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KTL Global takes 57.5% stake in winch-making venture

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OIL and gas rigging equipment supplier KTL Global has formed a joint venture to design and manufacture winches for the marine and offshore industry.

It said on Wednesday that it would take a 57.5 per cent share in KTL Logan. Partners include US-based Logan Industries International.

Logan will own 20 per cent of the venture, which has an issued capital of \$1,000. The other investors are Sea Reef LLC, Centenio Resources Pte Ltd and Derrick Tan Yoke Pin.

In addition, KTL has proposed an exclusive joint marketing alliance with Logan and Sea Reef to market and distribute winches produced by the venture in South-east Asia, China, Japan, South Korea and Australia.

Said KTL chief executive Wilson Tan: 'This winch production business extends our capabilities and adds to our competitive edge. It enables us to better customise our lifting and mooring systems to meet the diverse and stringent requirements of our clients. In addition, the higher level of integration that we will achieve for our service and product offerings will allow us to better control our margins.'

Plus, the new venture will help the company with its plan to become an integrated rigging equipment specialist.

'It represents a milestone for the group as we will be able to tap on the experience of our US partners through KTL Logan, and on the proposed joint marketing alliance to strengthen our position in the marine and offshore oil & gas industries.'

For the year ended June 30, 2008, KTL reported a net profit of \$6.3 million, which was a 54 per cent increase from FY07's \$4.1 million (excluding a one-time disposal gain of \$6.2 million).

The company received 55 per cent of its \$63.4 million revenue from Singapore, and another 21 per cent from regional markets, including Malaysia, Indonesia, Vietnam and Thailand.

The company, which was listed last December, also announced a maiden final dividend of one cent a share.

Its shares closed 1.5 cents higher at 16.5 cents yesterday.

KTL Global – The oil and gas rigging equipment supplier has formed a joint venture to design and manufacture winches for the marine and offshore industry. It said on Wednesday that it would take a 57.5% share in KTL Logan. Partners include US-based Logan Industries International. Logan will own 20% of the venture, which has an issued capital of \$1,000. The other investors are Sea Reef LLC, Centenio Resources Pte Ltd and Derrick Tan Yoke Pin. In addition, KTL has proposed an exclusive joint marketing alliance with Logan and Sea Reef to market and distribute winches produced by the venture in South-east Asia, China, Japan, South Korea and Australia. The new venture will help the company with its plan to become an integrated rigging equipment specialist. For the year ended June 30, 2008, KTL reported a net profit of \$6.3m, which was a 54% increase from FY07's \$4.1m (excluding a one-time disposal gain of \$6.2m). The company received 55% of its \$63.4m revenue from Singapore, and another 21% from regional markets, including Malaysia, Indonesia, Vietnam and Thailand. The company, which was listed last December, also announced a maiden final dividend of one cent a share.

BH Global Marine – The supply chain management company, which specialises in equipment for the marine and oil and gas industries, has posted a 3% increase in net profit to \$5.09m for the third quarter ended Sept 30. Revenue fell 6% to \$22.7m. EPS came to 1.21 cents, up from 1.18 cents in the corresponding quarter last year. Marine electrical equipment accounted for 90% of turnover, or \$20.5m, although this is 8% lower than for 3Q07, 'due to 3Q07 being an exceptional quarter where some projects in 4Q07 were brought forward to 3Q07', BH Global said. Marine consumables, which contributed the remaining \$2.17m, grew 16% as more orders were secured from shipchandlers and shipyards' MRO (maintenance, repair and overhaul) business. Looking ahead, BH Global plans to deepen its presence in foreign markets which still see strong demand.

SingTel – New Zealand's Telecom Corp has withdrawn from a SingTel-led group that is bidding to build Australia's high-speed Internet network, undermining the tender's chance of success. Telecom's AAPT unit, the Terria group's second biggest member, pulled out after deciding not to financially support the network, AAPT chief executive officer Paul Broad said.

GuocoLeisure Ltd – The company, which is part of the Hong Leong group, yesterday posted a 23.8% increase in first-quarter net profit to US\$17.7m. Turnover for the period ended Sept 30 fell 29.4% to US\$113.6m.

Nera Telecommunications Ltd – Reported a 38.7% fall in net profit to \$1.86m for the three months ended September. Turnover fell 22% to \$34.39m due to lower sales in its telecoms segment.

Li Heng Chemical Fibre – Said yesterday that the financial crisis is starting to bite, as customers ask for lower prices and longer credit. Chief financial officer John Chan expects the industry's sales to fall 10% this fiscal year and nylon fibre prices to drop 2-5% this year.

(Sources: Company, SGX, Business Times, Dow Jones)