

## Fleet expansion helps buoy Swee Joo revenue

SUSTAINED by market buoyancy and fleet expansion, Swee Joo Bhd registered a 16.9 per cent increase in revenue totalling RM297.67 million for the current financial year ended September 30 2007, compared with RM254.62 million in the previous financial period.

Based on the performance, container shipping services contributed to more than 90 per cent or RM277.8 million of the group's earnings.

"We will continue our expansion drive on container cargo shipping as the sector remains a core contributor to the group," said the managing director of Swee Joo Bhd Sim Mong Hong.



**SIM: We will continue our expansion drive**

The company, through its subsidiary Johan Shipping Sdn Bhd, has placed an order for a 908-TEU (twenty-foot equivalent unit) capacity new container vessel.

The US\$14.1 million (US\$1 = RM3.26) container ship will be delivered by Dongsheng Shipping Co Ltd in February 2008," said Sim

He said the acquisition was in line with the fleet expansion plan of Swee Joo Group in providing container cargo shipping services in Asean and the intra-Asia region.

"We will continue with our plans to increase the number of vessels plying domestic routes to cater to the expected increase in demand in shipping services between the Peninsula and East Malaysia," said Sim.

According to Sim, the group's vessels are currently running at about 87 per cent capacity from the Peninsula to East Malaysia and about 29 per cent capacity from East Malaysia to the Peninsula.

He felt that as more and more main line operators are calling at Bintulu Port, there was potential for a higher growth of shipping demand from East Malaysia to the Peninsula and along the Sarawak coast.

"Our group plans to acquire bigger vessels and re-route the smaller ones according to demand. With the additional ships, we would be able to increase the frequency of voyages between the Peninsula and East Malaysia, and vice versa," said Sim.

He said the firm has taken delivery of additional tugs and barges for the coastal services in 2007.

In a move to diversify its operations, the company has expanded into a tanker fleet expansion plan. Swee Joo group, which received its first tanker in the middle of this year, has placed order for its third tanker from China, said Sim.

Swee Joo has entered a shipbuilding contract with Zhe Jiang Antai Shipping Co Ltd for the purchase of one unit of 12,700-dwt new chemical tanker.

The US\$22.1 million tanker is expected to be ready for delivery in June 2008. The acquisition is in line with the fleet expansion plan of Swee Joo in providing liquid bulk cargo shipping services in Asean and the intra-Asia region.

"We plan to tap into the growing market for the shipment of palm oil from Sabah and Sarawak to Peninsular Malaysia and China, said Sim.

"We have taken delivery of our first tanker, US\$12 million-Asia Star, middle of this year.

"The 7,000-dwt tanker is being deployed in transportation of crude palm oil and other liquid cargo from East Malaysia to Peninsular Malaysia, India and China. The second ship in the 7,000-dwt series is expected to be delivered by first quarter of 2008," he added. - Ports World

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