



Company Registration Number: 196300098Z

## **PRESS RELEASE**

### **SEMBCORP MARINE'S SUBSIDIARY JURONG SHIPYARD SECURES TWO SHIPBUILDING CONTRACTS WORTH S\$143 MILLION FROM WAN HAI LINES**

**Singapore, December 22, 2004 :** Jurong Shipyard, a subsidiary of SembCorp Marine has signed two shipbuilding contracts worth S\$143 million from Wan Hai Lines Ltd. The new orders for the pair of 2,646 TEU container ships were signed in Taipei recently and brought the total order from Wan Hai Lines to six container ships.

Mr Chen Chao-Hon, the Chairman of Wan Hai Lines said during the contract signing ceremony "In addition to shipbuilding, Wan Hai and Jurong Shipyard should look into expanding the business relationship to cover ship repair activities. Jurong Shipyard with her ship repair facilities in both China and Singapore could serve as an alliance partner to service Wan Hai's container fleet drydocking requirements."

Appreciating the continuous support of Wan Hai Lines, Mr Chua Teck Lian, Senior Vice President (Marketing) of SembCorp Marine said "We are pleased to have Wan Hai Lines as the choice collaborating partner for SembCorp Marine's shipbuilding program. We look forward to expand our co-operation to include ship repairing activities for Wan Hai's fleet within the SembCorp Marine group of shipyards in Singapore and China."

These two container ships will have similar specifications and requirements as the four container ships that were contracted in the third quarter of 2003. Each of the container ships 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. Also each container ship will have 400 reefers and the ability to carry two-tier high cubes in every cargo hold to meet Wan Hai Lines' increasing demands in the Intra Asia and Transpacific trade routes.

Construction of first container ship will commence in the second quarter of 2005 followed by the second unit in the third quarter of 2005 with deliveries scheduled in 2007.

Barring unforeseen circumstances, SembCorp Marine expects a positive contribution to its earnings from the contracts. However, the contracts are not expected to have any material impact on the net tangible assets and earnings per share of SembCorp Marine for the year ending December 31, 2004.

Revenue from the contracts will be recognised according to SembCorp Marine's revenue contribution 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 contracts.

As at December 22, 2004, total contracts secured for SembCorp Marine stands at S\$2.1 billion, excluding ship repair.

### **About SembCorp Marine**

SembCorp Marine, the marine engineering arm of SembCorp Industries, is a leading global marine engineering group. It has a combined docking capacity of 2.8 million dwt and offers the largest marine facilities east of the Suez Canal.

Serving customers globally, SembCorp Marine delivers a full spectrum of integrated ship repair, shipbuilding, ship conversion, rig building and offshore engineering solutions through a network of eleven strategically located shipyards in the three strategic hubs of Singapore, China and Brazil.

Working in synergy, these shipyards integrate their experience and expertise to provide integrated customized solutions through complementary facilities and capabilities from conceptualization and design through to commissioning and delivery.

### **About Jurong Shipyard**

Jurong Shipyard, a wholly owned subsidiary of SembCorp Marine, is a leading shipyard offering a “one-stop total” service in ship repair, shipbuilding, ship conversion, rig building and offshore engineering. Currently, the shipyard is building six units of container ships – four for Wan Hai Lines and two for Reederei F Laeisz, two units of the 5<sup>th</sup> generation deepwater semi-submersibles for GlobalSantaFe and a FPSO EPC (Engineering, Procurement and construction) conversion – the P-54 for Petrobras Netherlands B.V. It has recently completed two FPSO conversions - Baobab Ivoirien MV10 (ex-T.T.Nina) and Modec Venture 11 (ex-W.T. Fairway) for Modec International.

### **About Wan Hai Lines**

Wan Hai Lines Limited presently owns and operates a fleet of up to 40 container ships and has placed orders for another 19 ships with a total carrying capacity of about 136,000 TEUs. In 1992, Wan Hai Lines set up a regional office in Singapore. It employs more than 100 professional staff in its Singapore office. In June 2003, they were awarded the Approved International Shipping Enterprise (AIS) status and later accorded the Approved Shipping Logistic Enterprise (ASL) status from the Singapore Government in July 2004.

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