

Speech by Mr Choo Chiau Beng, Chairman of Keppel Offshore and Marine and CEO of Keppel Corporation, at the launch of President's Challenge 2013 on 22 March 2013 at Keppel Offshore & Marine

Your Excellency, Dr Tony Tan Keng Yam, President of the Republic of Singapore,

Mr Chan Chun Sing, Acting Minister for Social and Family Development and Senior Minister of State, Ministry for Defence,

Dr Lee Boon Yang, Chairman of Keppel Corporation,
Distinguished guests, fellow Keppelites, ladies and gentlemen,

Welcome to Keppel Offshore & Marine.

Your Excellency, we are indeed honoured by your presence here this afternoon.

Launch of President's Challenge 2013

This year, Keppel Corporation celebrates 45 years of growth. As we are privileged to have grown with Singapore through the years, we want to mark this anniversary by giving back to the community. As such, it is significant and meaningful as well as an honour to us that Keppel Offshore & Marine has been chosen to host the launch of President's Challenge 2013.

The goal of President's Challenge, which is to encourage giving, resonates with Keppel's 45th anniversary theme of *Shaping the Future*. Even as we progress, we have never forgotten our responsibilities to the communities from which we have grown. Wherever we operate, we seek to impact people and the environment in a positive manner.

Supporting President's Challenge

Last year, we established Keppel Care Foundation to help the needy and under-privileged, promote education and encourage eco-friendly mindsets and initiatives. The Keppel Group commits up to one percent of the Group's annual profits to this Foundation.

I am pleased to announce today that Keppel Care Foundation will contribute \$1.5 million to President's Challenge 2013.

As President's Challenge has gone beyond the giving of money to the giving of time and the imparting of skills to the disadvantaged, Keppel is likewise doing the same for worthy causes.

At Keppel, employees are encouraged to care for the well-being of others, especially the less fortunate in society. Furthering our commitment to volunteerism, Keppelites in Singapore will collectively pledge 5,000 hours to community service this year. Beyond our shores, Keppelites around the world will also be stepping up their community outreach activities, and we will share their stories in due course.

We also recognise that more concerted efforts should be made to help the Singapore's nascent social enterprise sector develop capabilities, build robust networks, and better achieve its social missions.

In this regard, we have a team of high-potential employees in the Group, called Keppel Young Leaders, who have embarked on a project to review and refine the business models of social enterprises, beginning with those under our adopted charity, the Association for Persons with Special Needs. We are happy that our young leaders are provided with the platform to share their experience with the nominees of this year's President's Challenge Social Enterprise Award.

Keppel Offshore & Marine

Today's event not only marks our contribution to a good cause. It also gives us an opportunity to share with you more about Keppel Offshore & Marine. We are pleased to be able to bring you later on a tour of Keppel FELS Pioneer Yard and Keppel Shipyard Tuas Yard.

From a small shipyard, through sheer determination, hard work and a *Can Do!* spirit, Keppel Offshore & Marine is today a global leader in offshore rig design, construction and repair, ship repair and conversion, and specialised shipbuilding. With our *Near Market, Near Customer* strategy, we have established a global network of 20 yards and offices in the Asia Pacific, Gulf of Mexico, Brazil, the Caspian Sea, Middle East and the North Sea regions.

In the past decade, Keppel FELS and our network of offshore yards have successfully delivered almost half of the world's newbuild jackup rigs and a third of the semisubmersibles. This year, Keppel FELS is expected to deliver 20 rigs, which will be a new record feat for the company. Keppel Shipyard continues to build on its track record for the repair, conversion and upgrading of a diverse range of vessels.

Even as we uphold our strong reputation for execution and technology excellence, we are mindful of increasing competition. We are driven, all the more, to distance ourselves from competition through innovation, technology as well as productivity and process improvements. We will also continue to build on our ability to provide innovative and customised proprietary solutions for all frontiers through our R&D centres.

Through facility upgrades, technology innovations and skills training programmes, Keppel O&M has made significant productivity improvements through the years. Keppel FELS has embarked on many productivity improvement projects, one of which is the pipe shop automation system. You will be shown this during our yard tour later. By linking up hardware implementation with software integration, Keppel FELS has achieved at least 30% improvement in its pipe fabrication process.

During the tour, you will also see our FELS Can-Do! barge which is a 138-metre purpose-built barge with a lifting capacity of 30,000 tonnes and a significant enhancement to our drydocking capability.

Your Excellency, Mr President, we are proud to show you the numerous enhancements we have made to our yards, all of which are aimed at raising productivity.

We hope you will find the tour enjoyable and insightful.

Thank you, and have a good day ahead.