

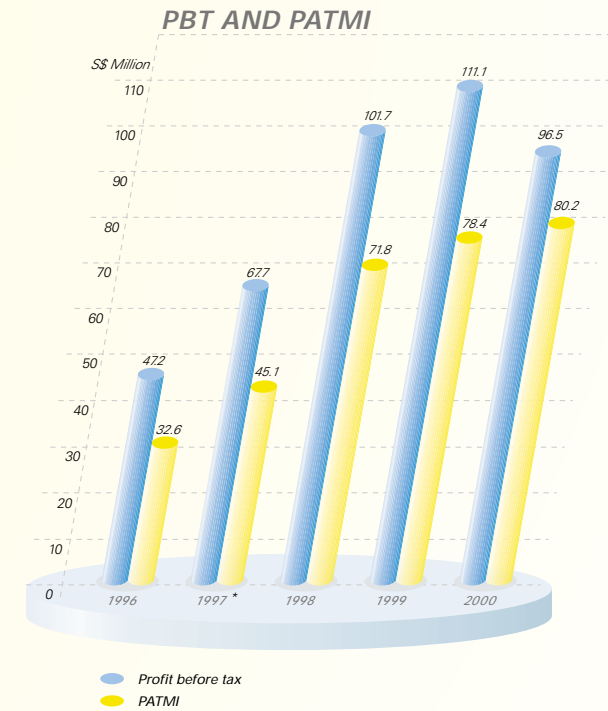
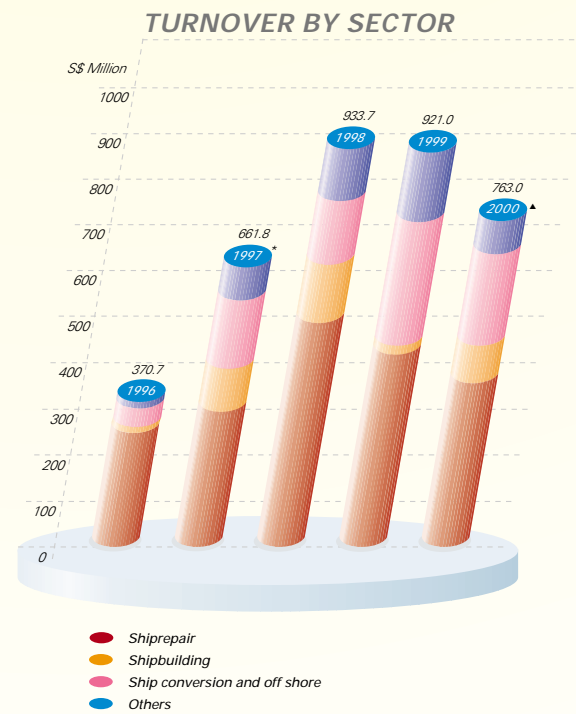
review

Group turnover increased from \$370.7 million in 1996 to \$661.8 million in 1997. The merger of Jurong Shipyard and Sembawang Shipyard in August 1997 combined with the improved market conditions increased the Group's turnover further to \$933.7 million in 1998. However, in 2000, group turnover declined by 17.2% to \$763 million, compared to \$921 million in 1999. This decline was attributed to strong competition from both local and regional shipyards resulting in lower revenue contributions from the ship-repair sector from \$433 million in 1999 to \$382 million in 2000.

In shipbuilding, the Group commenced work on four units of 1078 TEU container vessels in 2000 with two units due for delivery in first half of 2001 and four other units between second half 2001 to first half 2002. Based on percentage of completion basis, revenue from the shipbuilding sector increased from \$18 million in 1999 to \$84 million in 2000.

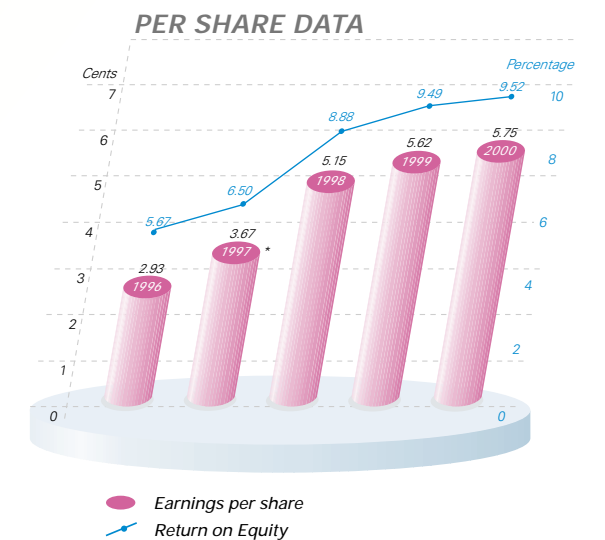
Similarly, the lower contribution from the ship conversion and offshore sector was due to the lower turnover of \$244 million. The bulk of the ship conversion and offshore projects were long-scheduled projects carried forward from the previous year.

In other businesses, the lower revenue of \$53 million in 2000 was due to the deconsolidation of Jurong Technologies Industrial Corporation (JTIC) when it became a public listed company in March 2000.



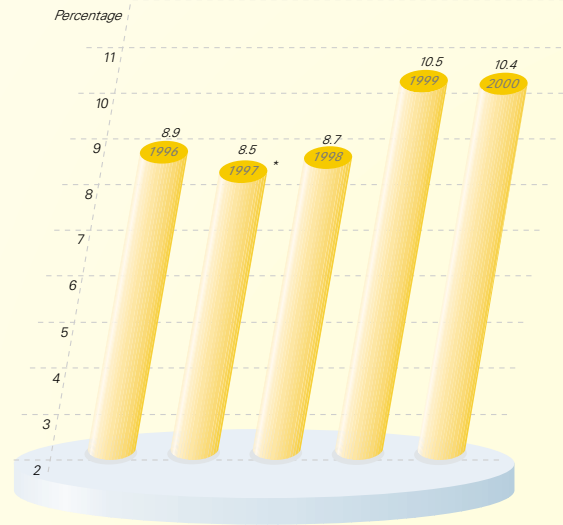
Group PBT increased from \$47.2 million in 1996 to \$111.1 million in 1999, decreasing to \$96.5 million in 2000. Group PATMI increased from \$32.6 million in 1996 to \$78.4 million in 1999. Despite the decline in PBT in 2000, PATMI grew by 2.3% to \$80.2 million. This increase was due to savings from the restructuring and streamlining of the Group's shipyard operations together with a write-back of prior years tax over-provision and the exceptional profits from the divestment of JTIC shares and other long-term quoted investments.

Group earnings per share increased from 2.93 cents in 1996 to 5.75 cents in 2000. Group return on equity also increased from 5.67% in 1996 to 9.52% in 2000.



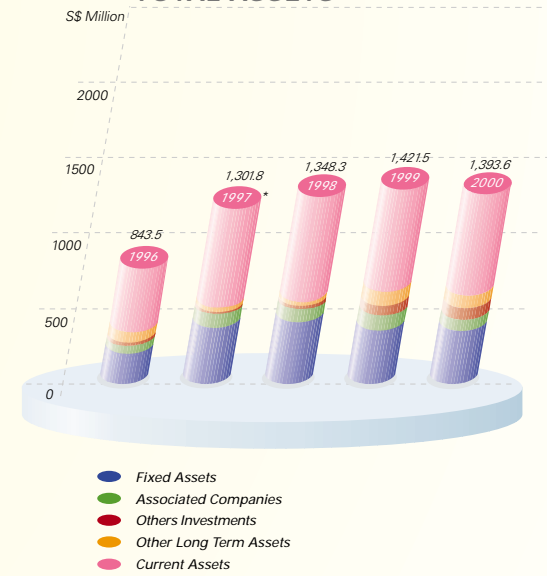
* Jurong Shipyard and Sembawang Shipyard merger (August 1997)
 * Restructuring and name change to SembCorp Marine

OPERATING PROFIT MARGIN



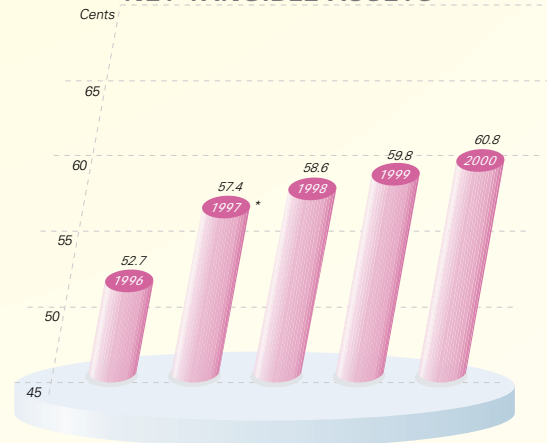
Group operating profit margin in 1996 was 8.9% and registered a decline to 8.5% the following year. It increased marginally to 8.7% in 1998 and 10.5% in 1999 before decreasing marginally to 10.4% in 2000.

TOTAL ASSETS



Total assets increased from \$843.5 million in 1996 to \$1,421.5 million in 1999. In 2000, total assets stood at \$1,393.6 million.

NET TANGIBLE ASSETS



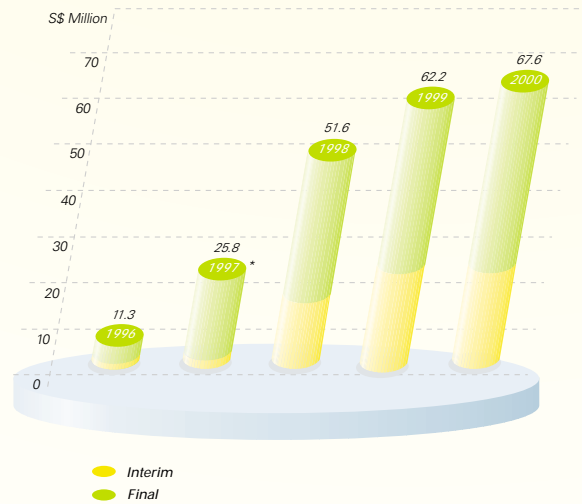
The Group's net tangible assets per share also increased from 52.7 cents in 1996 to 60.8 cents in 2000.

Current liabilities increased from \$191.8 million in 1996 to \$501.8 million in 1999. In 2000, it declined to \$476.3 million. Long-term liabilities increased from \$45.0 million in 1996 to \$65.9 million in 1998. In 2000, it declined to \$57.2 million.

TOTAL LIABILITIES

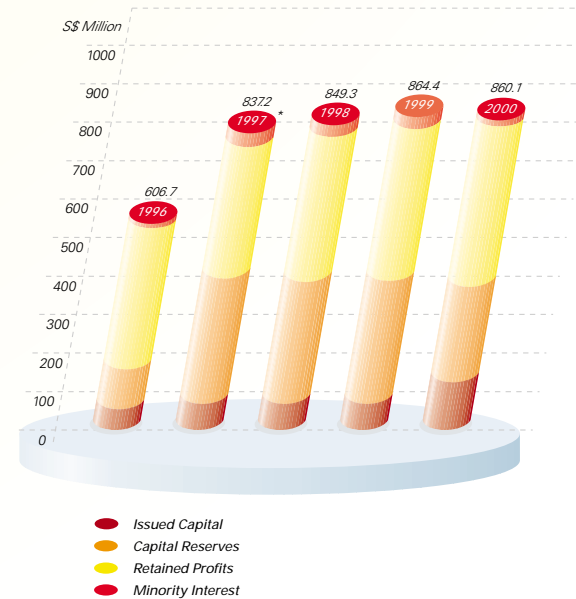


DIVIDENDS



Total dividend payment to shareholders increased from \$11.3 million in 1996 to \$25.8 million in 1997, \$51.6 million in 1998, \$62.2 million in 1999 and \$67.6 million in 2000.

SHAREHOLDERS' FUNDS



The Group's issued capital increased from \$55.6 million in 1996 to \$69.8 million in 1999. In 2000, it increased further to \$139.5 million due to the bonus issue. Capital reserves increased from \$138.1 million in 1996 to \$322.9 million in 1997, dipping slightly to \$320.6 million in 1998. In 2000, capital reserves stood at \$254.4 million. Retained profits increased from \$392.6 million in 1996 to \$455.3 million in 2000.

* Jurong Shipyard and Sembawang Shipyard merger (August 1997)