



PRESS RELEASE

SEMBCORP MARINE'S SUBSIDIARY, JURONG SHIPYARD CLINCHES SHIPBUILDING CONTRACT WORTH S\$110 MILLION

Singapore, July 21, 2003 : Jurong Shipyard, a subsidiary of SembCorp Marine, has signed a S\$110 million contract to design and build two units of 2600 TEU container vessels for Wan Hai Lines. The contract also covers options for two additional units of similar container vessels exercisable by owner by October 2003.

Designed by Jurong Shipyard's in-house Engineering Division, the container vessels will have a high speed of 22.7 knots with high homogeneous container intake of more than 1960 TEU at 14 ton per TEU. These container vessels are designed to meet Wan Hai Lines' stringent requirement of operational reliability, safety and efficiency. The container vessels, each with 400 reefers and with an ability to carry two-tier high cubes in every cargo hold are also designed to cope with owner's increasing demands in the Intra Asia and Transpacific trade routes. The designs of these two container vessels are an improvement over two similar container vessels currently under construction in Jurong Shipyard.

Construction of the two container vessels will commence in July 2003 with the first unit scheduled for delivery in March 2005 followed by the second unit in July 2005.

Mr Tang Ying Kee, General Manager of Jurong Shipyard's Commercial Division said, "We are pleased to be awarded the contract by leading container vessel operator, Wan Hai Lines. These high specification 2600 TEU container vessels will be the largest and most advanced container vessels designed and built in Singapore. It is a major milestone in Singapore's shipbuilding history."

Mr Jason Lee, Senior Vice President of Wan Hai Lines said "The key factor for placing the contract with Jurong Shipyard is that Jurong's specification is superior to the other designs that we have reviewed. Also, the system of shipbuilding is very similar to that of Japanese shipyards."

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 SembCorp Marine & Jurong Shipyard

SembCorp Marine, the marine engineering arm of SembCorp Industries, is a leading global marine engineering group specialising in ship repair, shipbuilding, rig building, ship conversion and offshore engineering. With a combined docking capacity of 2.3 million dwt, SembCorp Marine offers one of the largest ship repair, ship conversion, shipbuilding, offshore and marine-related facilities through eight strategically located shipyards comprising four in Singapore, two in China and one each in Indonesia and Brazil.

Jurong Shipyard, a wholly owned subsidiary of SembCorp Marine, is a leading yard in ship repair, ship conversion, rig building, offshore engineering and a niche player in specialist ship construction. Its recent projects include the design and construction of product/chemical tankers of about 11,500 dwt and container carriers of 1,078 TEU to 2,500 TEU. Other shipbuilding projects include 90,000 dwt tankers, multi-purpose cargo vessels, bulk carriers, ocean going tugs, ice breaking tugs and cable laying vessels.

Jurong Shipyard is currently building two units of 2,500 TEU container ships and two units of the world's most advanced fifth-generation of semi-submersible rigs.

About Wan Hai Lines

Wan Hai Lines was established in 1965 as a log carrier initially servicing the trade between Taiwan, Japan and Southeast Asia. In response to the rapid economic growth in the Asia Pacific Region and the international trend in containerization, Wan Hai Lines successfully transformed its business into a fully containerized liner service in 1976. Wan Hai Lines' current operations of a fully containerized liner transportation service covers the entire Northeast Asia, Southeast Asia, the India Sub-continent, Middle East, Mainland China and the American regions. With complete network service, Wan Hai Lines has subsidiaries and agents all over Asia's major cities and ports.

As at end 2002, Wan Hai Lines operates a total fleet of 58 container vessels (40 owned and 18 chartered) with total capacity of 80,000 TEU in 27 trade lanes and serving more than 21 countries. In addition to the exclusive terminal in West 17 of Keelung, Wan Hai Lines also leases No. 31,32 in Taichung and No.63,64 in Kaoshiung, which makes Wan Hai Lines the only carrier in Taiwan with exclusive terminals in the northern, middle and southern parts of the island. In 2002, Wan Hai Lines operated and lifted 1920747 TEU and 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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