Beng Kuang Marine Limited
55 Shipyard Road 628141
Tel: 6266-0010 Fax: 6264-0010

Beng Kuang Marine net profit jumps by 84% in 2Q2007

Infrastructure Engineering - Offshore & marine related engineering work saw outstanding 166% revenue growth to S$12.47 million

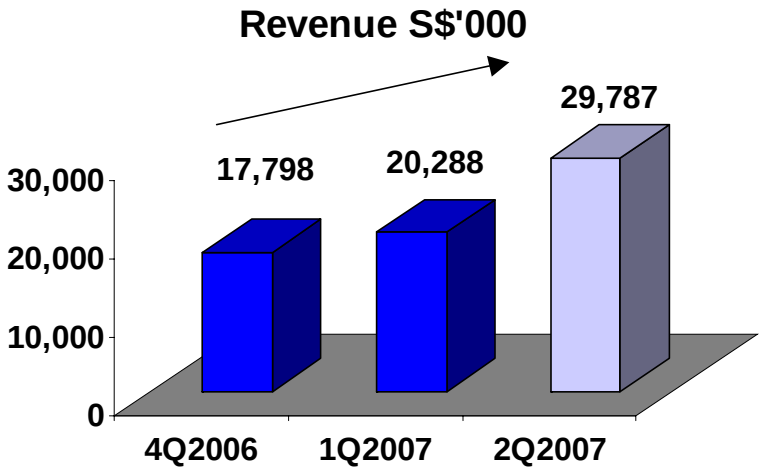
Singapore, 6 August 2007 – Beng Kuang Marine Limited ("**BKM**" or "明光海事") and its subsidiaries (the "Group") has achieved a record net profit of S$1.62 million for the second quarter ending 30 June 2007.

	2nd Quarter			Half-Year		
Overall Highlights	**2Q2007 S$ '000**	**2Q2006 S$ '000**	**% Change**	**1H2007 S$ '000**	**1H2006 S$ '000**	**% Change**
Revenue	**29,787**	**17,989**	**66%**	**50,075**	**34,691**	**44%**
Gross Profit	**6,405**	**4,675**	**37%**	**11,453**	**8,776**	**31%**
Net Profit	**1,623**	**882**	**84%**	**2,774**	**1,625**	**71%**
Net Profit Margin	**5.4%**	**4.9%**	**N.A**	**5.5%**	**4.7%**	**N.A**

2Q2007 Financial Review

The Group's revenue rose by 66% from S$17.99 million in 2Q2006 to S$29.79 million in 2Q2007. The 2Q2007 revenue constitutes 42% of the full year revenue achieved in FY2006. The gross profit increased by 37% to S$6.41 million and the

net profit increased by 84% to $1.62 million from 2Q2006 to 2Q2007. The increase in net profit is attributed to the surge in marine and offshore oil and gas activities together with the Group's ability to maintain administrative, selling and distribution expenses. Net profit margin improved from 4.9% in 2Q2006 to 5.4% in 2Q2007.



BKM's fixed assets increased by S$9.8 million as at 31 December 2007 to S$15.04 million as at 30 June 2007 due to the acquisition of the leasehold land in Batam, the construction in progress on the land, and the purchase of air compressors to meet the Group's increased operational needs.

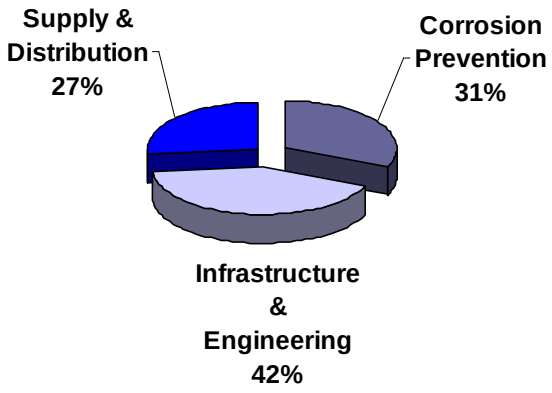
2Q2007 Segmental Review

Among the three business divisions, the Infrastructure & Engineering (IE) division remains the star performer, recording the largest increase in turnover. The division's turnover increased by a significant 166% from S$4.69 million in 2Q2006 to S$12.48 million in 2Q2007. The marked increase was largely led by revenue contributions from a conversion and upgrading works of a floating production storage and offloading (FPSO) vessel, a project that was secured by the Group in February 2007. The increase is also attributed to higher value

projects secured by the IE division in tandem with the increase in demand for marine, offshore oil and gas engineering works in Batam.

The positive effect from the increase in shipyard and rig building activities has led to an increase in demand for the Group's hardware equipment and tools. The Supply and Distribution (SD) division's revenue increased by 45.8% from S$5.46 million in 2Q2006 to S$7.96 million in 2Q2007.

2Q2007 Revenue Breakdown



With increased demand for ship repair services from the major shipyards in Singapore and Batam, revenue from the Corrosion Prevention (CP) division increased from S$7.84 million in 2Q2006 to S$9.35 million in 2Q2007.

Growth Prospects

BKM acquired a 51% stake in environmental firm, Water and Environmental Technologies (WET) Pte Ltd ("WET") for a consideration of approximately S$5.66 million in May 2007. In July 2007, WET's subsidiary NewEarth Pte Ltd ("NE") entered into a strategic joint venture partnership with Tuas Power Ltd.

"The strategic partnership formed in WET marked the inception of a new Environment and Resource (ER) division on top of our existing divisions. With NE's "Crystallisation Technology", industrial wastes can be

transformed into environmentally safe products like building bricks and paving blocks. Both BKM and Tuas Power Ltd see the immense potential in the environmental recycling business."

Mr Chua Meng Hua (蔡明樺), Executive Director of BKM

The construction of NE's first commercial plant is expected to commence in 4Q2007 with operations beginning in 4Q2008. When fully operational, the plant would be able to process approximately 10,000 tons of waste materials monthly.

In June 2007, the Group received final approval to acquire a 30-year leasehold waterfront land of approximately 32.8 hectare in Batam, Indonesia, from the local authority at a purchase consideration of approximately S$1.87 million. With the completion of the yard in 2H2008, **BKM** would triple the production capacity of its IE division.

"With recent increase in shipbuilding and oil-rig building contracts undertaken by our customers like Labroy Marine Limited and increasing enquiries from existing and potential customers, the expansion in production capacity enables BKM to better cater to the robust demand of the oil & gas industry."

Mr Chua Beng Kuang (蔡明光), Managing Director of BKM

The 2Q2007 results are in line with the Group's forecast to remain profitable for FY2007. Barring any unforeseen circumstances, the Group's financial performance is expected to be better than the last financial year.

- End -

About Beng Kuang Marine Limited

Beng Kuang Marine Limited ("BKM") and its subsidiaries (the "Group") are established providers of corrosion prevention ("CP") services, infrastructure engineering ("IE") services, as well as the supply and distribution ("SD") of hardware equipment and tools to the marine and offshore oil and gas industries. The CP and SD 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 IE division to be a key growth driver in the future. For the IE 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 oil and gas industry. Recently, with the new acquisition of WET, BKM will also be looking at business opportunities to expand the environmental and resource ("ER") division.

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

Issued for and on behalf of Beng Kuang Marine Limited
By Financial PR Pte Ltd

For more information, please contact:
Mark LEE, marklee@financialpr.com.sg
Yen TAN, yen@financialpr.com.sg
Tel: (65) 6438 2990 Fax: (65) 6438 0064