



**The Global Superstructure  
& Marine Crane Leader  
*3Q, 2008***



- OPCO
- Products
- Investment Points
- Financials



# ORIENTAL PRECISION & ENGINEERING CO., LTD.

## OPCO

## Products

## Investment Points

## Financials

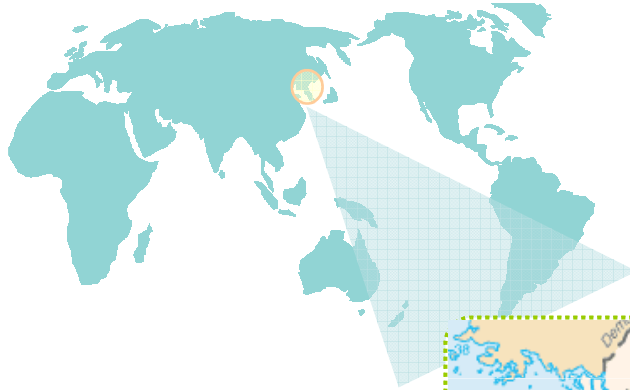
- ▶▶ Company at a glance
- ▶▶ Production facilities
- ▶▶ History
- ▶▶ Organizational chart
- ▶▶ CEO & shareholders
- ▶▶ Affiliated Company

# Company at a glance

[OPCO](#)
[Products](#)
[Investment Points](#)
[Financials](#)

<b>Company Name</b>	OPCO (Oriental Precision & Engineering Co., Ltd.)
<b>Established</b>	19 July 1980
<b>CEO</b>	Chong Suk Suh / Sang Won Suh
<b>Major products</b>	deck house, engine room casing, funnel for vessels life boat davit, deck machinery, and various cranes for vessels Accommodation barge, deck box for semi & middle size drill rig
<b>Sales</b>	KRW 410.0 billion (2008E) - KRW 310.6 billion (2007)
<b>Paid-in capital</b>	KRW 10.7 billion (2008 3Q)
<b>Total liabilities</b>	KRW 199.3 billion (2008 3Q)
<b>Total assets</b>	KRW 266.9 billion (2008 3Q)
<b>Stock code</b>	KOSDAQ 014940
<b>Number of employees</b>	649 (2008 3Q)
<b>Location</b>	<ul style="list-style-type: none"> <li>• Head Office &amp; Busan Factory 1614-1, Songjung-Dong, Kangsuh-Gu, Busan, Korea</li> <li>• Jinhae Factory 575-1 Myung-Dong, Jinhae, Kyungsangnam-Do, Korea</li> </ul>

# Production facilities



## Jinhae Division



Land : 122,314 m<sup>2</sup>  
 Buildings : 24,815 m<sup>2</sup>  
 2007 Sales : KRW 258.9 Bil.

## GWANGYANG Factory



Land : 152,575m<sup>2</sup>  
 Main Work Start : the second half 2008

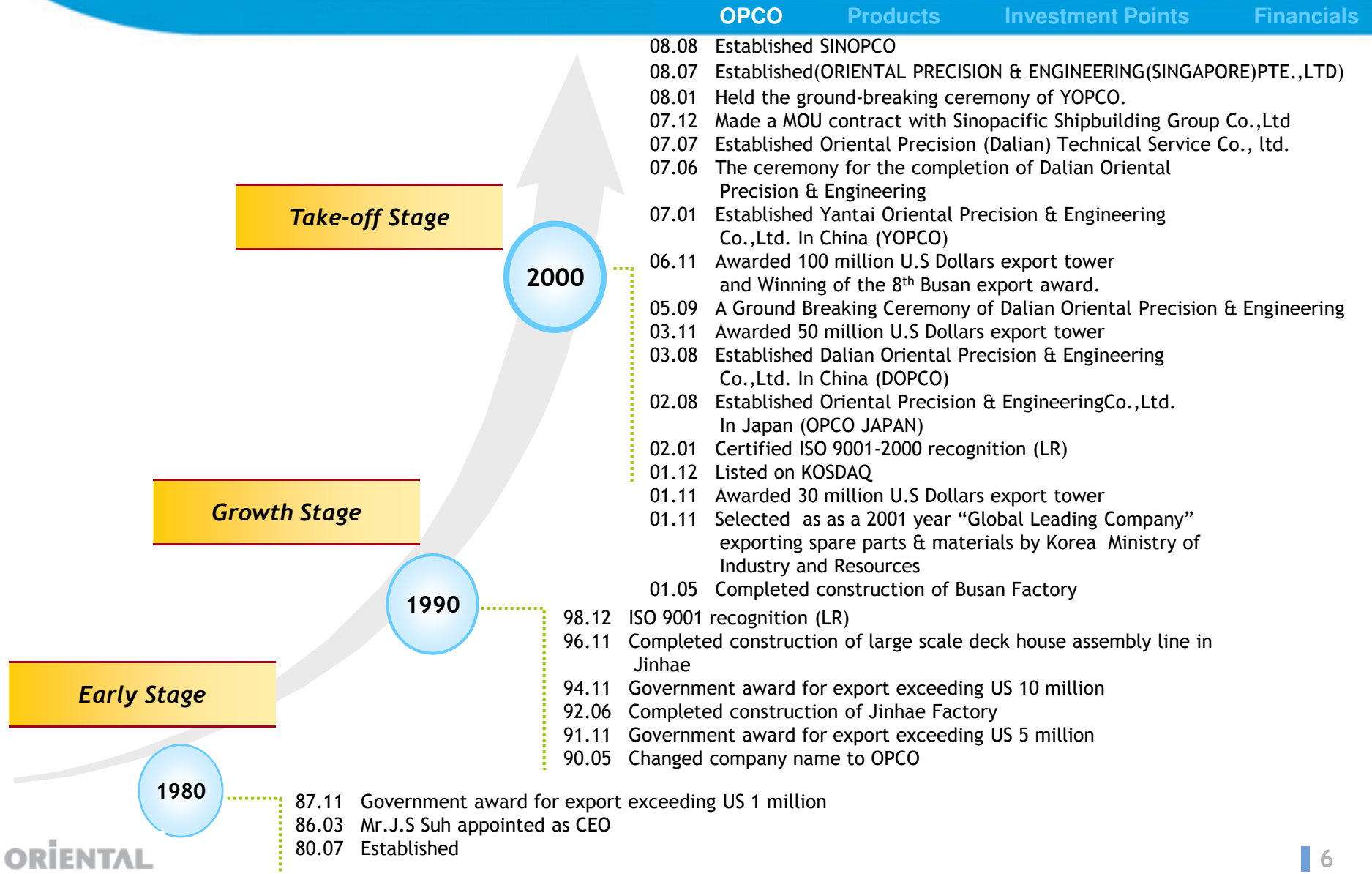


## HQ & Busan division



Land : 23,140 m<sup>2</sup>  
 Buildings : 7,881 m<sup>2</sup>  
 2007 Sales : KRW 51.7 Bil.

# History



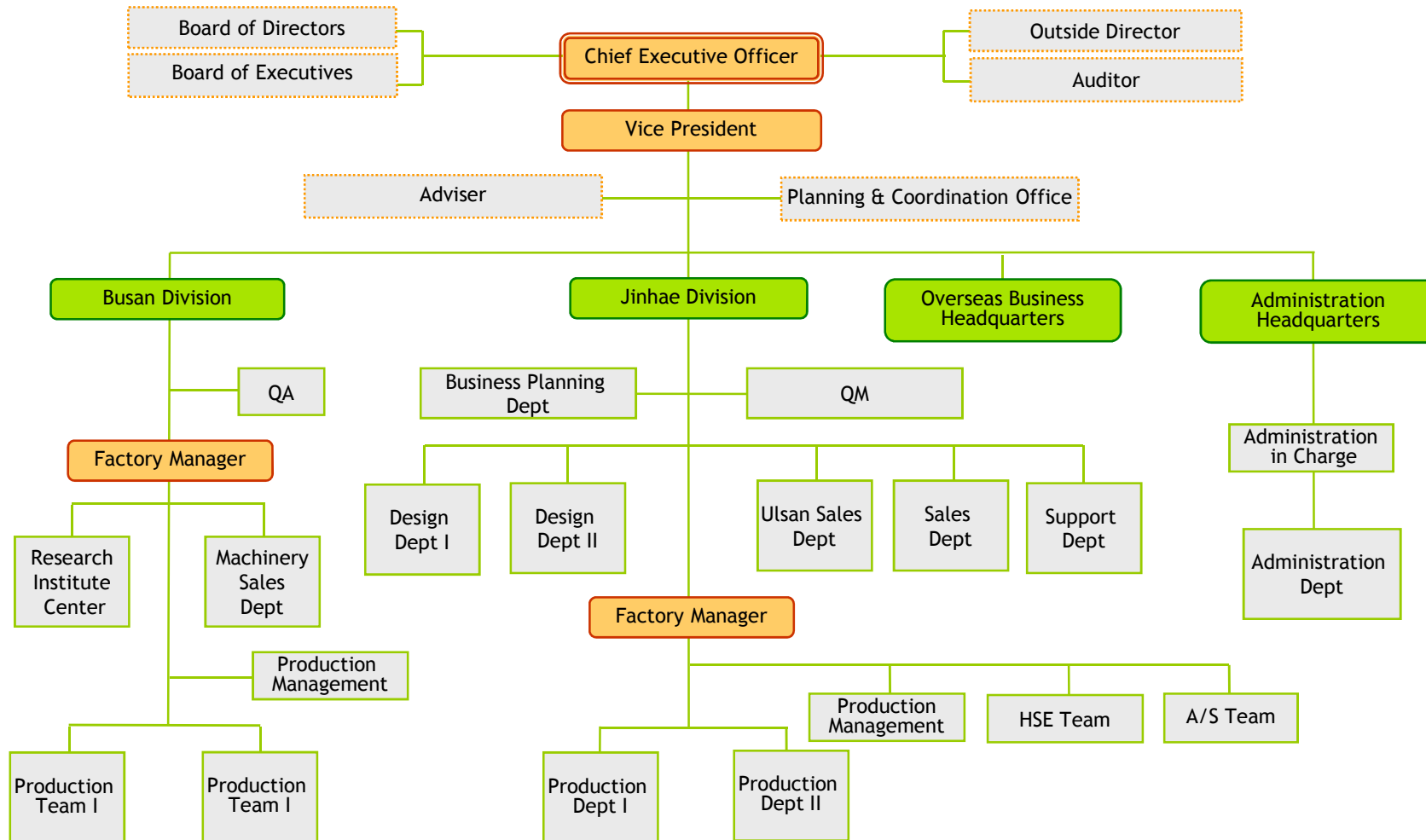
# Organizational Chart

OPCO

Products

Investment Points

Financials



# CEO & shareholders

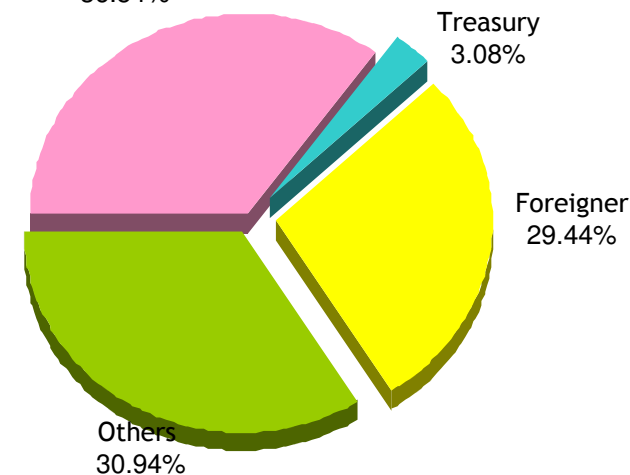
## +++ CEO (Chong Suk Suh)

<i>Education &amp; Business</i>	
1964	Bachelor of Arts, Korean Literature, Yonsei University
1965 - 1971	Chief Editor, Science World
1971 - 1986	Korea Shipbuilding Corporation (Now Hanjin Heavy) Managing Director, Overseas Business Division Managing Director, Corporate Planning
1986 - Present	President & CEO, OPCO

<i>Social Activities</i>	
1986 - Present	Auditor, Korea Marine Equipment Association (KOMEA)
1996 - Present	Chairman, Busan Marine Equipment Association
2003 - Present	Official member & Vice Chairman , Busan Chamber of Commerce
2004 - Present	Chairman, Cooperative Companies for Daewoo Shipbuilding & Marine Eng.
As of 2007	Member of many cooperatives including Hyundai Heavy, Samsung Heavy, Hanjin Heavy, Mitsubishi Heavy, and Kawasaki Heavy

## +++ Shareholders

CEO & major shareholders  
36.54%





# Affiliated Company

OPCO

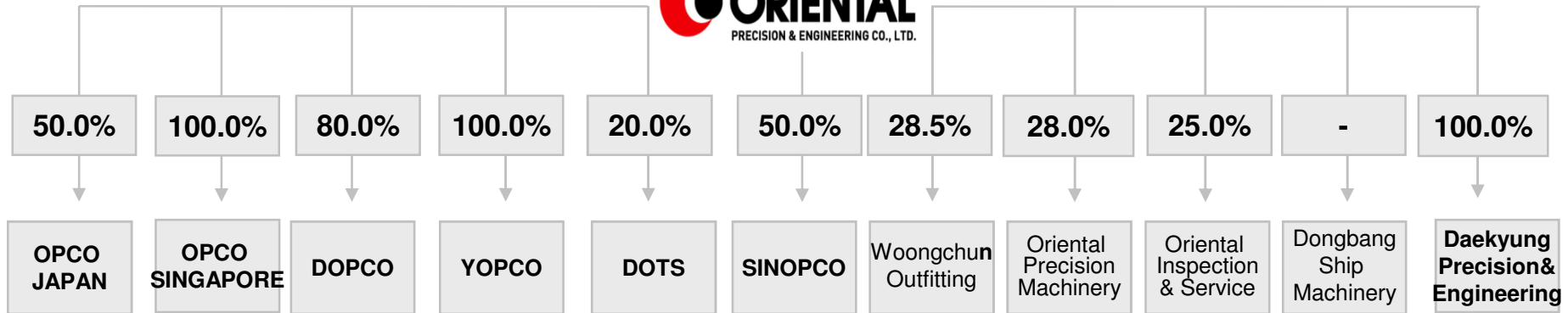
Products

Investment Points

Financials

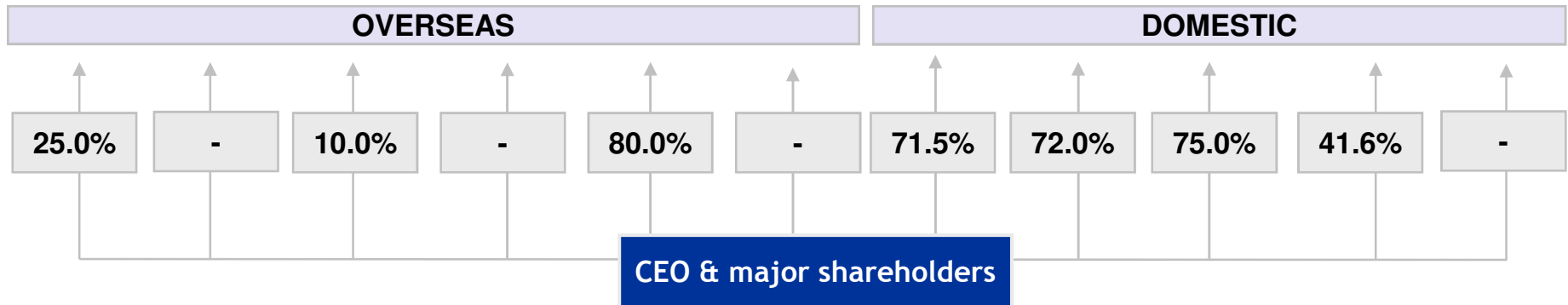
2008. 09. 30

## +++ Combination Status



### OVERSEAS

### DOMESTIC





## **ORIENTAL PRECISION & ENGINEERING CO., LTD.**

OPCO

**Products**

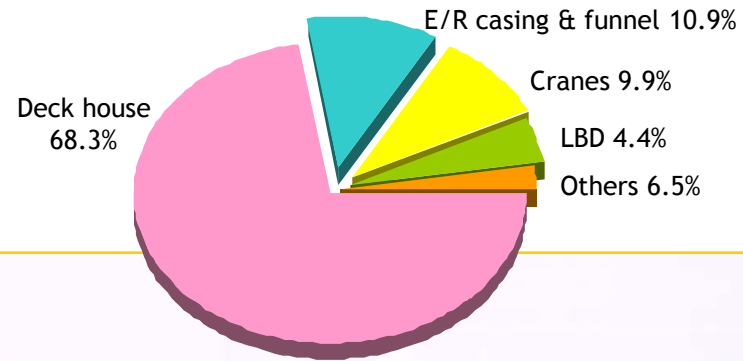
Investment Points

Financials

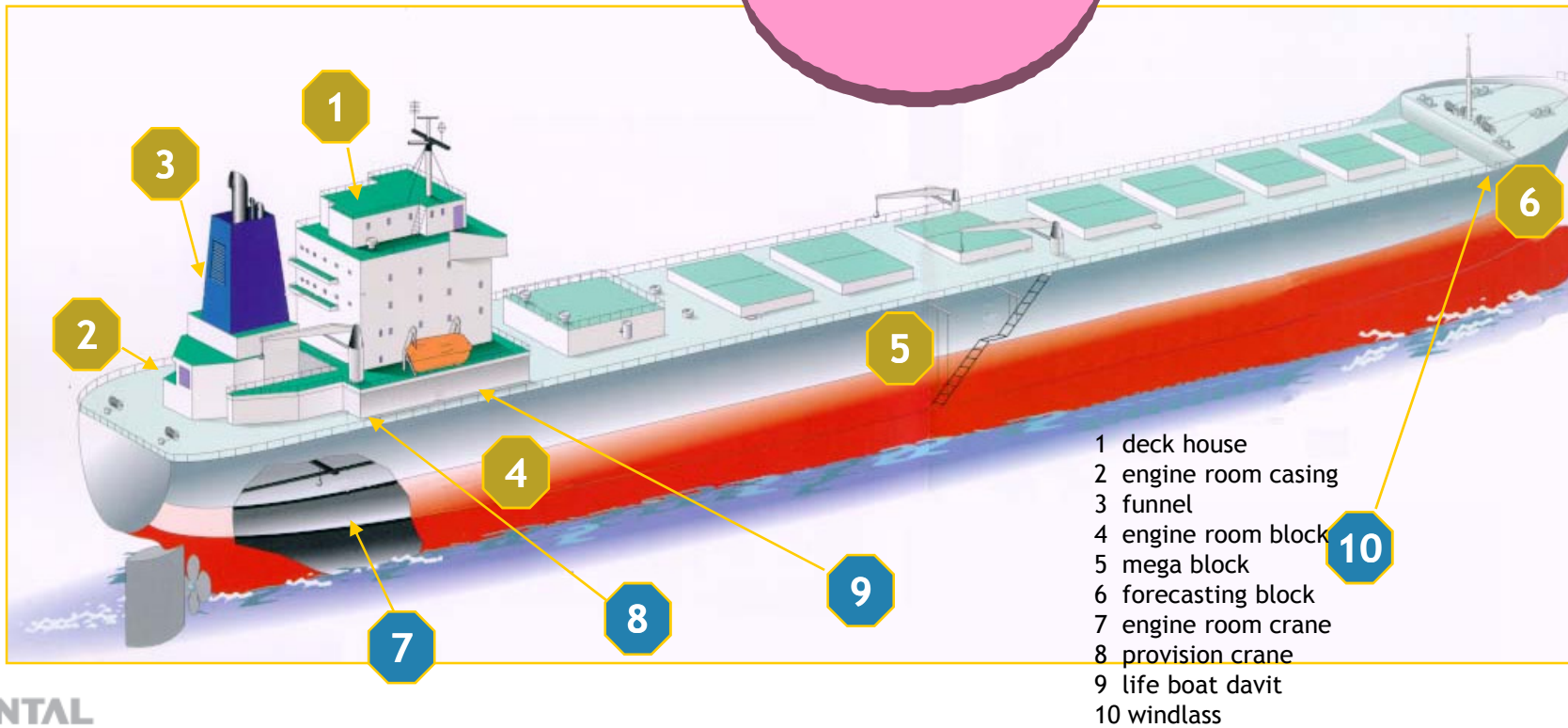
- ▶▶▶ Major products & application
- ▶▶▶ Major products (Jinhae Factory)
- ▶▶▶ Super Structure Products Results
- ▶▶▶ Major products (Busan Factory)
- ▶▶▶ Marine Machinery Products Results

# Major products & application

## +++ Sales Breakdown



## +++ Products & usage



# Major products (Jinhae Factory)

## +++ Deck House



Living and working space of crews. Since Oriental first built the first pilot product in 1994, Oriental currently has world largest annual maximum production capacity of 100 deck houses.

## +++ Funnel & Engine Room Casing

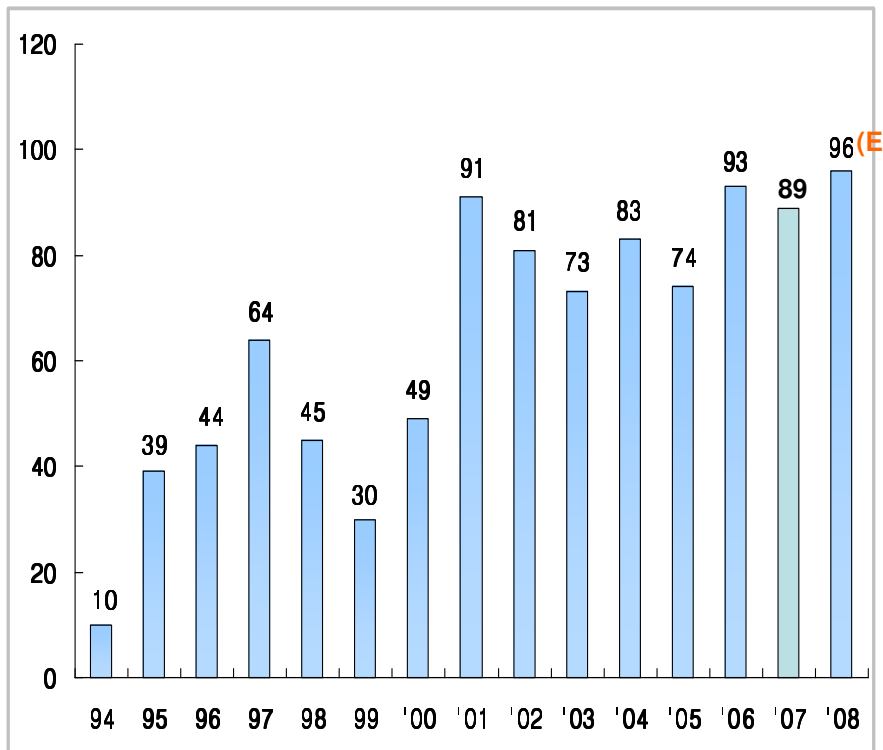


Funnel, face of the ship, represents the ship carrying logos of shipping company. Casing covers upper part of engine room and it housed various machineries and equipments.

# Super Structure Products Results

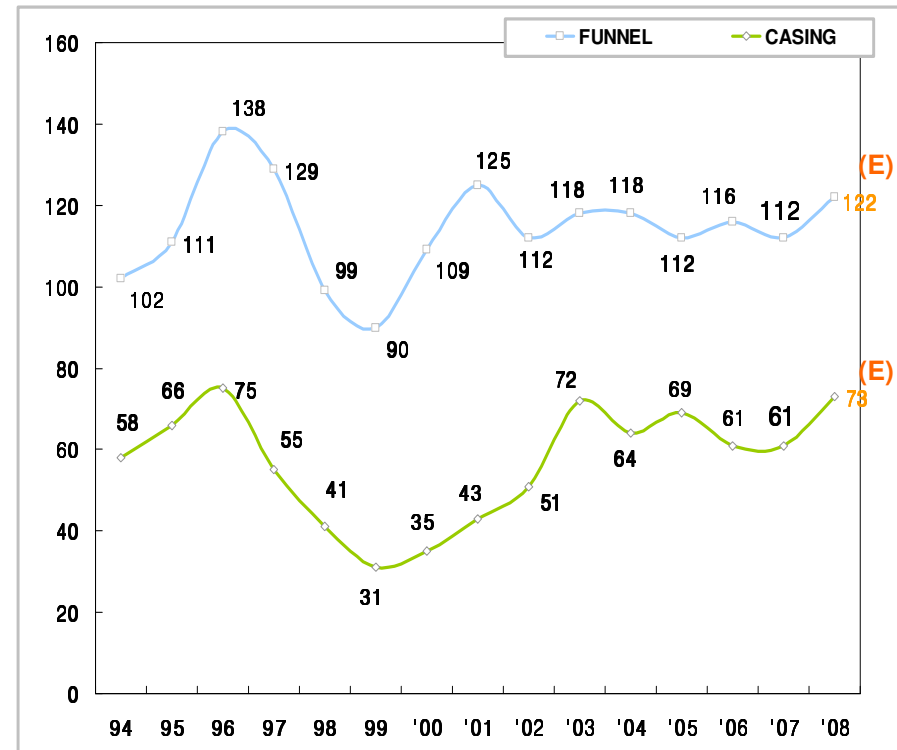
## +++ Deck House Products Results

Unit: SHIP



## +++ Funnel & Casing Products Results

Unit: SHIP



# Major products (Busan Factory)

+++ Provision Crane



+++ Hose Handling Crane



+++ Deck Machinery



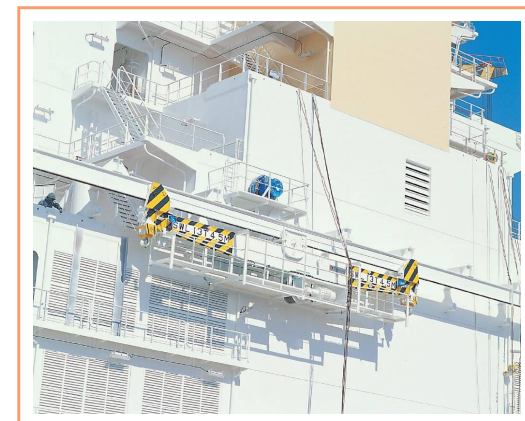
+++ Engine Room Crane



+++ Life Boat Davit



+++ Monorail Crane





# Marine Machinery Products Results

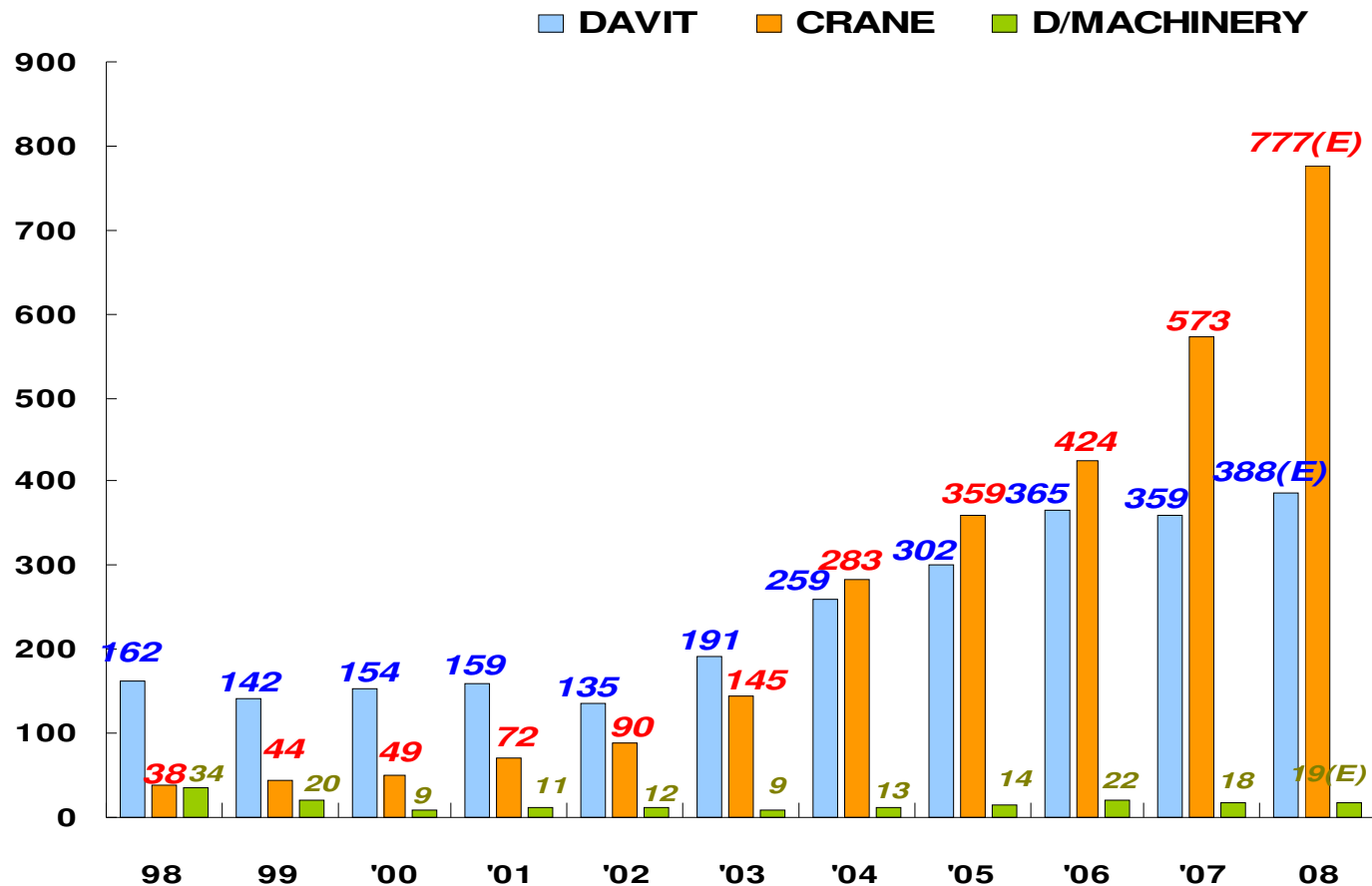
OPCO

Investment Points

Financials

## +++ MACHINERY PRODUCTS RESULTS

Unit: SHIP





## ORIENTAL PRECISION & ENGINEERING CO., LTD.

OPCO

Products

Investment Points

Financials

- ▶▶ Firm customer basis
- ▶▶ Balanced sales by customer(2007)
- ▶▶ Entry in China shipbuilding market (A)~(C)
- ▶▶ Investment points summary
- ▶▶ Investment points summary in 2008



# Firm customer basis

OPCO

Products

Investment Points

Financials



Domestic

STEADY BUSINESS



**ORIENTAL**  
PRECISION & ENGINEERING CO., LTD.

Overseas

FIRM RELATION



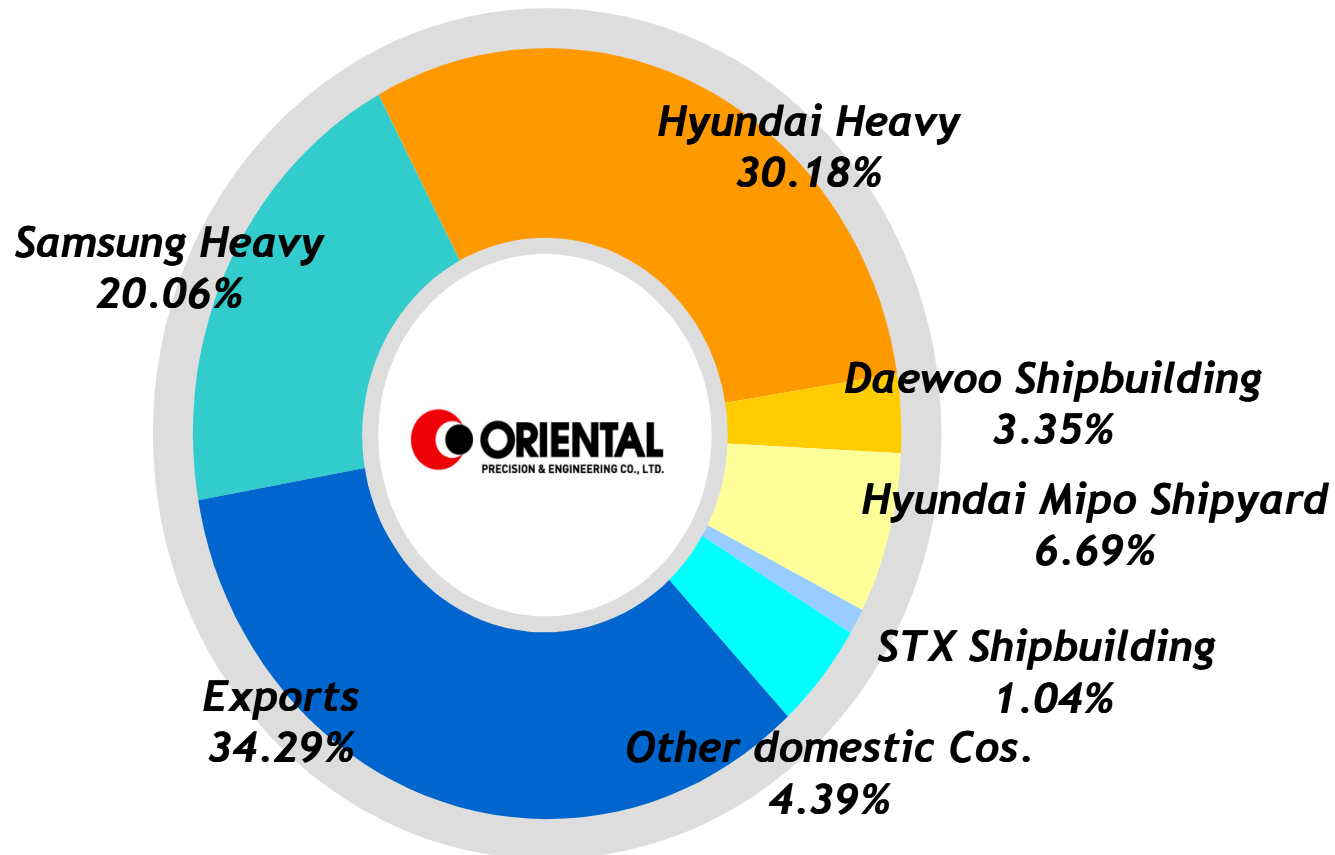
## Balanced sales by customer(2008 3Q)

OPCO

Products

Investment Points

Financials



# Entry in China shipbuilding market (A)

OPCO

Products

Investment Points

Financials

## +++ Dalian Oriental Precision & Engineering Co.,Ltd.

Company Name	Dalian Oriental Precision & Engineering Co., Ltd.
Established	August 8, 2003
Paid-up Capital	US\$ 48 Mil. (Ownership of 80%, US \$38.4 Mil ) including intangible asset
Total Investment amount	US\$ 30 Mil
Landsite	264,000m <sup>2</sup> (Abt 2 times of OPCO Jinhae factory)
Start of production	May 28, 2006
Major products	Same as OPCO Jinhae factory Off-shore & Marine plant

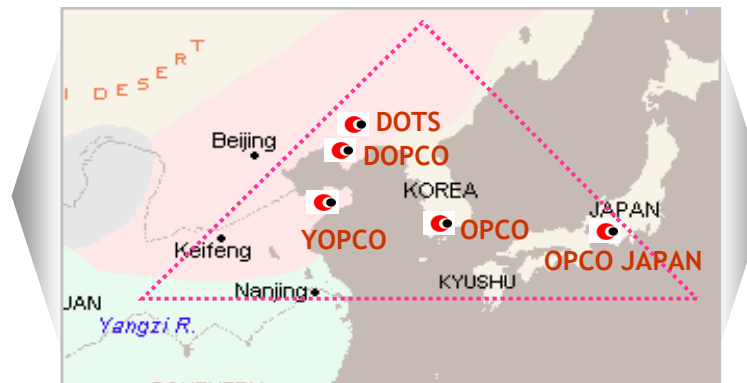
## +++ Yantai Oriental Precision & Engineering Co.,Ltd.

Company Name	Yantai Oriental Precision & Engineering Co., Ltd.
Established	January 9, 2007
Paid-up Capital	US\$ 2.4 Mil. (Ownership of 100%)
Landsite	Abt 23,140m <sup>2</sup>
Start of production	Oct 09, 2008
Major products	Same as OPCO Busan factory

## +++ DOPCO Layout



## +++ Location



## +++ YOPCO Layout



# Entry in China shipbuilding market (B)

OPCO

Products

Investment Points

Financials

## +++ Oriental Precision (Dalian) Technical Service Co.,Ltd.    +++ Yangzhou Pacific-Oriental Heavy Industry Co., Ltd

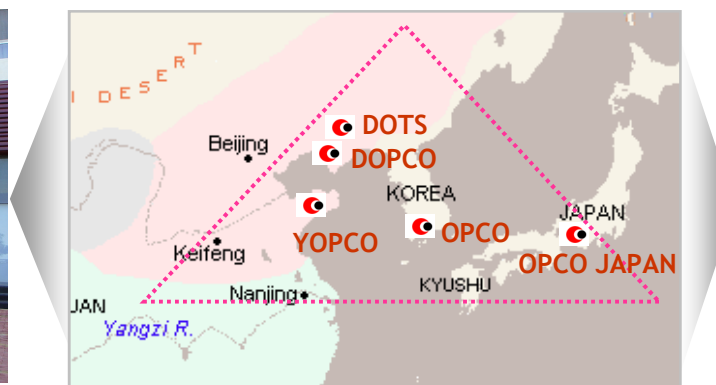
Company Name	Oriental Precision (Dalian) Technical Service Co.,Ltd.
Established	July 23, 2007
Paid-up Capital	US\$ 0.2 Mil. (Ownership of 20%) Ownership of 100% including special concerned
Location	Dilain, Liaoning, China
Major Business	Design of Superstructure, Marine Off-shore etc

Company Name	Yangzhou Pacific-Oriental Heavy Industry Co., Ltd
Established	Planned May, 2008
Paid-up Capital	US\$ 16 Mil. (Ownership of 50%)
Total Investment amount	US\$ 40 Mil.
Landsite	230,000m <sup>2</sup> (Abt 2 times of OPCO Jinhae factory)
Location	Yanju, Jangsu, China
Major products	Same as OPCO Jinhae factory Off-shore & Marine plant

### +++ DOTS



### +++ Location



### +++ Signing Ceremony of Contract



# Entry in China shipbuilding market (C)

OPCO

Products

Investment Points

Financials

## +++ Accommodation Barge



## +++ Deck Box for Semi-Submersible Drilling Rig



## +++ Deck Crane & Offshore Crane



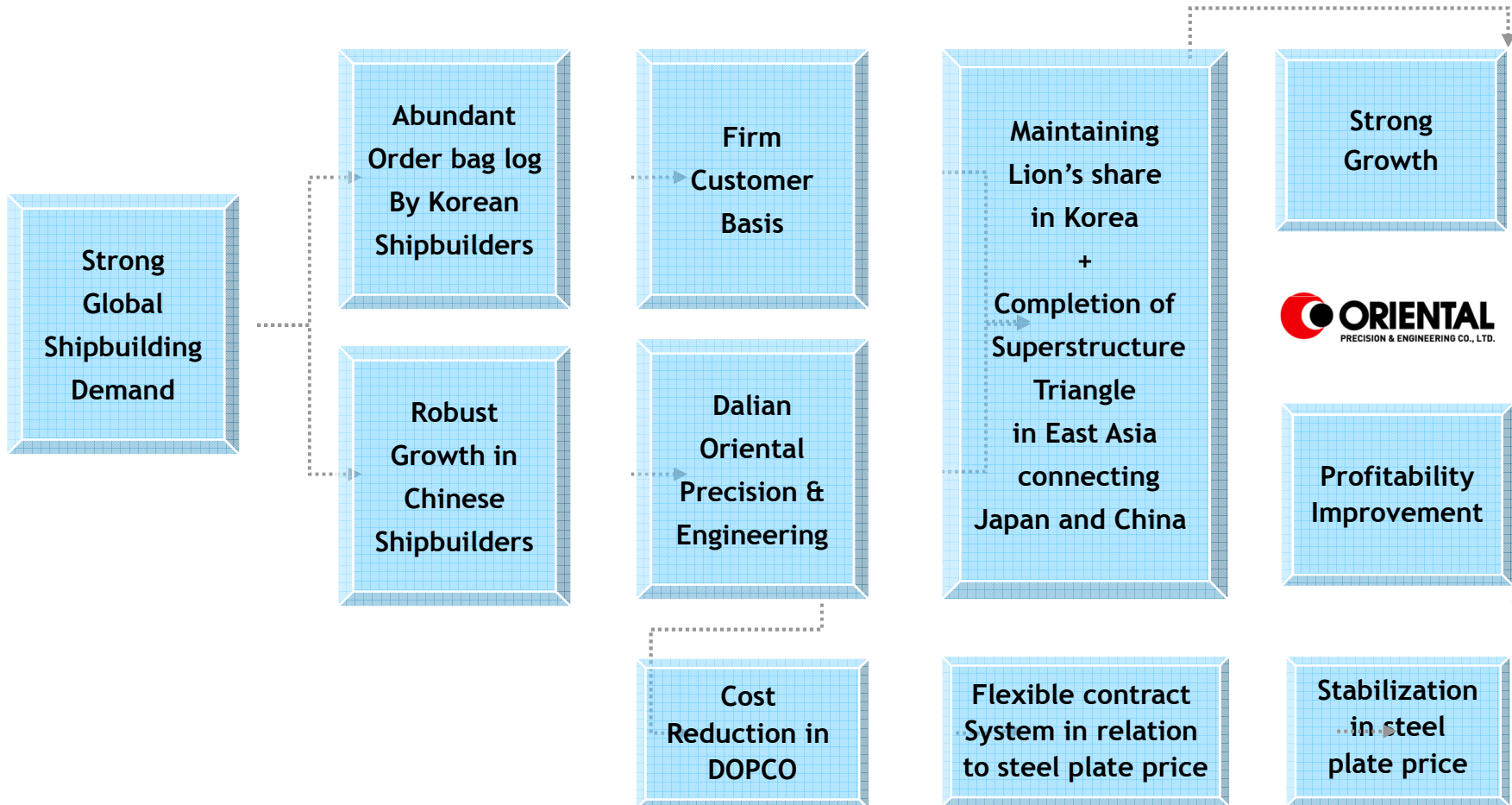
# Investment points summary

OPCO

Products

Investment Points

Financials



# Investment points summary in 2008

## 1. Positive influence by completion of building of china Dalian Oriental Precision & Engineering Co.,Ltd

(Ceremony for the completion: June 1, 2007)

- 1) increase of profit momentum & productivity by normal productivity activity
- 2) development in new business model
  - advance in off-shore & plant industry.
  - production of different hull structure
- 3) minimization of influence by fluctuation of foreign exchange rate
  - confirmed of earning on orders of japan customer with depreciation of unit US\$ rate & JPY rate

## 2. Confirmed Normal margin by facility investment

- 1) margin up by cost reduction of A/S expense & cost of urgent work based stabilization of progress of production work



## ORIENTAL PRECISION & ENGINEERING CO., LTD.

OPCO

Products

Investment Points

**Financials**

- ▶▶ Sales & Earnings
- ▶▶ Assets & liabilities
- ▶▶ Dividend
- ▶▶ Summary Income Statement
- ▶▶ Summary Balance Sheet



## +++ Sales by product / year

Unit : KRW Mil.

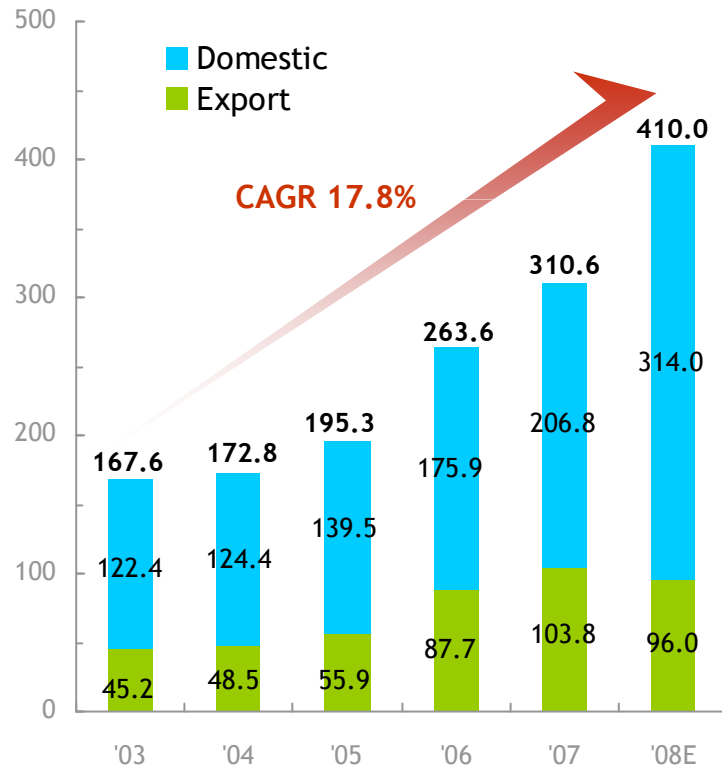
Product	2004	2005	2006	2007	2008(E)
Deck House	118,486	113,383	165,408	212,360	202,000
Funnel & Casing	28,730	49,526	51,972	33,964	50,000
Ring Block	-	-	-	-	24,000
Accom' Barge	-	-	-	-	16,500
Skid Barge	-	-	-	-	47,500
Boat Davit	8,596	10,178	12,768	13,602	18,450
Marine Crane	12,911	16,071	22,687	30,918	45,100
Other	4,096	6,182	6,297	19,793	6,450
<b>Total</b>	<b>172,819</b>	<b>195,341</b>	<b>263,650</b>	<b>310,637</b>	<b>410,000</b>

- Expected sales generation in off-shore & plant in earnest from 2008
- Sustainable growth in Marine Crane division of busan factory
  - expected abt 36% growth rate of 50 billion(KRW) in 2007 against 42 billion(KRW) in 2006
- Deck House => going up in profit by extended ratio of LNG, Large Container, COT ship etc

# Sales & Earnings

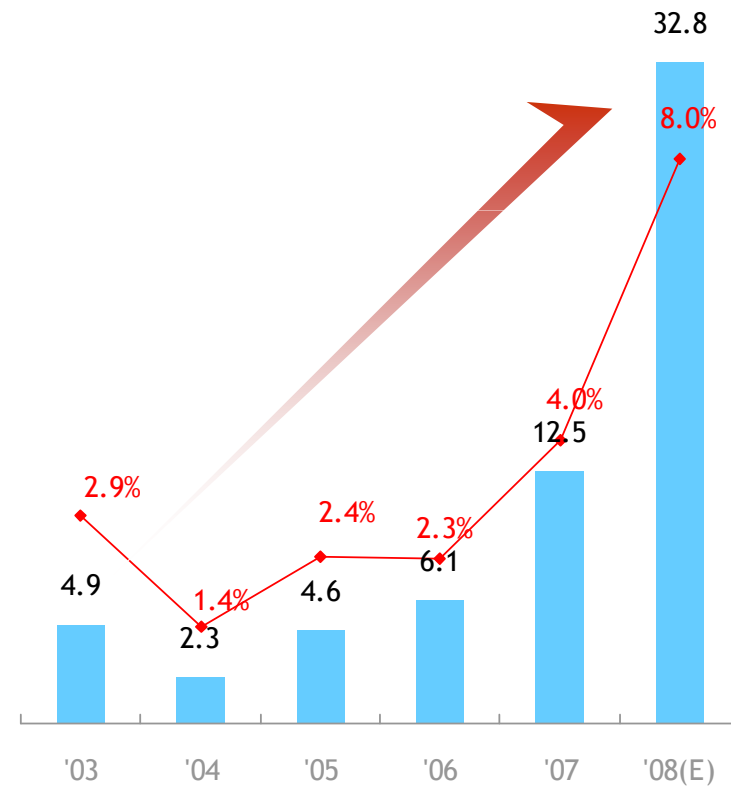
## +++ Sales

(KRW bil.)



## +++ Operating profit & margin

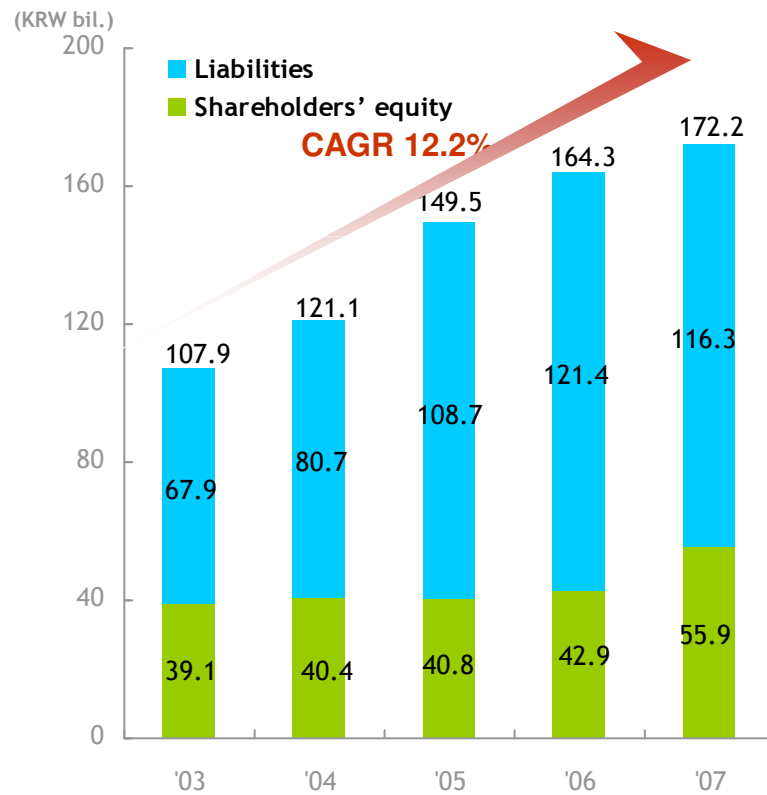
(KRW bil.)



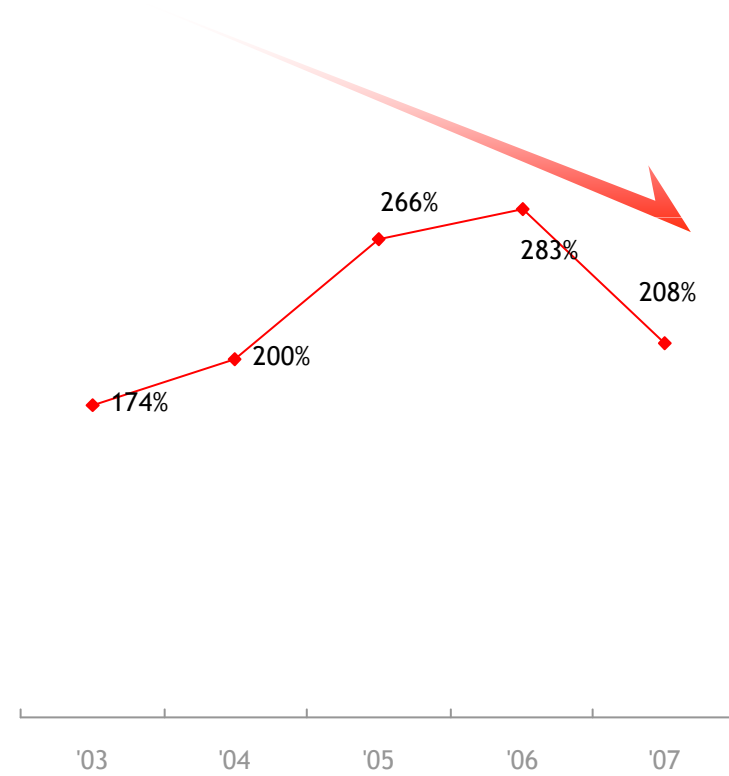
NOTE: '08 1Q: 5.4 / 7.6%

# Assets & liabilities

## +++ Total liabilities & Asset



## +++ Debt to equity ratio



# Dividend

Unit : KRW Mil.

	2003	2004	2005	2006	2007
<b>Net Profit</b>	<b>1,638</b>	<b>1,659</b>	<b>1,080</b>	<b>1,358</b>	<b>4,763</b>
<b>EPS</b>	<b>101</b>	<b>102</b>	<b>65</b>	<b>75</b>	<b>236</b>
<b>Payout ratio</b>	<b>49.6%</b>	<b>48.9%</b>	<b>-</b>	<b>50.2%</b>	<b>32.9%</b>
<b>Dividend rate</b>	<b>10%</b>	<b>10%</b>	<b>-</b>	<b>10%(5%)</b>	<b>15%</b>

# Summary Income Statement

[OPCO](#)
[Products](#)
[Investment Points](#)
[Financials](#)

Unit : KRW Mil.

Year	2005	2006	2007	2008 3Q
Sales	195,342	263,650	310,637	258,108
COGS	176,116	239,586	278,490	221,958
Gross Profit	19,225	24,063	32,146	36,149
SG&A Expenses	14,643	17,924	19,659	15,131
Operating Profit	4,581	6,138	12,486	21,018
Non-operating Profit	3,657	5,049	4,365	9,965
Non-operating Expense	6,539	8,755	8,894	19,106
Recurring Profit	1,700	2,433	7,958	11,877
Net Profit	1,080	1,358	4,763	8,454

# Summary Balance Sheet

OPCO    Products    Investment Points    Financials

Unit : KRW Mil.

Year	2005	2006	2007	2008 3Q
<b>Total Assets</b>	<b>149,526</b>	<b>164,238</b>	<b>172,182</b>	<b>266,902</b>
Current Assets	69,607	78,493	81,407	144,126
Quick Assets	34,520	46,958	45,059	50,624
Inventories	35,086	31,535	36,348	93,501
Fixed Assets	79,919	85,745	90,775	122,776
Investment	11,173	13,702	18,946	51,045
Tangible Assets	68,745	72,042	71,829	71,730
<b>Total Liabilities</b>	<b>108,714</b>	<b>121,361</b>	<b>116,296</b>	<b>199,364</b>
Current Liabilities	81,224	93,525	81,264	160,482
Fixed Liabilities	27,490	27,835	35,032	38,882
<b>Total Capital</b>	<b>40,811</b>	<b>42,877</b>	<b>55,886</b>	<b>67,537</b>
Paid-up Capital	8,816	9,207	10,768	10,768
Capital Surplus	16,512	17,182	23,256	23,256
Retained Earnings	17,966	19,324	23,404	30,293
Capital Adjustments	△ 2,483	△ 2,837	△ 1,526	3,219

## Oriental Precision & Engineering Co., Ltd.

We are making the first class product in the world with optimum design from research & development, constant production system, standardization quality control system.



# Customer-First

The world's leading Company specialize  
shipbuilding equipments.

# Thank you

