

SINGAPORE: Rigging equipment provider KTL offers shares to raise S\$9.6 million
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(EnergyAsia, December 10, Monday) ó KTL Global Limited, a supplier of rigging equipment and services to the offshore oil, gas and marine industries, has launched its initial public offering (IPO) for 40 million new shares at S\$0.28 each as part of its listing on the Singapore Exchange Securities Trading Ltd (SGX). (US\$1=S\$1.45).

It plans to use the expected \$9.6 million net proceeds of the IPO to purchase plant and equipment for its new Tuas facility, and for general working capital and possible acquisitions joint venture and strategic alliances.

Phillip Securities Pte Ltd is the manager, underwriter and placement agent for the listing. The offer opened last week and will close on December 12, with the shares expected to list on December 14.

The 40 million new shares represent 25% of KTL's enlarged share capital of 160 million shares. At S\$0.28 per share, the Invitation is priced at a historical price earnings ratio of eight times the company's net earnings per share of 3.5 cents for FY2007 and pre-invitation share capital of 120 million shares.

The invitation comprises two million offer shares available to the public for subscription and 38 million placement shares.

KTL has been providing rigging equipment and services for more than 60 years. Rigging equipment are assemblies of ropes and slings used for lifting and mooring purposes. Ropes are generally made of steel or other synthetic materials such as polypropylene and nylon.

KTL's other services include load testing, installation, testing and certification of rigging equipment to ensure high standards of safety and the extended use of such equipment. The company operates out of its Changi property with a storage area of approximately 10,000 sq m.

Wilson Tan, KTL's CEO, said: "Our key success factors include our established relationships with world renowned suppliers and KTL's strong partnerships with a diversified group of customers. These cornerstones have enabled us to enjoy the timely supply of products at attractive prices and terms, which in turn enable us to effectively cater to the highly varied needs of our customers.

"Our large scale operational know-how also allows us to achieve considerable economies of scale, enabling us to price our products competitively while at the same time, enjoy better profit margins."

KTL's operating revenue increased from S\$32.9 million in FY2005 to S\$41.8 million in FY2007 while net profit grew from S\$1.6 million in FY2005 to S\$4.2 million in FY2007 (after excluding the one-off gain from disposal of its Changi property for S\$6.2 million.

From July 1 to October 26, KTL had confirmed sales orders totalling S\$24 million, of which about S\$19 million had been fulfilled.