



# Corporate Presentation

5 March 2003



# Agenda

 **Investment Highlights**

 **Business Overview**

 **Financial Highlights**

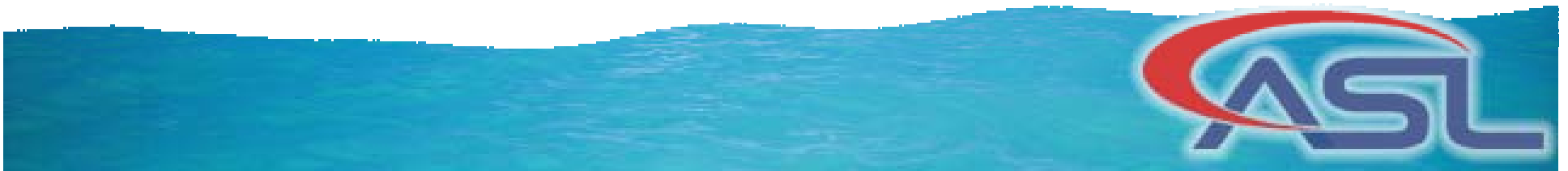
 **Competitive Strengths**

 **Business Strategies & Future Plans**

 **Growth Prospects**

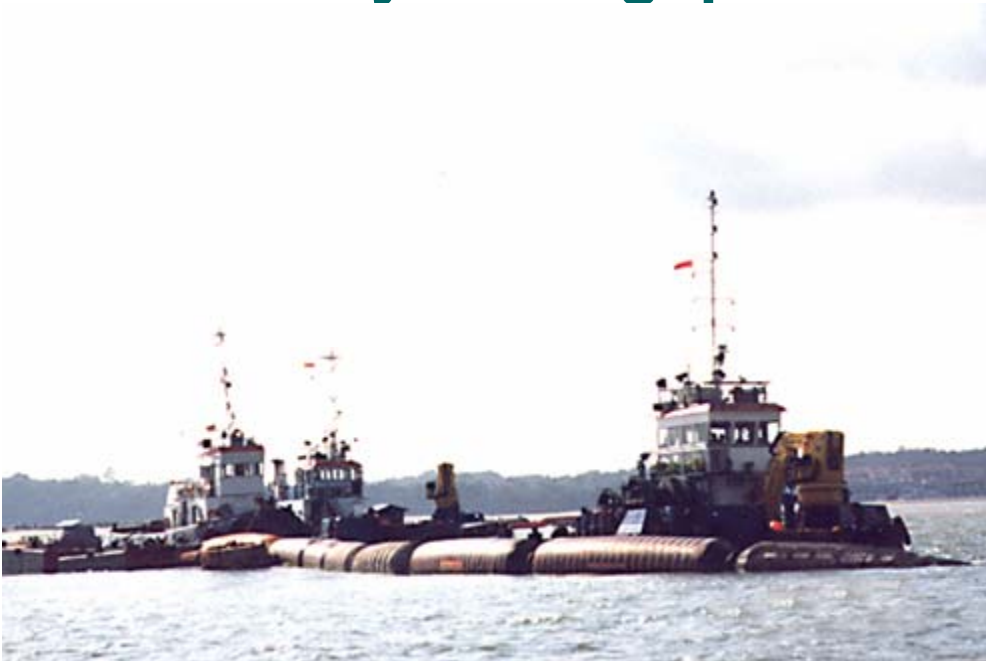


# Investment Highlights



# Investment Highlights

 Niche position in shipchartering servicing the offshore and marine infrastructure sector, mainly in Singapore




Support dredging operation



Support land reclamation

# Investment Highlights

 Niche position in shipchartering servicing the offshore and marine infrastructure sector, mainly in Singapore (continued...)



Support offshore operation



Transport of rocks for pipeline system

# Investment Highlights

 **Established shipbuilder and shiprepairer particularly tugboats and barges**

 **Diversified and well-established client base**

- Repeat customers as % of revenue :
  - FY2000 – 77%
  - FY2001 – 95%
  - FY2002 – 92%

# Investment Highlights



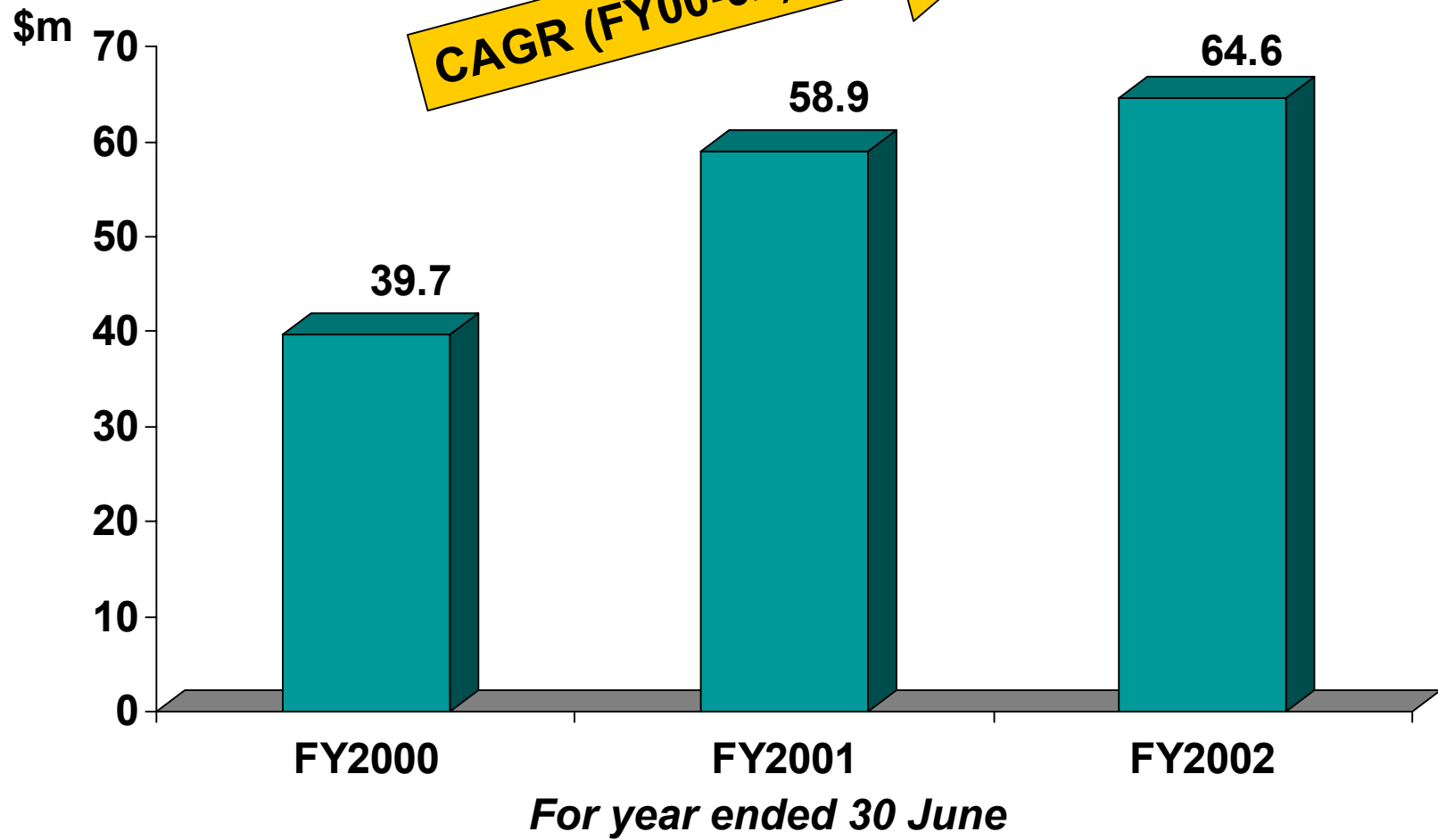
## Financial track record

- Profitable since start of marine business
- Healthy operating cash flows
  - Average of \$10.1m\* for FY00 to FY02

*[\*Computed based on financial information in the Prospectus]*



# Revenue

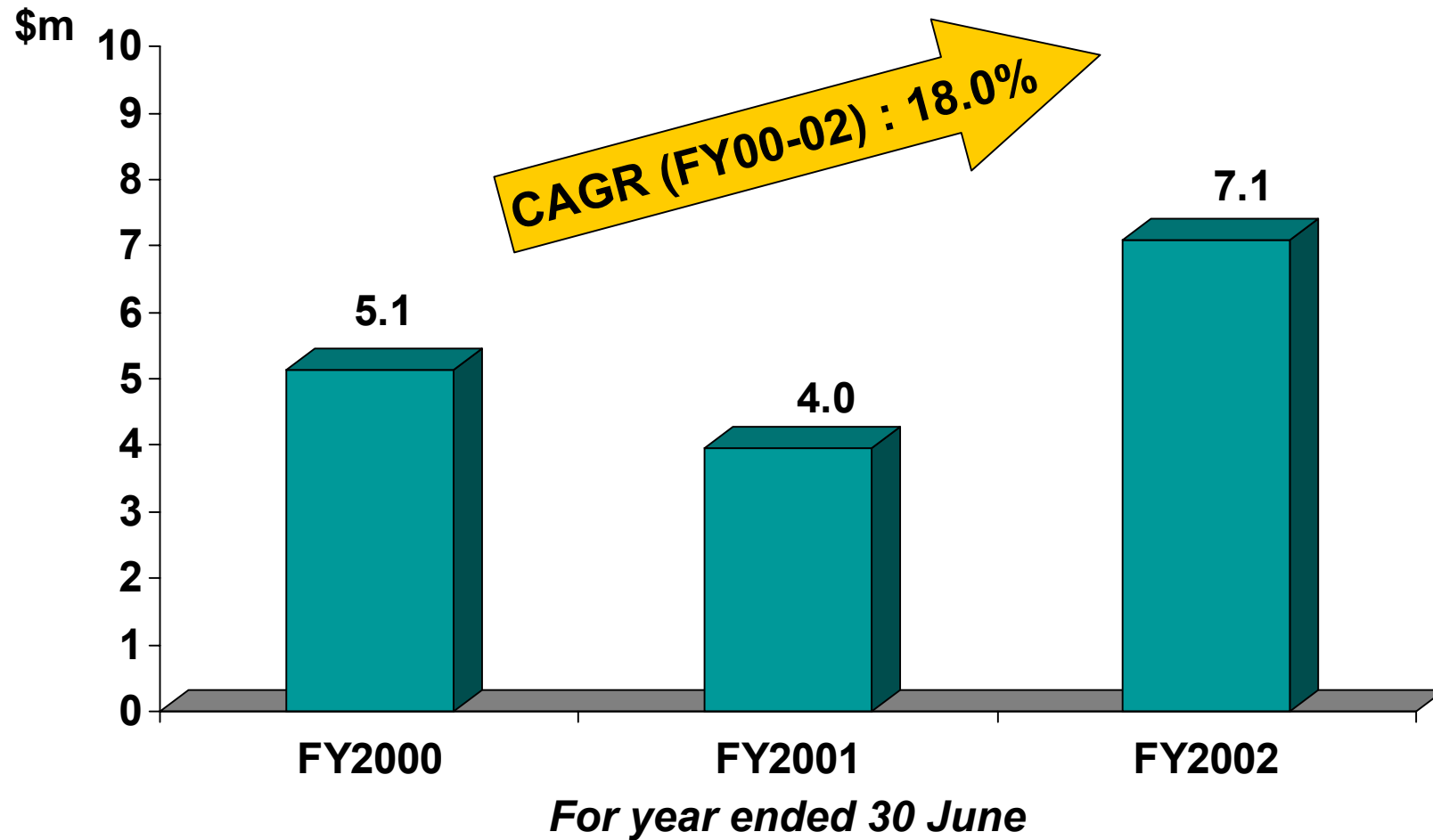


*[Compounded Annual Growth Rate: Computed based on financial information in the prospectus]*





# Net Profit



*[Compounded Annual Growth Rate: Computed based on financial information in the prospectus]*



# Investment Highlights

## Profitability

- Average ROE : 19.8%\* for FY00 to FY02
- ROE : 22.1%\* in FY02

*[\*Computed based on financial information in the Prospectus]*

# Investment Highlights

## Dividend Yield

- FY03 : Dividends of at least 30% of net profit (attributable to shareholders) intended for recommendation and distribution

# Investment Highlights

## Issue price

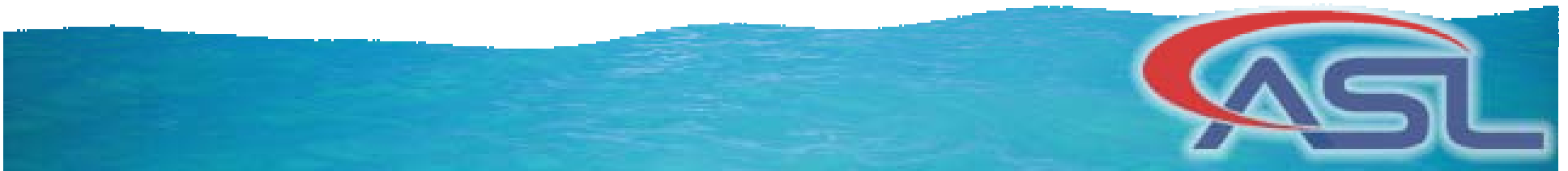
- 21 cents per share

## Historical PER (FY02)





- 4.39 times - pre-invitation share capital
- 5.88 times - post-invitation share capital



# Business Overview



# Business Overview

-  **An integrated marine company principally involved in**
  - shipyard operations
  - shipchartering
-  **Established shipbuilder and shiprepairer**
-  **Niche position in shipchartering servicing marine and offshore infrastructure, mainly in Singapore**
-  **Facilities strategically located**
  - Singapore
  - Batam, Indonesia



# Business Overview

## Services companies mainly from

- Asia Pacific
- South Asia
- The Middle East
- Europe

## These include companies in

- Offshore and marine infrastructure
- Shipping
- Port operations
- Other sectors



# Business Overview

## Financial performance FY2002

- Revenue : \$64.6 m (+9.7% yoy\*)
- Net profit : \$7.1 m (+78.8% yoy\*)
- ROE : 22.1%\*

*[\*Computed based on financial information from the Prospectus]*



# Key Milestones

**1986**



**Started shipbreaking business in Singapore shipyard**

**1988**



**Started shipbuilding**

**1989**



**Expanded into shipchartering for marine logistics services in South East Asia**

**1996**



**Established Batam shipyard**



# The Group's Major Customers



**PSA Marine**



**PT Karimun Granite**



**PT Agus Suta Lines**



**Boskalis International**



**TOA-JDN (PUT) Joint Venture**



**Dredging International Asia Pacific**



**Gems Marine**



**Besix Kier Dabhol SA**



**Koon Zinkcon**

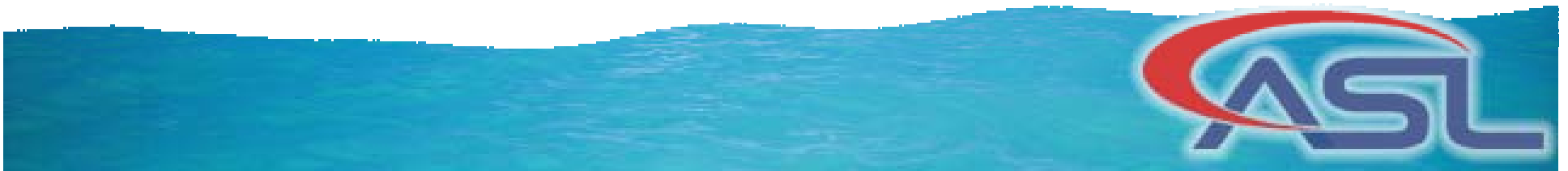


**Kai Marine**





# Shipyard Operations



# Shipyard Operations

## Singapore

**Area :** 37,219 sq m

**Berthing Space :** 255 m

**Capacity :** Up to 20 vessels, drydocked and afloat

**Activities :** Shipbuilding, drydocked and afloat shiprepairs, and other marine-related services

**Special Highlight :** 800-ton mobile boat hoist which optimises and allows flexible use of land at shipyard



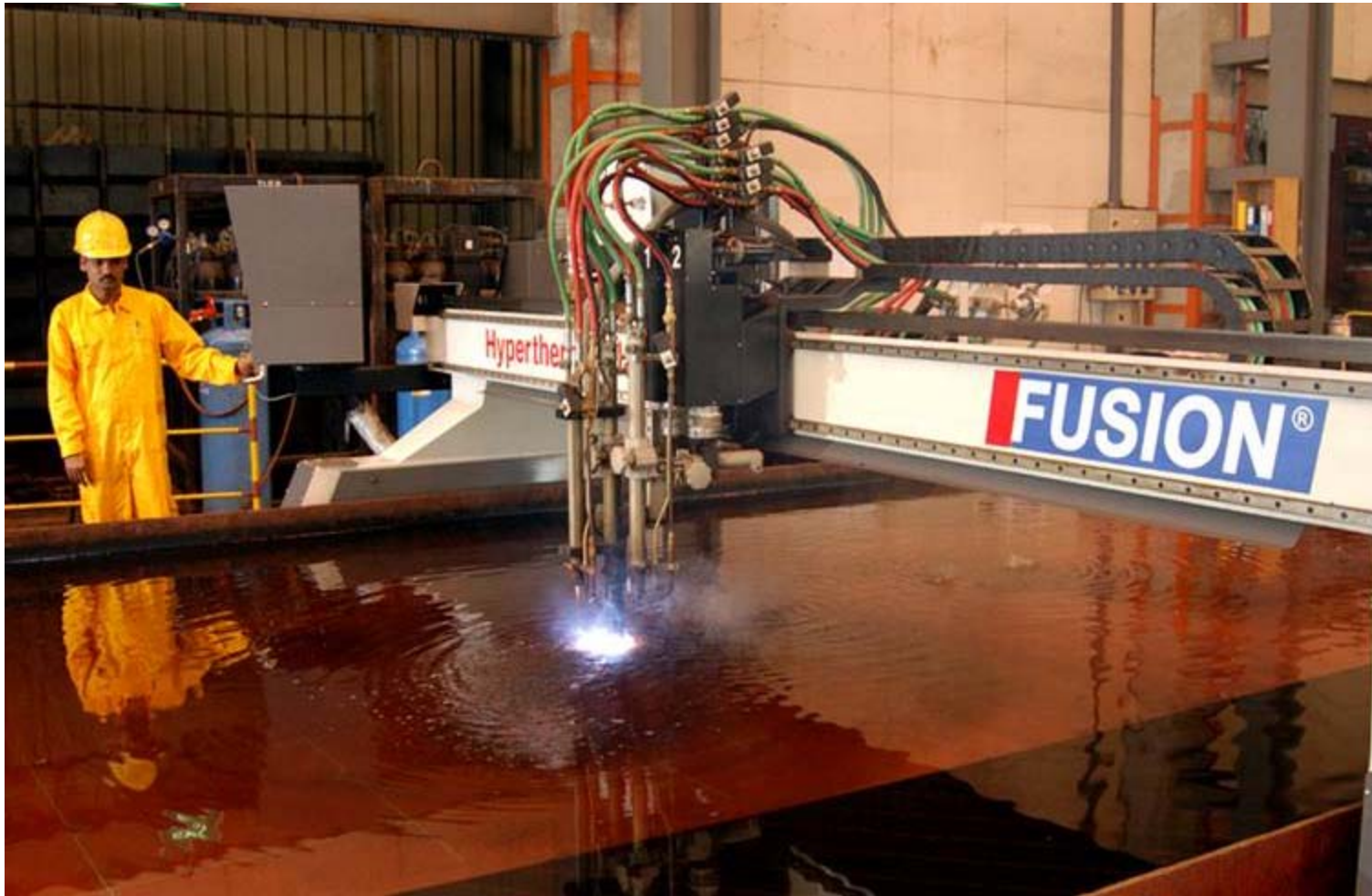
# Shipyards Operations



# Shipyard Operations



# Shipyards Operations



# Shipyard Operations

## Batam

**Area :** 300,000 sq m

**Berthing Space :** 420 m

**Capacity :** 15 vessels for shipbuilding  
10 vessels for berthing

**Activities :** Shipbuilding, afloat shiprepairs and other marine-related services





# Shipyards Operations



# Shipyards Operations



# Shipyard Operations – Shipbuilding

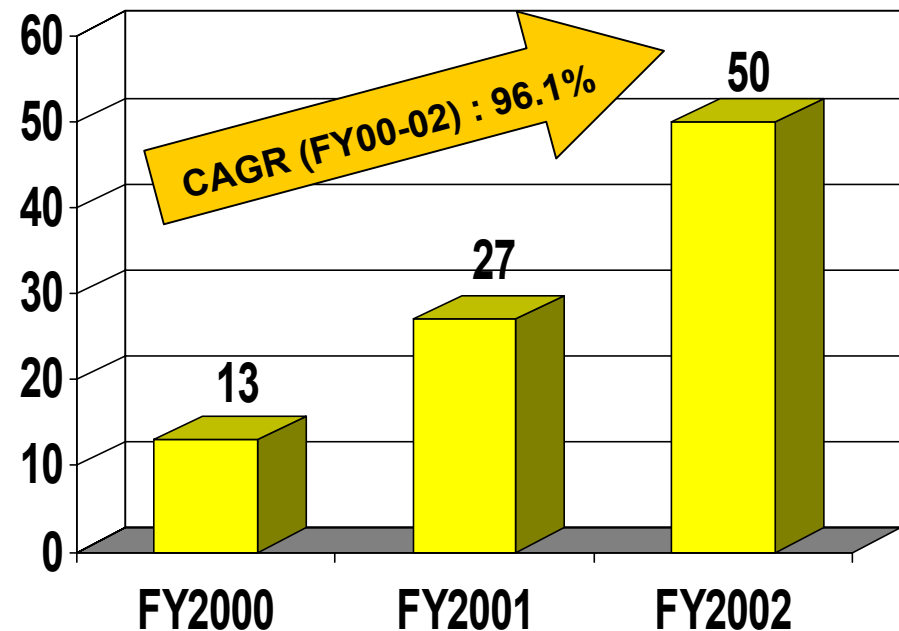
 Specialises in building vessels of up to 110 metres including

- Tugboats
- Barges
- Tankers

 Capabilities to build other vessels such as

- Landing crafts

No of vessels completed and delivered



For year ended 30 June

*[Compounded Annual Growth Rate: Computed based on financial information in the prospectus]*

# Shipbuilding – Some Vessels Built



# Shipbuilding – Some Vessels Built



# Shipbuilding – Some Vessels Built



# Shipyards Operations – Shiprepair Services

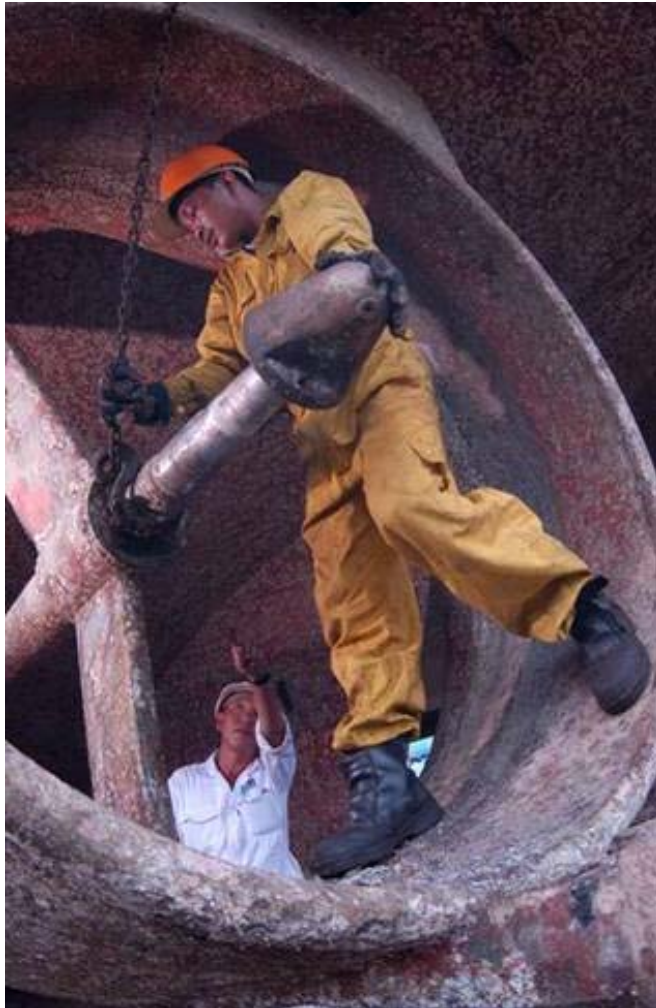


## Range of repair works include

- retrofitting and conversion
- renewal works
- blasting and painting
- electrical and electronics works and
- mechanical works



# Shipyards Operations – Shiprepair Services







# Shipchartering Operations




# Niche position in servicing Offshore & Marine Infrastructure sector mainly in Singapore

 **Dredging**

 **Land reclamation**

 **Seabed levelling**

 **Construction of ports,  
storage depots, quay walls  
and docks, sewage, water  
and other pipelines/tunnels**



# Niche position in servicing Offshore & Marine Infrastructure sector mainly in Singapore

 Offshore oil and gas

 Coastal and riverbank protection

 Breakwaters

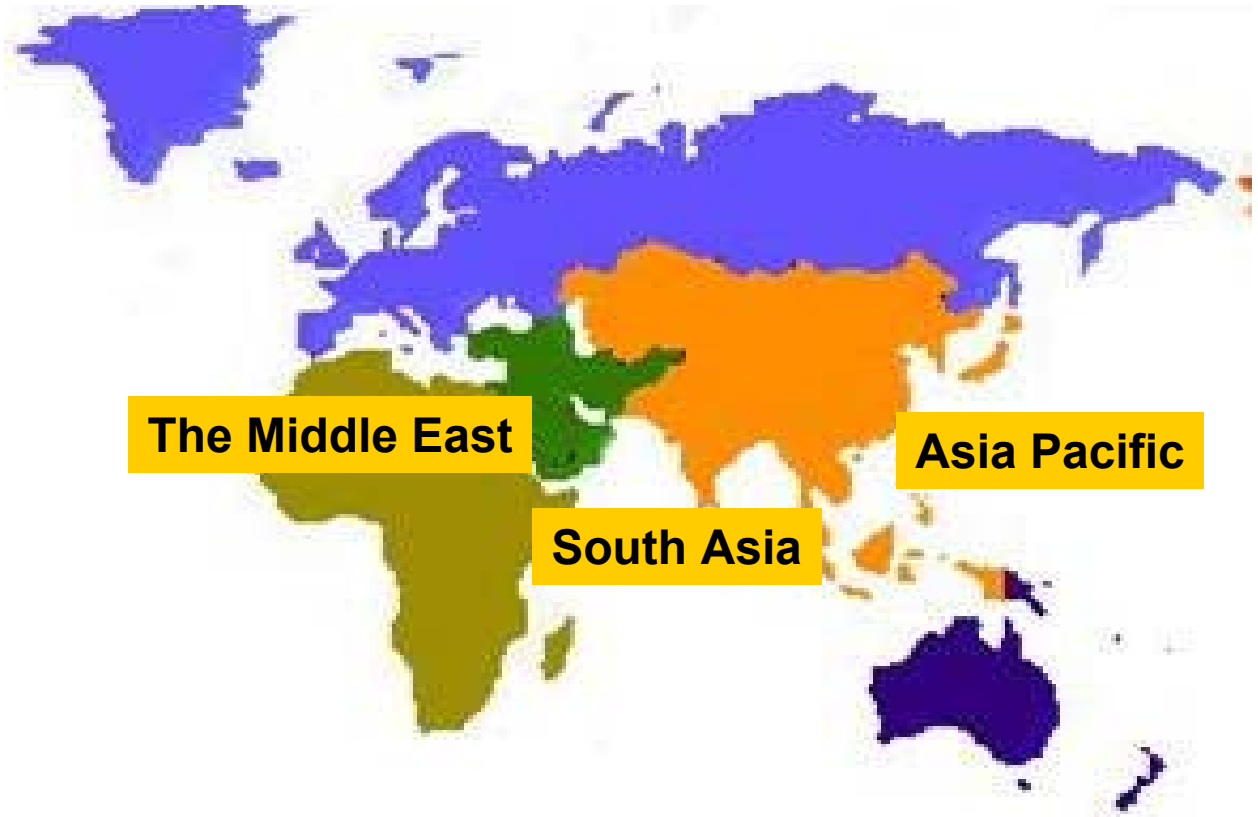
 Underwater cables



# Geographical Coverage for Shipchartering

## Vessels deployed in

- Asia Pacific
- South Asia
- Middle East



# Shipchartering Fleet

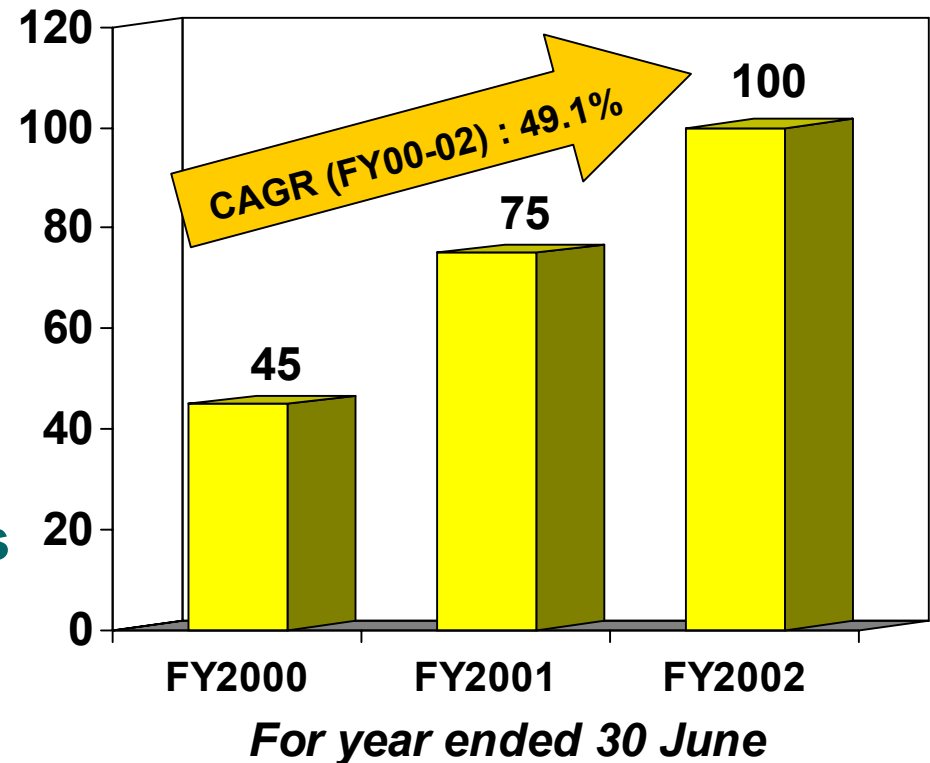
## FY2002 – Utilisation rates

- Tugboats – 91%
- Barges – 86%

## Fleet – 96 vessels (as at 24 Jan 03)

## Average age – About 8 years

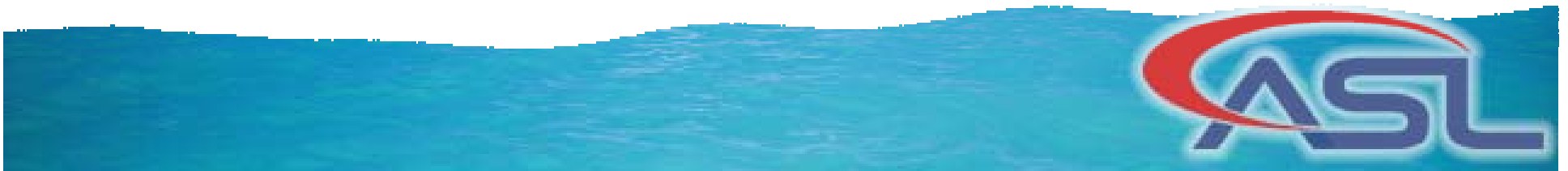
Total No  
of vessels



*[Compounded Annual Growth Rate: Computed based on financial information in the prospectus]*



# Financial Highlights



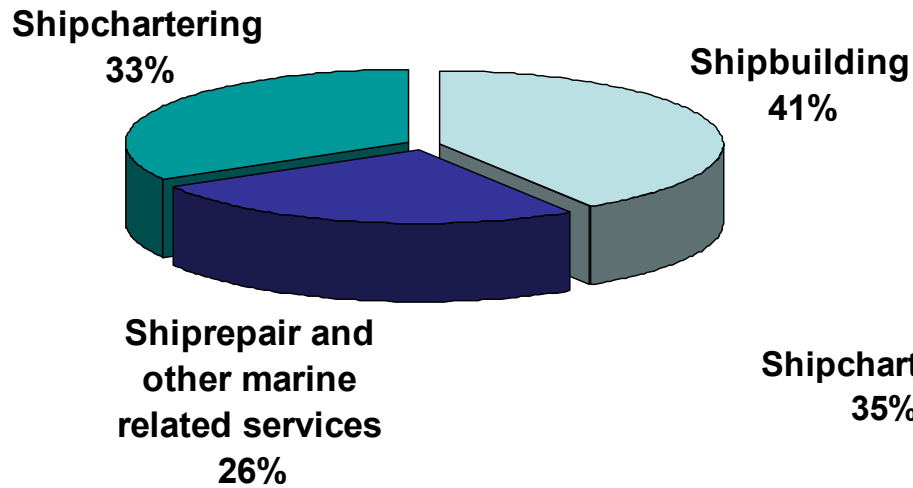
# Financial Highlights

	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>
	\$m	\$m	\$m
Revenue	39.7	58.9	64.6
Net Profit	5.1	4.0	7.1

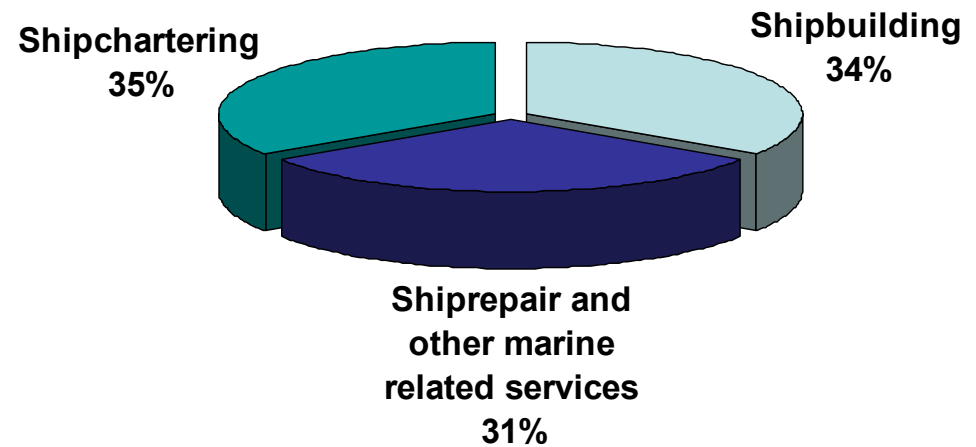


# Breakdown by Activity – FY2002

## Revenue



## Gross Profit



*[Computed based on financial information in the Prospectus]*



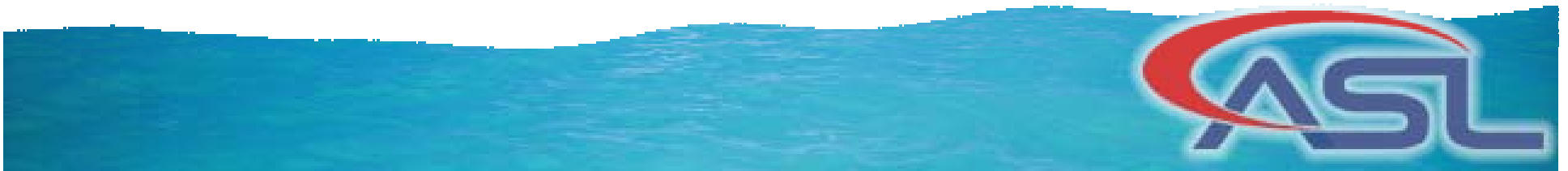
# Order Books

 **As at 24 Jan 2003, orders secured**

- Total \$54.8 million
  - \$44.8 million for shipyard business
  - \$10.0 million for shipchartering business



# Competitive Strengths



# Competitive Strengths

 **Integration of marine services**

 **Creditable track record**

 **Complementary shipyard operations**

# Competitive Strengths



# Competitive Strengths

 **Cost efficient operations for competitive pricing whilst maintaining quality**

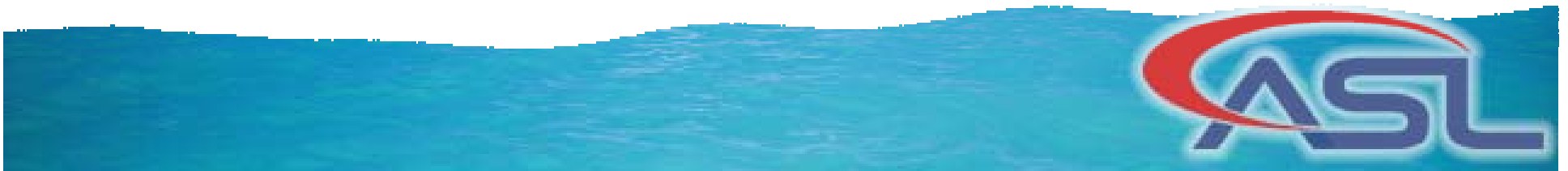
 **Established relationships with clients from different industries**

 **Strategic location of shipyards**

 **Experienced Management Team**



# Business Strategies & Future Plans



# Business Strategies & Future Plans

## Shipyard Operations

- Floating dock in Batam
- Provide wider and more comprehensive range of services
- Build or repair larger and wider range of vessels
- Be an integrated provider of marine engineering and logistics services

## Shipchartering

- Expand or develop the range of sectors serviced
- Broaden end-user base

# Business Strategies & Future Plans

 **Expand geographical coverage of operations and client base**

 **Strengthen existing relationships**

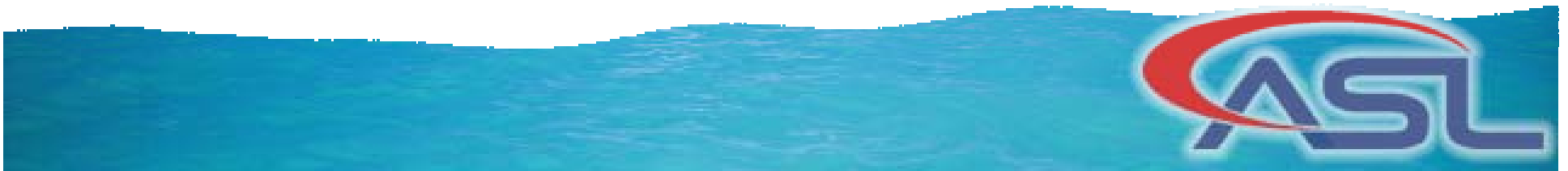
 **Maintain commitment to quality and turnaround time reliability**

 **Maintain competitive price positioning through improvements in cost efficiencies**





# Growth Prospects



# Growth Prospects

## Directors expect

### ➤ Shipchartering

- Demand primarily from offshore and marine infrastructure sector

# Growth Prospects

## Directors expect

### ➤ Shipbuilding

- Demand for offshore support vessels and/or replacement requirements for ageing vessels
- Demand for vessels with more stringent safety and performance standards

# Growth Prospects

## Directors expect

### ➤ Shiprepair

- Continue to have stable market share
- Further capitalise on generally lower labour and other operating costs in the Batam shipyard for price-competitiveness



# Initial Public Offering

## 5 March 2003



# Issue Structure

## Listing on SGX-ST Mainboard

- Invitation Size : 50,000,000 New Shares
- Offer Shares : 10,000,000 Shares
- Placement Shares : 40,000,000 Shares  
(incl. 3,000,000 Reserved Shares)
- Gross Proceeds : \$10.5 million




# Use of Net Proceeds

 Approximately \$4.5 million to finance the construction of a floating dock for the Batam Shipyard

 Approximately \$3 million to be used for fleet renewal/expansion

 Balance to be used for working capital and possible mergers, acquisitions or joint ventures

# Invitation Statistics

-  **Issue Price** : 21 cents
-  **Market Capitalisation** : \$41.58 million  
(post Invitation)
-  **Historical (FY2002)**  
(pre-Invitation share capital)
  - NTA per share : 21.61 cents
  - EPS : 4.78 cents
  - PER : 4.39 times
  - Net Operating Cash Flow per Share : 8.67 cents



# Indicative Timetable

 **5 March 03 (Thu) : Public offer opens**

 **13 March 03 (Thu) : Public offer closes**

 **17 March 03 (Mon) : Trading commences**



# Initial Public Offering

