

# REVIEW OF ACTIVITIES quality and productivity

The group-wide pursuit of quality and productivity is essential in our corporate mission of becoming a global marine-engineering group offering world-class solutions that exceed customers' expectations.

## Singapore Quality Class

Jurong Shipyard became a member of the coveted Singapore Quality Class when it was accorded the Singapore Quality Award in December 2000. This certification from the Singapore Productivity & Standards Board recognised the shipyard's attainment



of a commendable level of business excellence based on the Singapore Quality Award framework.

## Productivity Improvement

At the production level, we continued to encourage our employees and subcontractors to provide a steady flow of ideas and solutions for productivity improvement. A total of 2,000 suggestions were received in the year 2000. The best suggestion of the year was a recommendation by the Machinery and Electrical Section to modify the existing manual condenser tube cutter tool sets to be used on the pneumatic driven cutter. This process allowed more tubes to be cut in an efficient way, with estimated savings of \$21,000 a year.

## Safety Improvement Teams

Productivity and quality were further enhanced through the efforts of our Safety Improvement Teams. These teams motivated employees and subcontractors constantly, as part of the work culture, to identify safety or health issues in the

workplace and to find innovative and practical solutions to address problem areas.

In year 2000, we continued to accord recognition to outstanding teams. The winning idea for the year involved the installation of an adjustable cable hanger that improved the cables and hoses arrangements, reducing the risk of electrocution or tripping hazards. Another idea that was implemented covered safety measures in the installation of coupling belts, which greatly reduced the potential of hand injuries and increased cost savings.



## E-Initiatives

SembCorp Marine's shipyards had also taken steps to be electronically enabled in order to enhance productivity, efficiency and customer interaction. The four elements to the e-business strategy were customer-relationship management, knowledge management, supply-chain management and project management.

In addition, Sembawang Shipyard established a joint venture with Keppel FELs, Keppel Hitachi Zosen, Metalock (Singapore) and Singapore Computer Systems to operate a new buyer-driven portal on OmixAsia.com. Marine, offshore, oil and gas industries could now use the portal to procure materials, tools and hardware. These included hoses, wire ropes, chains, cables, welding products, valves, fire and safety products, chemicals, lubricants and paints. The portal now allowed all activities to be carried on-line, from answering basic requests for quotations to raising purchase orders, delivery orders, goods received notes and invoices.

# REVIEW OF ACTIVITIES employee development



Employees had been an anchor of our group's success and growth. We continued in our efforts to develop and align our human resources to our corporate goals. As at December 2000, group manpower stood at 4,455.

## National Skills Recognition System

Jurong Shipyard and Sembawang Shipyard were commended for their support of the National Skills Recognition System on September 5, 2000. The System was a national framework for establishing job performance standards and skills certification. It was administered by the Singapore Productivity Standards Board and supported by the Ministry of Trade & Industry and the Ministry of Manpower. Our shipyards were recognised for their role in developing industry skills standards, strengthening the capabilities of the workforce and enhancing job competencies and performance levels.

## National Training Award

Sembawang Shipyard received the National Training Award 2000 under the



manufacturing sector from the Singapore Productivity and Standards Board. This was the second time that the shipyard had won the award, as a strong endorsement for its culture of personal development for employees and the efforts in maximising the potential of each individual.

### Singapore Health Award

During the year, Jurong Shipyard received the Singapore Health Award (Silver) from the Ministry of Health in recognition of efforts in promoting a healthy work environment.

To promote workforce health, our group's Medical Centre, which maintained its active role in keeping our people healthy, alert and productive. Besides the daily morning exercise routine, other activities included a health management programme undertaken by our Medical Centre. Recreational clubs within the group also continued to organise various sporting activities and tournaments for employees.



### Executives' Share Option Scheme

In line with the restructuring and name change, SembCorp Marine relaunched the Executives' Share Option Scheme on September 7, 2000 to instill a sense of loyalty and to reward employees for the contributions to the performance of the company. A total of 16,783,600 shares at \$0.70 cents per share were offered to employees of SembCorp Marine and its subsidiaries.

### New Corporate Uniforms & Image

To reflect our restructured group's new identity, we introduced new worksuits for our employees. A sea blue colour would now unify employees from all shipyards of the SembCorp Marine group. However, all shipyards would still reflect their respective company brand names on the uniforms of their employees. The new uniforms would be worn from January 1, 2001.



### Long Service Award

In recognition for the overall contributions to the company, a total of 59 employees received their long service awards in December 2000. Of these, there were 11 recipients for the 10-year service award, six recipients for the 20-year service award and 42 recipients for the 30-year service award. The long service award sought to recognise employees for their contributions and the long service with the group. As at December 2000, 34 per cent of our group's employees had served at least 10 years of service.

## R.I.E.V.I.E.W.O.F. A.C.T.I.V.I.T.I.E.S investor & corporate relations

SembCorp Marine plays an active role in keeping shareholders and other stakeholders informed of company developments and strategies on a timely basis. Activities are held throughout the year with the specific aim of building relationships with analysts, fund managers, media and other stakeholders.

### Road Shows

SembCorp Marine organised a series of investor road shows in May 2000 with the objective of keeping investors informed of the company's developments, strategies and directions as well as the industry outlook. The road shows were held in major cities including London, Edinburgh and Milan.

### Analysts & Media Briefing

Analysts and media briefings were held at the company's premises on February 13, 2000 in conjunction with the announcement of SembCorp Marine's full year results. At the meeting, we also informed our shareholders that the Board had proposed a one-for-one bonus share issue.

### Initial Public Offer for Jurong Technologies Industrial Corporation

Our electronics contract-manufacturing subsidiary, Jurong Technologies Industrial Corporation, launched its initial public offer of 98.7 million new shares for a listing on the mainboard of the Singapore Exchange Securities Trading Limited in March 2000. As a result of the listing, SembCorp Marine's stake in the company was reduced from 60 per cent to 26 per cent. The shares were oversubscribed 57 times and made its debut on the stock exchange in April 2000 at a closing price of 30 cents.

### Singapore 2000

SembCorp Marine's shipyards participated in Singapore 2000, an international maritime exhibition that showcased the latest technologies and services in shipbuilding, ship repairing and conversion, port and terminal equipment and services, offshore technology, safety and rescue equipment. The exhibition provided us with a platform to keep customers and the public informed of developments within the SembCorp Marine group after our restructuring. All our six shipyards promoted their individual shipyard brands and promoted their one-stop total service capabilities in ship repair, shipbuilding, ship conversion and offshore engineering under SembCorp Marine.



### Community Relations

SembCorp Marine continued to embrace its responsibility as a corporate citizen, contributing regularly to support social, cultural and charitable organisations. During the year, we provided financial support to the Assisi Home and Hospice as part of the Health Endowment Fund. Others included Movement for the Intellectually Disabled of Singapore, Bone Marrow Donor Programme, Singapore Cancer Foundation and the Spastic Children's Association of Singapore. Our union leaders and management representatives also continued to visit homes on a regular basis.