

# Band of Brothers

Chua Sibling lead Beng Kuang Marine from a humble one-man operation to a 600 employee firm launching an IPO.

By Janice Wong

Whenever the four Chua brothers gather for a game of mahjong, the conversation inevitably turns to ships and shares.

Their company, Beng Kuang Marine (BKM), a corrosion prevention specialist, lunched its initial public offer for a listing on the secondary board yesterday.

Each brother leads a different section of BKM, an arrangement that brings out their individual strengths.

Founder and managing director Chua Beng Kuang, 47, is described by the rest as the avid entrepreneur.
In 1990, the former sub-contractor, who didn't complete his secondary school education, started the business with only $1,000 in his bank account.

His elder brother, Mr Chua Meng Hua, 50, whom the other brothers look up to as a superb administrator, said: "After each day of painting ships, Beng Kuang's skin became painfully raw and peeled."

"He had to work round the clock because docking charges were expensive and ship-owners imposed tight deadlines. If you tore each dollar he earned, you could imagine the blood and sweat dripping out." Mr Beng Kuang persisted despite his skin allergy and roped in his three brothers because he saw that the business had good prospects. He said: "Singapore is a leading one-stop marine hub. We expected corrosion prevention activities to increase as a result of the expected increase in regional marine activities and new vessel construction by local shipyards."
Explaining his family's involvement, he said: " We come from a poor family - our father was a laborer - and there has always been a sense of unity and thirst to succeed."

BKM, which is the contractor for corrosion prevention at seven shipyards here and two in Batam, posted $37.4 million in revenue for the 2003 financial year.

The company, now a subsidiary of mainboard-listed Labor Marine, also provides steel and rig structures for its customers in the oil and gas industries and supplies more than 300 types of tools under its house brand Master for carrying out welding, blasting and painting works.

The Merchant Shipping Act makes it mandatory for ships registered in Singapore to carry out maintenance works once in every two and half years. For its IPO, BKM is offering 21 million new shares consisting of 2.1 million offer shares and 18.9 million placement shares. At 23 cents each and historical net earning at 2.42 cents a share for FY 2003, the historical price earning ratio is 9.5 times.

Net proceeds are expected to be about $3.9 million, of which half will be used to buy machinery. The rest is to be used as general working capital, including repayment of overdrafts.

The ATM tranche, which opens today, will close on Oct 13. Trading is expected to start on Oct 15.

Mr Beng Kuang hopes that listing BKM will raise its profile and attract more young talent to join his company in Tuas, which has more than 600 employees.

He said with an assuring smile: "With protective gear and advance chemical technology, the skin no longer peels."

**Sesdaq Focus**

**Beng Kuang Marine**

**Financial year**
ended 31 Dec

**Revenue**
$37.4 Million (-5%)

**Net Profit**
$2.5 Million (+138%)

**IPO Shares**
23 cents