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Beng Kuang Marine's 1Q 2007 net profit jumps 55%

- ***Infrastructure Engineering division saw 90% increase in revenue to S$6.3m due to robust growth in oil & gas industry***
- ***Set to triple its Infrastructure Engineering capacity with proposed acquisition of yard in Batam, Indonesia***

Singapore, 9 May 2007 – Beng Kuang Marine Limited ("BKM" or the "Group" or "明光海事"), an established provider of corrosion prevention (CP), infrastructure engineering (IE), and supply and distribution (SD) services to the marine and offshore oil and gas industries, has achieved higher net profit of S$1.15 million for the first quarter ending 31 March 2007.

Financial Highlights	1st Qtr FY2007 S$'000	1st Qtr FY2006 S$'000	% Change
Revenue	**20,288**	**16,702**	**21%**
Gross Profit	**5,048**	**4,101**	**23%**
Profit after taxation	**1,151**	**743**	**55%**
Profit Margin %	**5.7%**	**4.4%**	**-**

1Q2007 Financial Review

The Group's revenue rose by 21% to S$20.29 million in 1Q2007. The gross profit increased by 23% to S$5.05 million while the net profit increased by 55% to $1.2

million. The significant increase in net profit is attributed to the surge in marine and offshore oil and gas activities.

1Q2007 Segmental Review

Among the three business divisions, the IE division was the star performer, recording the largest increase in revenue. The division's revenue increased by 90% from S$3.31 million in 1Q2006 to S$6.28 million in 1Q2007. The marked increase was largely due to the revenue contribution from the provision of marine automation and electrical engineering works. The increase in demand for marine and offshore oil and gas engineering services in Batam has also contributed to the overall growth of the Group's IE division.

The positive effect from the increase in shipyard and rig building activities has led to an increase in demand for the Group's hardware products. The SD division revenue increased by 33% from S$1.59 million in 1Q2006 to S$4.78 million in 1Q2007. This increase is attributed to the recent securing of large orders received by the Group's subsidiary Nexus Sealand Trading Pte Ltd.

Revenue from the Group's CP division declined by 11% from S$8.61 million in 1Q2006 to S$7.64 million in 1Q2007. This is mainly due to a slowdown in the ship repairing activities in Batam, Indonesia. However, the revenue from the provision of CP services to newly built vessels remains stable and strong.

Mr Chua Beng Kuang (蔡明光), Managing Director of BKM, said, "We are pleased to announce this set of good results for 1Q2007. The management believes this is the beginning of a new era of growth for **BKM**, driven by strong demand for its IE capabilities."

Exciting Growth Prospect

In May 2007, the Group was granted in-principle approval for the acquisition of a piece of leasehold land with waterfront in Batam at a purchase consideration of approximately S$1.87 million. With the completion of the land acquisition, it is estimated that BKM will be able to triple the production capacity of its IE division.

Mr Chua added, “With the completion of this land acquisition, BKM would be able to expand its production capacity to cater to the robust demand from the oil and gas industry. The approximately 350-metre waterfront would also provide a competitive advantage to the Group when we bid for more sophisticated oil rig module fabrication engineering works. “

“This expansion is timely as we have been receiving numerous enquiries from existing and potential customers in South-East Asia. Having been in the oil and gas industry for more than 20 years, this is the most buoyant market I have ever witnessed. We believe that the increase in demand will continue into 2008/2009 and the Group is well positioned to cater to the needs of our customers.” Mr Chua added.

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About Beng Kuang Marine Limited

Beng Kuang Marine Limited (“BKM”) and its subsidiaries (the “Group”) are established providers of corrosion prevention services, infrastructure engineering services, as well as the supply and distribution of hardware equipment and tools to the marine and offshore oil and gas industries. The Corrosion Prevention and Supply and Distribution divisions have always been the main revenue drivers of the Group. However, with the rapid growth in shipbuilding and rig building projects, BKM expects the Infrastructure Engineering division to be a key growth driver in the future. For the Infrastructure Engineering division, BKM provides turnkey engineering services from planning, project management to implementation involving fabrication, corrosion prevention, testing, installation and pre-commissioning of steel work modules and structures for customers in the offshore oil and gas industry.

For more information, please refer to the website, www.bkmgroup.com.sg

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