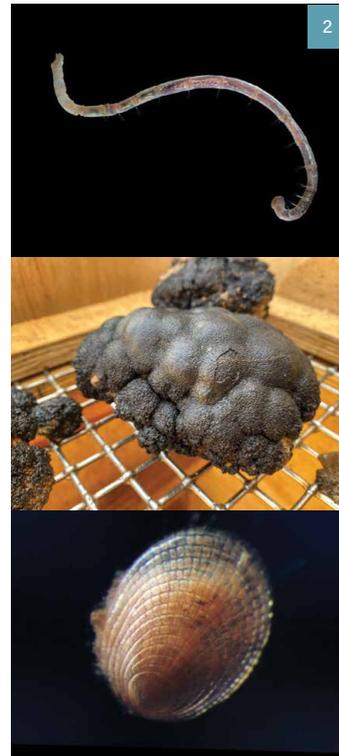
For five weeks starting from 15 February 2020, a Keppel-supported research expedition set out to conduct feasibility studies on the collection of metal-rich polymetallic nodules from the seabed in an environmentally-friendly way.

On the Pacific Ocean's seabed lie millions of polymetallic nodules, many the size of potatoes, loaded with copper, nickel, manganese and other precious ores that can help generate and store wind and solar energy to power smart cities of tomorrow.

The expedition is part of Keppel subsidiary Ocean Mineral Singapore's (OMS) 15-year contract with the International Seabed Authority (ISA) for seabed exploration within the Clarion-Clipperton Fracture Zone of the Pacific Ocean. OMS, which signed

the contract in 2014, is the only Singapore company awarded an exploration contract for polymetallic nodules. The approved area for exploration, off the coast of Mexico, spans 58,000 sq km, roughly 80 times the size of Singapore.

A team of research engineers from Keppel, international scientists from UK Seabed Resources, as well as Keppel's scientific partners from the National University of Singapore, Nanyang Technological University, University of Geneva and the Natural History Museum, London, explored



1. Boxcores, which are marine geological sampling equipment, return back on deck with polymetallic nodules.
2. The bulk of deepsea organisms found are small invertebrate animals such as maldanids or 'bamboo worms' (top) which burrow in the mud and can also live on nodules (middle). The team also saw an elusive living fossil, the monoplacophoran (bottom), which had undergone half a billion years of evolution.

almost 6,400 sq km of the ocean to study these polymetallic nodules and the deepsea environment.

To help the team plumb the depths of the ocean's mysteries, boxcores, which are marine geological sampling equipment, are lowered using a motorised fibre rope winch to collect nodule samples from the seabed. In some instances, Remotely Operated Vehicles (ROVs) navigated by skilled pilots were simultaneously deployed to accompany the boxcores as they went down, collecting useful images of the seafloor and deepsea life.

Once the boxcores are back on deck, biologists retrieve the sediment and the surrounding samples to preserve the delicate nature of the specimens. This process includes removing every nodule from the top 10cm of the sediment and meticulously checking the surface of each nodule for micro-organisms. The remaining sediments are then checked for nodules. All nodules are weighed and photographed before being tagged for storage.

Learning more about the seabed helps our scientists better understand and preserve the deepsea climate by exploring means to harvest nodules with minimal impact. The discovery of organisms, such as crustaceans, worms and molluscs, which are important components of the ecosystem, also allows data collection on the environmental baseline. Overall, these findings not only help to build a more complete picture of habitat connectivity, but also inform future technology on the sustainable collection of nodules to support green urbanisation. ✓

## Far from home

Lara Zalena is a Research Engineer from Keppel Technology & Innovation. After five years of extensive research on deepsea mineral collection, this expedition marks her first research experience out at sea for such an extended period of time.

"Every day was an exciting one on board the research vessel with new discoveries and the use of state-of-the-art technology. It was also filled with a lot of hard work. One of my tasks was to ensure that proper protocol was adhered to by both geological and biological teams during the handling of the nodules and the surrounding sediment.

"Besides the thrill of having various wildlife including dolphins and

seagulls as escorts, doing field work in the middle of the Pacific Ocean was an enriching experience. We even saw an elusive living fossil, the monoplacophoran, which had undergone half a billion years of evolution. Being far away from home was challenging, but the exciting discoveries from thousands of metres under the sea kept me going," she said.

As a global citizen, Lara Zalena appreciates the opportunity to help bring the world a step closer to meet its future energy needs. "This is a rare research opportunity and definitely an adventure I will never forget. I also enjoyed the camaraderie and collaboration among the international team members as we bonded over five weeks," Lara said.

Lara Zalena and her team will continue their research on the polymetallic nodules and the deepsea environment in pursuit of cleaner energy alternatives.



# Taking a bite out of the Big Apple

Always open to new experiences, Tai Wai Kit relocated from Singapore to New York, United States, in October 2018 to undertake business development for Keppel Capital. Today, he serves as Assistant Vice President (Investment) for Keppel Capital.

Wai Kit is familiar with the United States (US) real estate and data centres market. A Keppel Group scholar, he started his career in 2014 as an analyst at Alpha Investment Partners, where he was involved in the fund manager's acquisition, asset management and portfolio management activities in US and Europe. In 2017, he was involved in sourcing and reviewing US properties for the initial public offering portfolio of Keppel Pacific Oak US REIT. Today, he serves as Assistant Vice President (Investment) for Keppel Capital.

"The US has one of most mature and dynamic real estate investment markets globally. Having covered the US market since the start of my career, I requested for an overseas posting to New York as I recognised that this was an opportunity for me to step out of my comfort zone and further challenge myself," said Wai Kit.

## Sowing the seeds

As the only Keppel Capital employee based in New York, Wai Kit's work in the US involves sourcing for merger and acquisition opportunities, as well as sharing with potential investors or partners on how Keppel can create value for them.

He said, "Unique to Keppel are our strengths in engineering, project development as well as operating and managing specialised assets, on top of our strong capital and asset management capabilities. Investors and partners are often impressed by what Keppel can offer.

"In addition, Keppel Capital's asset managers for its listed REITs and Trust in Singapore are well-regarded in their

fields. These selling points allow me to have good conversations with the US investors. I am proud to have had a hand in sowing the seeds for future projects by helping to raise the Group's profile and expanding its network."

When asked about his thoughts on the US market outlook, given the current COVID-19 outbreak, Wai Kit shared that though there is uncertainty and market volatility at present, it is important to adopt a long-term view. In his opinion, the US has proven its ability to recover from crises in the past, such as from 9/11 and the Global Financial Crisis. He believed the US would prove its resilience again.

## Embracing new skills

Through the overseas secondment, Wai Kit has not only developed professionally but also personally. He has picked up a new sport, skiing, which he would not have had the opportunity to in tropical Singapore. The stint has also improved his culinary skills, and he has whipped up delicious Singaporean dishes such as pandan chiffon cake for his friends in New York.

For Keppelites on overseas postings, Wai Kit advised, "Be open-minded and always be prepared for challenges. There will always be curveballs thrown in your direction – remember to remain calm and stay positive!"



# Inspiring dialogue

Keppel Young Leaders (KYL) kickstarted its 2020 series of activities with a Leaders' Dialogue session in Keppel Nantong Shipyard, China, on 11 April 2020.

Mr Edmund Lek, President of Keppel Nantong Shipyard, engaged Keppelites in a dialogue, sharing his life experiences and his views on attributes that make a good leader. He also shared tips on how leaders

can build resilience to see them through tough times.

About 50 Keppelites attended the session in Nantong, while over 10 Keppelites in other parts of China and Singapore joined via video conferencing, allowing cross-border sharing and learning online even during the COVID-19 outbreak.

Li Si Chuan, Production Manager of Keppel Nantong Shipyard, said, "The session gave us insights into Mr Lek's life and outlook beyond his role as President that we see at work. We were encouraged by the stories he shared about his long journey with Keppel, and this inspired the younger leaders to stay resilient in the face of our current challenges, so that we can emerge stronger together." ✓



1. Wai Kit (second from left) attended the 2019 Singapore National Day Reception in New York pictured here with Mdm Ho Ching (centre) CEO of Temasek Holdings and fellow Singaporeans.
2. Mr Edmund Lek (centre, standing), President of Keppel Nantong Shipyard, engaged Keppelites in a KYL Leaders' Dialogue session on 11 April 2020.

# Powering up digital skill sets

As part of efforts to raise digital skill sets and drive technology capability building, Keppel Capital (KC) and Keppel Technology and Innovation (KTI) have partnered to organise several digital-transformation initiatives, including the second Power Business Intelligence (BI) workshop held on 13 March 2020.

At the workshop, 23 participants tried their hand at developing digital dashboards using mock data. This workshop is one of many initiatives aimed at stretching KC employees' power BI muscle in their daily work.

Many of the participants shared that they intend to apply their newly acquired Power BI knowledge to work, such as in pitch decks and asset performance reports.

To further strengthen digital capabilities, ideas in the pipeline include a challenge for the most innovative Power BI ideas and solutions for KC's work and projects.

In line with previous Business Continuity guidelines amidst the COVID-19 pandemic, participants attended the workshop in separate rooms. ✓



1. Keppel Volunteers, including Dr Lee Boon Yang, Chairman of Keppel Corporation (second from left) helped to distribute free hand sanitiser to Singaporeans at Funan Mall, as part of Temasek Foundation's #BYOBclean event.
2. Keppel Volunteers, together with KidSTART officers from the Early Childhood Development Agency (ECDA), delivered care packs to families living in rental flats, and shared with them proper hand washing techniques.

## Stronger together

As the world continues to fight the COVID-19 pandemic, the Keppel Group is committed to supporting its stakeholders and the wider community in this challenging time, and has committed over \$5 million to provide support to communities affected by the pandemic in Singapore and China.

### Strengthening national resilience

On 19 March 2020, Keppel Corporation announced a comprehensive package worth more than \$4.2 million to help the Singapore community weather COVID-19. The package is being funded by voluntary contributions from the Keppel Group's directors, senior management and staff, with dollar-for-dollar matching contributions from Keppel Corporation.

Dr Lee Boon Yang, Chairman of Keppel Corporation, said, "As one of the largest homegrown companies in Singapore, Keppel will do what we can to strengthen national resilience in the fight against COVID-19. Through this package, we will provide support to the communities most affected by the pandemic, including healthcare workers and patients, lower

income families, as well as Small and Medium Sized Enterprises (SMEs).

"Keppel has stood together with the community to overcome many challenges over the past five decades. I am confident that with unity and determination, we can effectively weather this difficult environment, and emerge stronger together."

The CEO and CFO of Keppel Corporation, as well as CEOs of key Keppel business units, have volunteered to give up one month of their salaries in April 2020 to support this effort, while Directors of Keppel business units will contribute an equivalent amount of their annual fees. Other members of the Group's senior management will forgo half a

month of their salaries, while other Keppel employees in Singapore can contribute any amount of their choice. Any additional amount contributed by Keppel's employees will be channelled to The Courage Fund.

Keppel also recognises the challenging environment faced by many SMEs as a result of COVID-19. Keppel works with a network of about 3,000 SMEs in Singapore and will help to improve cashflow for SMEs by improving payment terms. Since March 2020, and for a period of six months, the Group has committed to pay all SME suppliers within one week upon the approval of invoices by Keppel, regardless of the credit terms provided by the suppliers.

The Keppel Group's \$4.2 million package to fight COVID-19 includes the following elements:

- About \$3.5 million will go towards supporting lower income households in Singapore, through rebates given by Keppel Electric, M1 and City Gas to residents living in 1 and 2-room HDB flats. Since 1 May 2020, the rebates are being rolled out, and are expected to benefit more than 40,000 households.
- \$300,000 has been donated to The Courage Fund to fund relief schemes for communities in Singapore affected by COVID-19.
- \$400,000 will be set aside to support Keppel's frontline contract staff, such as cleaners and security personnel, in appreciation for their contributions and hard work during this difficult period to keep workplaces safe and healthy, and also to provide personal protective equipment, hygiene items and other essentials to vulnerable communities in Singapore.

In addition, Keppel Care Foundation had earlier made a \$300,000 donation to The Courage Fund, while the Keppel Group, through Keppel Land China, had also made a RMB3 million donation to the Shanghai Charity Foundation, one of the largest charity foundations in China, to support the deployment of medical teams from Shanghai and the provision of medical and other supplies to Hubei Province and other affected regions in China.





1. Keppel Volunteers in Shanghai contributed to the fight against COVID-19 by delivering masks to hospitals in Shanghai and the Shanghai Pudong New District's Centre for Disease Control and Prevention.

### Serving the community

Keppel Volunteers stepped forward to serve the community through several activities, held before the start of the Circuit Breaker period in Singapore.

On 12 March 2020, more than 20 Keppel Volunteers worked together with KidSTART officers from ECDA to pack and deliver "care packs" containing hygiene items such as hand sanitisers, hand soap, wet wipes and brochures on good hygiene practices to about 180 low-income families with young children living in rental blocks in Boon Lay and Taman Jurong. The volunteers interacted with the families and

engaged the children by teaching them proper hand washing techniques and how to effectively apply hand sanitiser.

Meanwhile, to also help the community stay safe and healthy, over 80 Keppel Volunteers participated in the #BYOBclean event, part of Temasek Foundation's Stay Prepared initiative that provided up to half a litre of free zero-alcohol hand sanitiser to all Singaporean households. Keppel Volunteers anchored designated shifts at Funan Mall over the week of 30 March to 5 April 2020. Dr Lee Boon Yang, Chairman of Keppel Corporation, and Mr Loh Chin Hua,

CEO of Keppel Corporation, joined the volunteers in some of the shifts.

Keppel Volunteers in China have also been active in supporting the cause where they participated in the distribution of masks to hospitals in Shanghai and the Shanghai Pudong New District's Centre for Disease Control and Prevention. Following Keppel's announcement of its donation to the Shanghai Charity Foundation, over 700 Keppelites in China rallied together and donated a further RMB266,500 to support efforts to fight the COVID-19 outbreak. ✓

# Supporting tenants affected by COVID-19

Keppel Land and Keppel REIT Management, as Manager of Keppel REIT, have rolled out measures in support of their tenants during the COVID-19 outbreak.

Keppel Land will pass on the full property tax rebate of 30% announced in the Singapore Government's Resilience Budget to its office tenants at Keppel Bay Tower. Meanwhile, for its retail tenants in Singapore, the full 100% of the property tax rebate savings are being passed on over April and May 2020. Keppel Land is also offering eligible retail tenants in Singapore deferment of rental payment as well as flexible operating hours.

Keppel REIT has extended approximately \$9.5 million of tenant support measures in Singapore to ease tenants' cash flow and cost pressures during the COVID-19 outbreak. These measures include the full pass-through of property tax rebates (estimated to amount to approximately \$8.2 million) of 30% to its office tenants and 100% to its retail tenants, in line with the Singapore Government's Resilience Budget which was announced on 26 March 2020, as

well as full rental waiver for April 2020 to eligible retail tenants. In addition, eligible retail tenants will also be able to utilise one month's security deposit to offset their rent payment.

As for Keppel Land and Keppel REIT's overseas markets, support measures in line with the relevant government advisories issued will also be extended to all qualifying tenants.

Mr Tan Swee Yiow, CEO of Keppel Land, said, "At Keppel Land, we are standing firmly behind our tenants during this difficult period. The measures rolled out will provide some relief for them as we ride through the challenges brought about by the COVID-19 situation together."

Mr Paul Tham, CEO of Keppel REIT Management, said, "We are committed to working closely with our tenants and supporting them in these challenging times. In doing so, not only do we help ensure business continuity for our tenants and the safeguarding of jobs, we are also doing our best for the long-term interests of all our stakeholders." 

# Caring for the environment

The Keppel Group is committed to environmental sustainability and climate action, and has been a longstanding supporter of conservation programmes.

In March, Minister for Social and Family Development and Second Minister for National Development Desmond Lee announced the launch of the One Million Trees movement in Singapore. In support of the movement, Keppel Corporation has pledged to donate \$3 million to the Garden City Fund, which will support the planting of 10,000 trees over the next five years in parks and nature reserves in Singapore. NParks has announced that this is the single largest donation

pledged for tree planting in Singapore to date.

Reflecting the Group's commitment to environmental stewardship, Keppel Offshore & Marine (Keppel O&M) organised a tree planting initiative on 27 February 2020.

Since then, 4,300 trees and shrubs have been planted across five Keppel O&M yards in Singapore, offsetting the equivalent of 430 tonnes of carbon dioxide (tCO<sub>2</sub>e) yearly. Together with other efforts to reduce carbon emissions, such as the installation of 21,000 solar panels with a peak capacity of 8.8 MW at its yards, 5,530 tCO<sub>2</sub>e will be

offset annually – an amount that can power around 2,300 four-room HDB flats every year.

Separately, in conjunction with Earth Hour on 28 March 2020, business units across Keppel Group showed their support for climate action by turning off non-essential lights at their commercial, residential and hospitality developments for an hour. Keppel Land's properties across Singapore, China, Vietnam and Indonesia, Keppel REIT's properties in Singapore, Australia and South Korea, and the Eco-Business Park in the Sino-Singapore Tianjin Eco-City in China were all part of this effort. ✓



(From L to R) Mr Chris Ong, CEO of Keppel O&M, Mr Kevin Chng, CFO of Keppel O&M, Mr Loh Chin Hua, Chairman of Keppel O&M and CEO of Keppel Corporation, and Mr Mathias Gutgesell, Deputy EPC Director of Ørsted, cementing their commitment towards reducing carbon emissions via a tree planting session.





**Building a Sustainable Future**

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