



## **PRESS RELEASE**

### **SEMBCORP MARINE'S SUBSIDIARY JURONG SHIPYARD SECURES TWO SHIPBUILDING CONTRACTS WORTH S\$110 MILLION**

**Singapore, September 1, 2003** : Jurong Shipyard, a subsidiary of SembCorp Marine, has signed two shipbuilding contracts worth S\$110 million to design and build another two units of 2600 TEU container vessels for Wan Hai Lines. These two contracts are options that Wan Hai Lines has exercised following two shipbuilding contracts worth an aggregate of S\$110 million that were signed in July 2003. With the exercise of the options, the total shipbuilding contract value with Wan Hai Lines now stands at S\$220 million for four units of 2600 TEU container vessels.

Mr Chen Chao-Hon, Chairman of Wan Hai Lines said, "We have decided to exercise our options for another two units of container vessels as part of Wan Hai Lines' expansion programme. We are confident of Jurong Shipyard's ability to deliver quality vessels on schedule and we look forward to developing a strong relationship with the shipyard. We have plans to order more vessels and to increase our fleet of vessels."

Mr Chua Teck Lian, Senior General Manager of Jurong Shipyard's Commercial Division said, "We are very pleased that Wan Hai Lines has decided to exercise the options for another two units of 2600 TEU container vessels. There is a strong demand for this size of containership. We are confident that this will be the start of a very successful series of containerships."

These two container vessels will have similar specifications and requirements as the two container vessels contracted earlier between Wan Hai Lines and Jurong Shipyard. The designs of the 2600 TEU container vessels are proprietary designs developed by Jurong Shipyard. Each of the container vessels will have a high speed of 22.7 knots with a high homogeneous container intake of more than 1960 TEU at 14 ton per TEU. The container vessels will have to meet Wan Hai Lines' stringent requirements of operational reliability, safety and efficiency. Also, each container vessels will have 400 reefers and the ability to carry two-tier high cubes in every cargo hold to meet owner's increasing demands in the Intra Asia and Transpacific trade routes.

Construction of these two container vessels will commence in September 2003 with the first unit scheduled for delivery in December 2005 followed by the

second unit in April 2006. Work on the first two container vessels that were contracted earlier in July 2003 have commenced with deliveries scheduled in March and July 2005 respectively.

Barring unforeseen circumstances, SembCorp Marine expects a positive contribution to its earnings from the contract. Revenue from the contract will be recognised according to SembCorp Marine's revenue recognition policy based on the percentage of completion method measured by reference to the value of work performed relative to the total contract value over the duration of the contract.

### **About Jurong Shipyard**

Jurong Shipyard, a wholly owned subsidiary of SembCorp Marine, is a leading yard in ship repair, ship conversion, offshore engineering and a niche player in specialist ship construction. Currently, Jurong Shipyard is building two units of 2500 TEU container vessels for Reederei Karl Schlüter GmbH & Co. Kg, a long established shipping company in Germany. The first unit is due for delivery in October 2003 and the second unit is due in October 2004. Total shipbuilding order book for the six units of container vessels, inclusive of the four units of container vessels for Wan Hai Lines stands at S\$330 million.

### **About Wan Hai Lines**

A leading container operator, Wan Hai Lines operates a total fleet of 59 container vessels (40 owned and 19 chartered) with a total capacity of 83,000 TEU on 27 trade lanes and serving more than 21 countries. In 2002, Wan Hai Lines operated and lifted 1,920,747 TEU and was ranked as a top 15 carrier. It is the most profitable container shipping line in the industry. In 2002, its business revenue was NTD 31.3 billion, 5.21 per cent higher than that recorded in 2001 at NTD 29.7 billion. Its pre-tax profit in 2002 was NT 3.6 billion dollars or NTD 2.61 profit per share, an increase of 540 percent as compared with NTD 0.48 in 2001.

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