BENG KUANG MARINE LIMITED
("BKM" / 明光海事)

RESULT BRIEFING
07 AUGUST 2007

PRESENTATION OUTLINE

- ABOUT BKM
- INDUSTRY DRIVERS
- FINANCIAL HIGHLIGHTS
- BUSINESS OVERVIEW
- COMPETITIVE ADVANTAGES
- FUTURE PLANS

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ABOUT BKM

BRIEF HISTORY

- BKM started from a mere sole proprietor in early 1990 to a private limited company in 1994.
  - Collectively, we have more than 70 years of experience in the industry
- Entered into a successful partnership with Labroy Marine Limited in 1998
- Beginning of a new identity as a Listed Company on SGX-SESDAQ in October 2004

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ABOUT BKM

We are primarily in the offshore and marine industry and our services include providing structural and modular projects for oil rigs, and upgrading and conversion of FPSOs.

Corrosion Prevention (CP)

- Abrasive Blasting /Hydro-jetting
- Spray painting
- Tank cleaning
- Engineering Project



Infrastructure Engineering (IE)

- Turnkey engineering services for steel work modules and structures
- Construct refinery plants, land-based structures and offshore rigs
- FPSO Conversion



Supply & Distribution (SD)

- Supply over 300 products
- House brands include: MASTER, Multi-Flex, Splash, Picco, Tri-Win, WELL



Environment & Resources (ER)

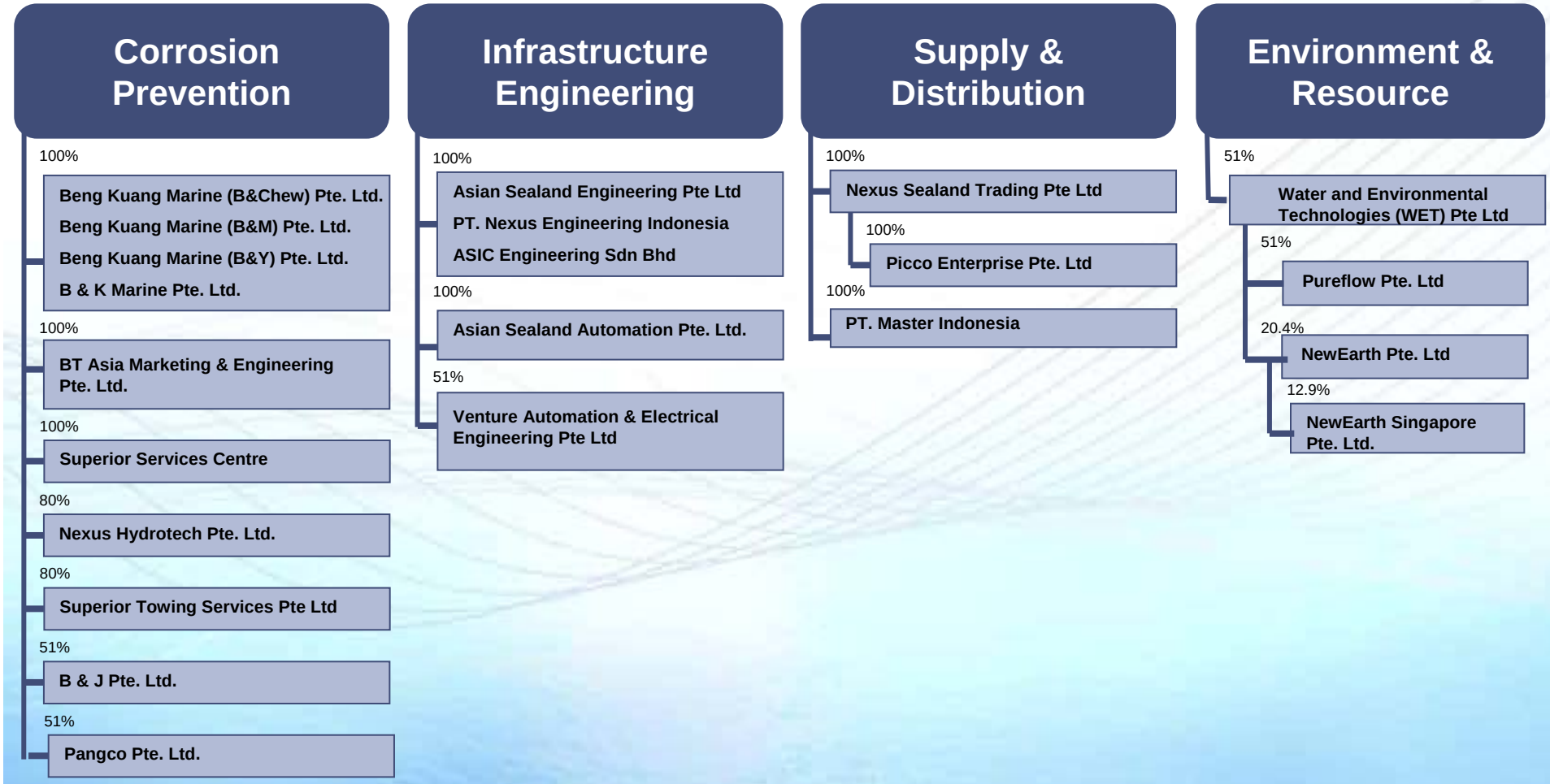
- Engage in R&D for technologies in
  - Water & waste water treatment
  - Solid waste treatment



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ABOUT BKM

BKM Group Structure



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ABOUT BKM

Subsidiaries	Business	Description
Asian Sealand Engineering Pte Ltd PT. Nexus Engineering Indonesia ASIC Engineering Sdn Bhd	Infrastructure Engineering	Manage and construct turnkey projects on fabrication of heavy steel structures and pipe systems.
Beng Kuang Marine (B&Chew) Pte Ltd Beng Kuang Marine (B&M) Pte Ltd Beng Kuang Marine (B&Y) Pte Ltd B & K Marine Pte Ltd Pangco Pte Ltd	Corrosion Prevention	Specialised in abrasive blasting and painting. Serving major shipyards and rig builders
Nexus Hydrotech Pte Ltd	Corrosion Prevention	Specialised in high pressure hydro-jetting.
B & J Marine Pte Ltd	Tank Cleaning	Specialised in tank cleaning services
BT Asia Marketing & Engineering Pte Ltd	Waste Management	Provision of waste management services
Superior Service Centre	Maintenance Services	Repair and maintenance of machinery and equipment
Superior Towing Services Pte Ltd	Towing Services	Provision of towing services
Venture Automation & Electrical Engineering Pte Ltd	Automation & Electrical	Provision of Industrial and marine automation works. Authorized distributor of AUTRONICA products
Asian Sealand Automation Pte Ltd	Automated Engineering	Provision of automated engineering services
Nexus Sealand Trading Pte Ltd	Supply & Distribution	Supply and distribute hardware & consumables
Picco Enterprise Pte Ltd	Beverages	Supply and distribute beverage
PT. Master Indonesia	Supply & Distribution	Supply and distribute hardware consumables
Water and Environmental Technologies (WET) Pte Ltd Pureflow Pte. Ltd. NewEarth Pte Ltd (associate company) NewEarth Singapore Pte Ltd (associate company)	Environment & Resource	Water & wastewater treatment Solid waste treatment

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ABOUT BKM

BOARD OF DIRECTORS



Mr. Tan Boy Tee

Chairman and Non-Executive Director



Mr. Alan Yong

Non-Executive Director



Mr. Chua Beng Kuang

Managing Director



Mr. Chua Meng Hua

Executive Director



Mr. Goh Chee Wee

Independent Director



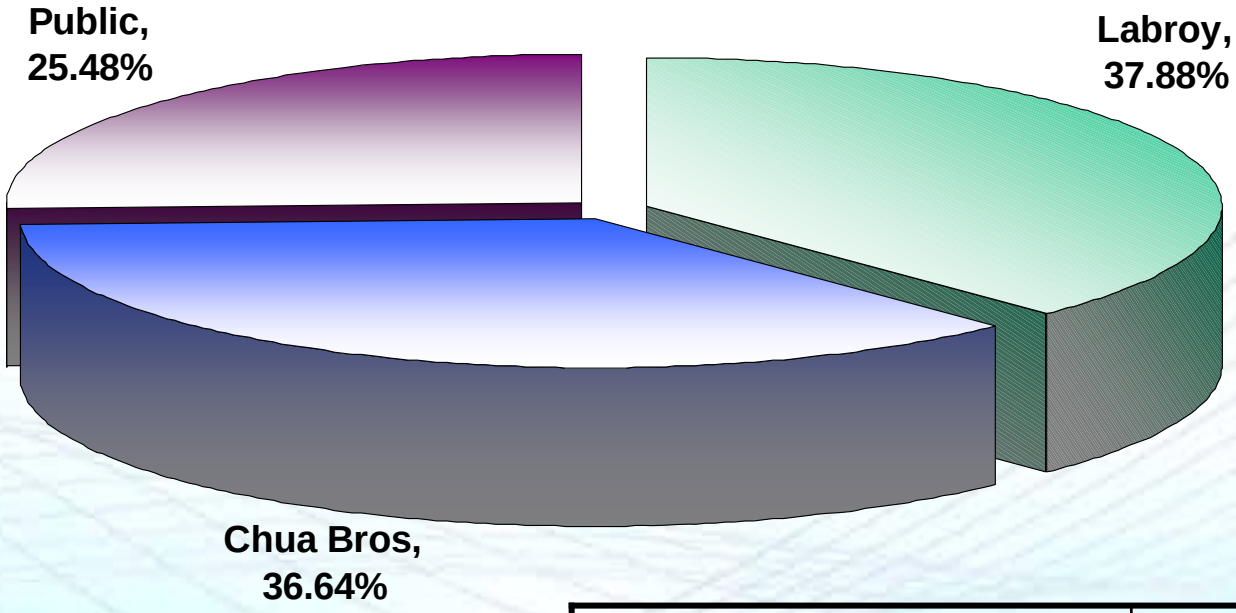
Dr. Wong Chiang Yin

Independent Director

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ABOUT BKM

Current Shareholding Structure



Current No. of Shares	128,236,875
Current Public Float	33,000,000
Market Capitalisation	S$103,871,869
Current Price	S$0.81 (3 Aug 07)

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ABOUT BKM

Our customers include:

PanUnited

Singapore Technologies Marine

Keppel Corporation

Acergy

NatSteel

MMHE

TTJ

McCONNELL DOWELL

NIPPON STEEL ENGINEERING

Technip

McDermott International, Inc.

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PRESENTATION OUTLINE

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- FUTURE PLANS

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INDUSTRY DRIVERS

Investment Merits

1. BKM's tripling of its Infrastructure Engineering production capacity in 2007/08 will accelerate the growth of the Company

2. BKM's strong working relationship with its parent company, Labroy Marine will ensure sustainable orderflow

3. As a result of the lag that occurs between shipyards securing contracts and the time when BKM's services enter the picture, BKM is representative of laggards in the marine and oil & gas industry – characteristic of companies offering support services

4. WET's acquisition and NewEarth project is a major project, with GLCs such as Tuas Power Ltd, Surbana and MPA involved as shareholders

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O&M INDUSTRY DRIVERS

Drivers

Greater oil exploration and production activities, leading to increased demand for oil rigs and offshore support vessels

Increase in order book for shipyards for new vessel construction
- increase in shipping volume
- growing demand for vessel replacement due to aging current fleet
- IMO: Y2010 deadline for phasing out single hull tankers

Merchant Shipping Act (MSA): vessels required to undergo maintenance and repair every 2.5 years

Results

Demand for corrosion prevention, turnkey engineering services, and hardware supplies, which BKM can provide and supply

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RECYCLING INDUSTRY DRIVERS

Drivers	Results
Singapore Green Plan 2012 to promote waste reduction and recycling. Targets: - Increase overall waste recycling rate to 60% by 2012; - Extend the lifespan of Semakau landfill to 50 years, and striving "towards zero landfill"	**Demand for efficient and effective waste treatment and recycling technologies**
The Parliament passed Hazardous Waste Bill was passed in November 1997 ▪ ensure sound and effective management, transportation and disposal of hazardous wastes in Singapore.	
("APEC-ISTI") report on Waste Management and Environment Technology (2004) ▪ the waste management and environmental technology industry in the Asia Pacific countries has emerged as one of the fastest growing industries.	

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FINANCIAL HIGHLIGHTS

1st Half 2007

- Revenue of S$50.08 million
  (⇧ 44% compared to FY2006)
- Net profits after tax of S$2.77 million
  (⇧ 71% compared to FY2006)

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FINANCIAL HIGHLIGHTS

FULL YEAR / Y-T-D RESULTS

S$ million (FY Dec 31)	2004 (IPO)* (audited)	2005 (audited)	2006 (audited)		2007 (H) (1st Half)	2006 (H) (1st Half)
REVENUE	**48.13**	**53.24**	**70.55**		**50.08**	**34.69**
% Growth	17%	11%	32%		44%	39%
Corrosion Prevention "CP"	28.2	33.6	32.27		16.99	16.45
Infrastructure Engineering "IE"	7.2	5.1	16.19		18.76	8.00
Supply & Distribution "SD"	12.7	14.5	22.09		14.33	10.24
EBITDA	**4.5**	**5.4**	**7.4**		**5.4**	**3.5**
% Growth	-13%	20%	37%		54%	22%
% Margin	9%	10%	10%		11%	10%
NET PROFIT AFTER TAX	**2.0**	**2.2**	**3.8**		**2.8**	**1.6**
% Growth	-22%	14%	71%		71%	27%
% Margin	3.7%	4.3%	5.4%		5.5%	4.7%
SHAREHOLDERS' EQUITY	**16.5**	**18.8**	**23.0**		**28.3(P)**	**19.8**
DIVIDENDS (CENTS)	**0.0**	**0.75**	**1.10**		**-**	**-**
NET DEBT / EQUITY	**77%**	**53%**	**32%**		**41%**	**61%**

*** (IPO) listed on SGX-Sesdaq in October 2004**

(P) Issued 12,000,000 placement shares on 9 February 2007

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FINANCIAL HIGHLIGHTS

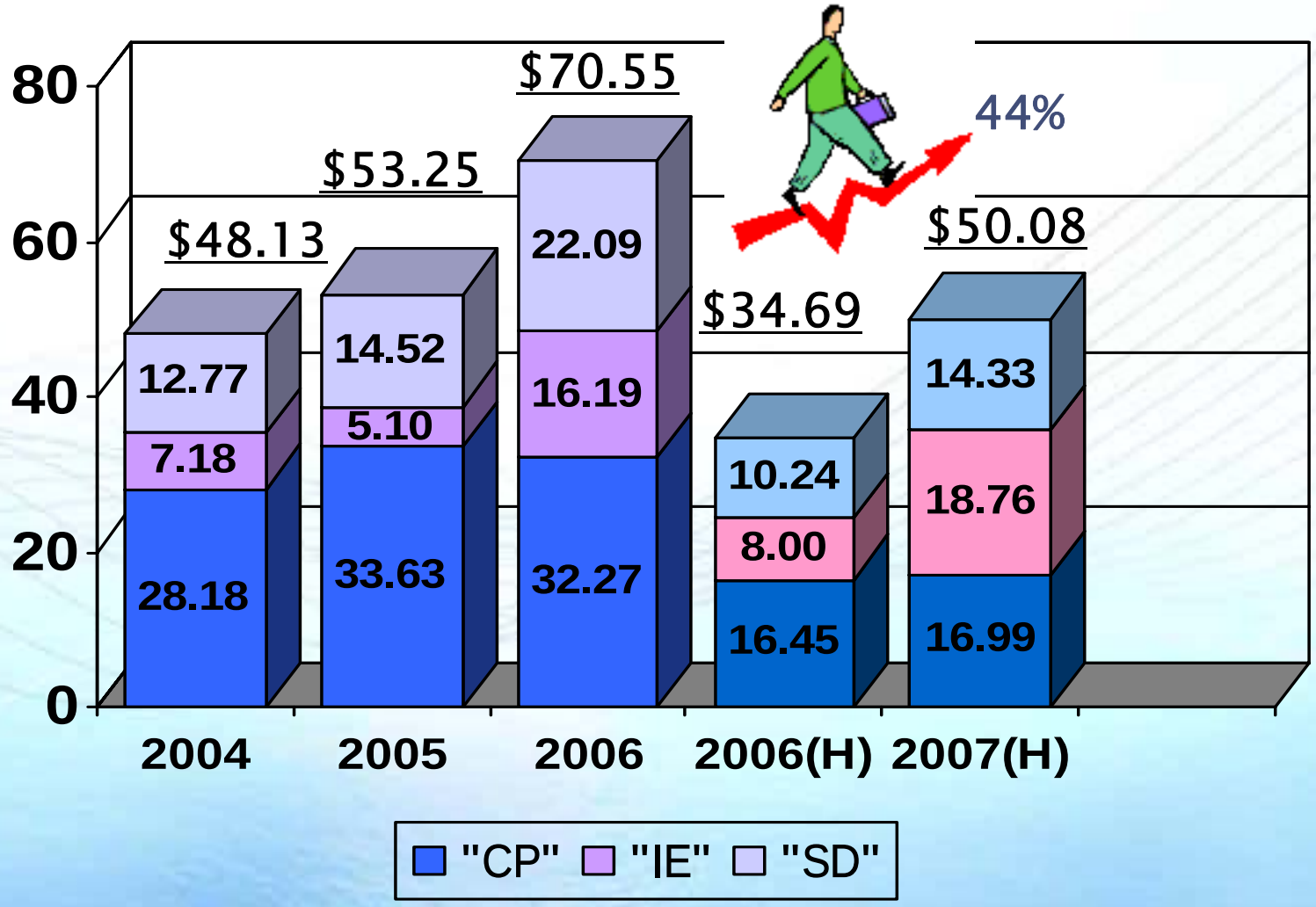
QUARTERLY RESULT

S$ million	2006 3rd Qtr	2006 4th Qtr	2007 1st Qtr	2007 2nd Qtr
REVENUE	18.06	17.79	20.29	29.79
Corrosion Prevention ("CP")	7.55	8.25	7.64	9.35
Infrastructure Engineering ("IE")	4.09	4.10	6.28	12.48
Supply & Distribution ("SD")	6.42	5.44	6.37	7.96
EBITDA	2.0	1.9	2.2	3.3
% Margin	11%	11%	11%	11%
NET PROFIT AFTER TAX	1.1	1.1	1.2	1.6
% Margin	6.0%	6.2%	5.7%	5.4%

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FINANCIAL HIGHLIGHTS

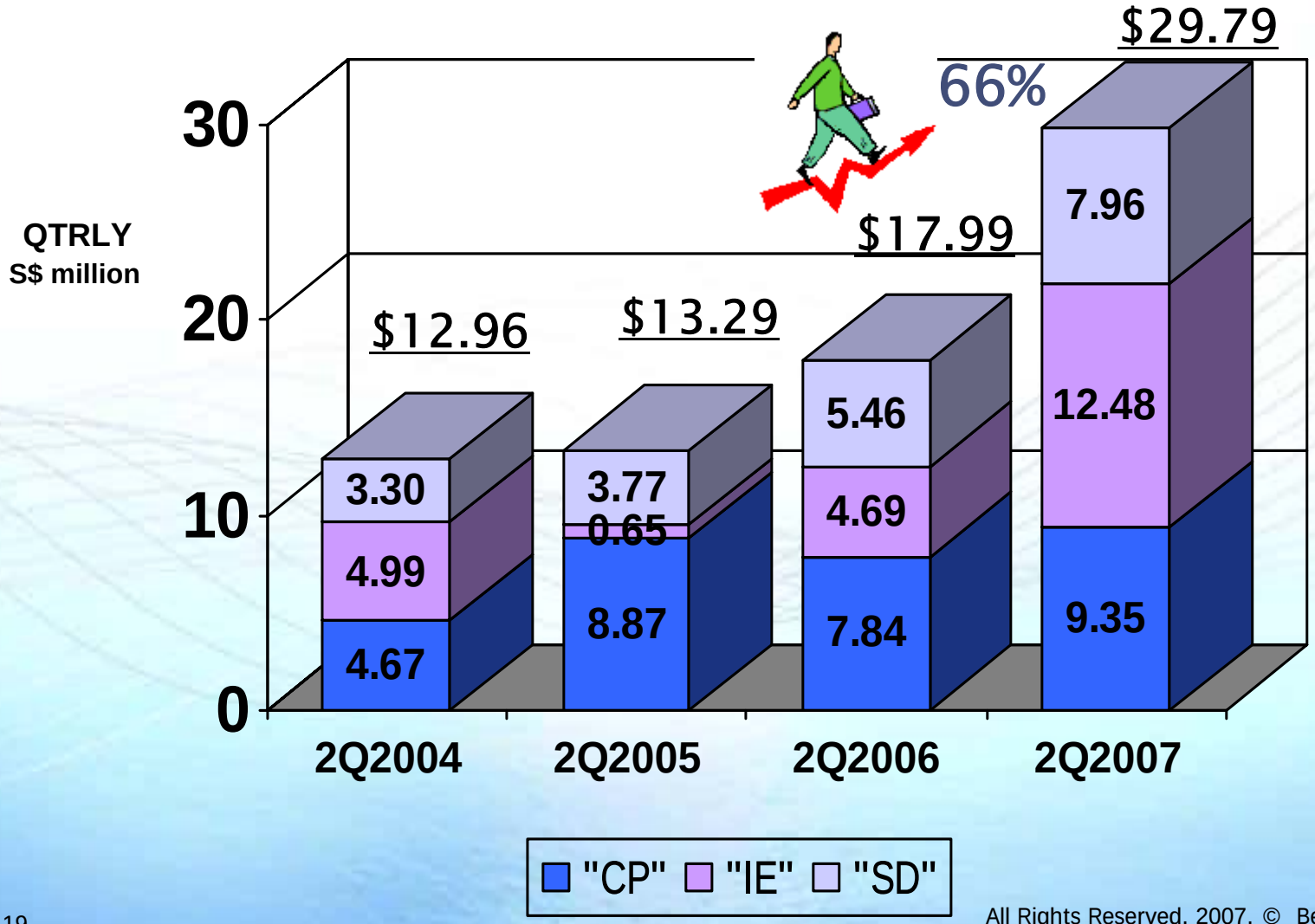
REVENUE BY DIVISIONS (YEARLY)



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FINANCIAL HIGHLIGHTS

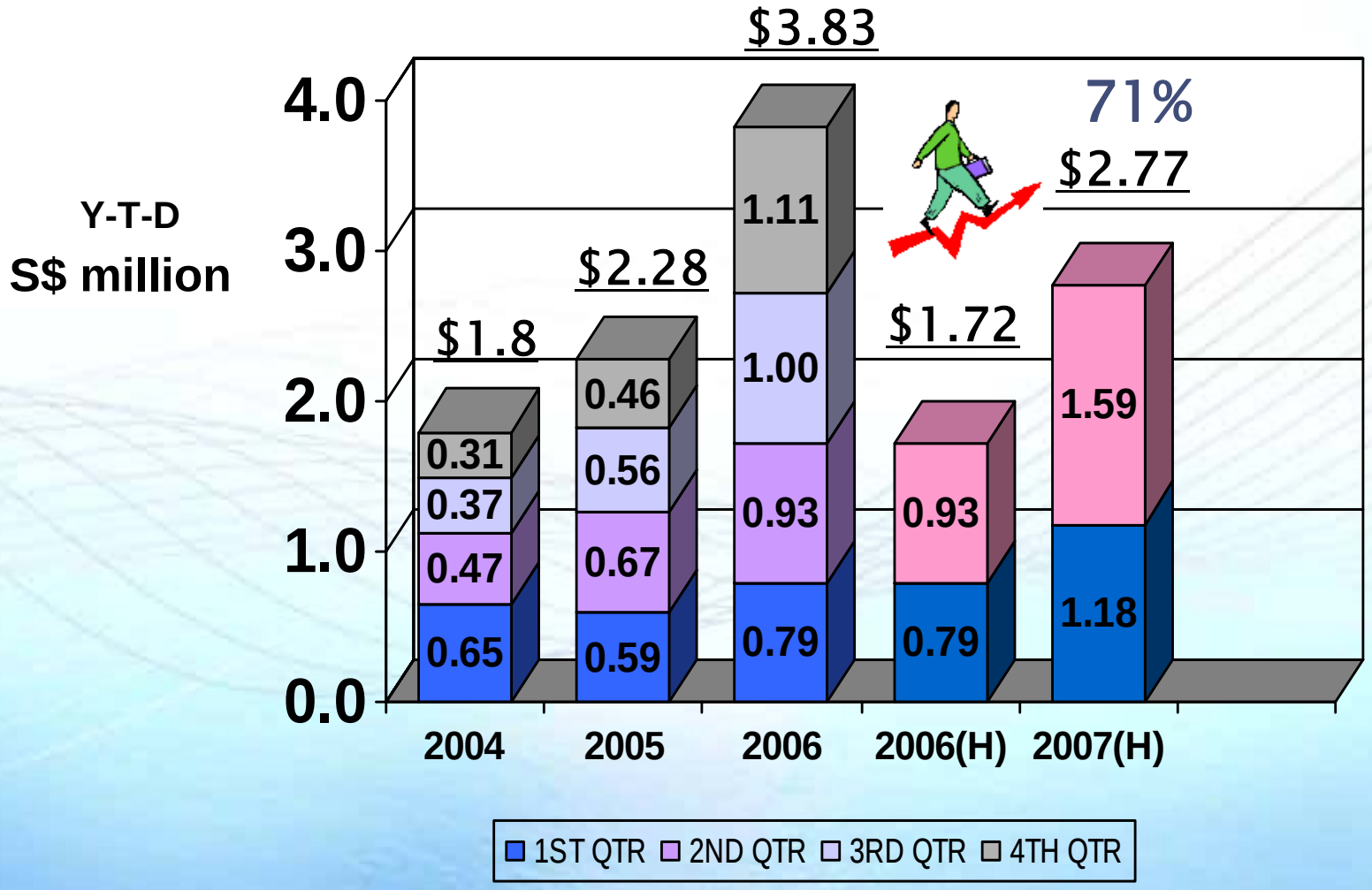
REVENUE BY DIVISIONS (QUARTER)



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FINANCIAL HIGHLIGHTS

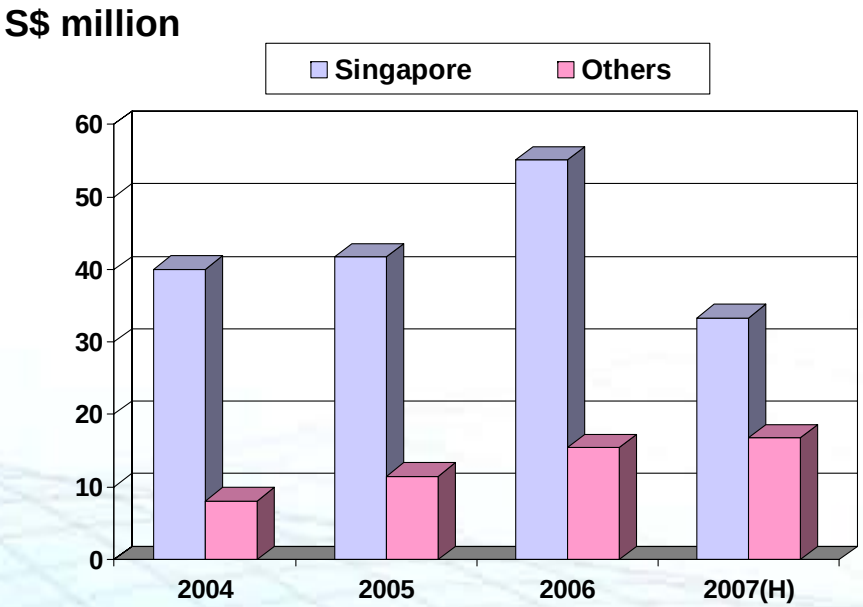
Net Profit After Tax (YEARLY / YTD)



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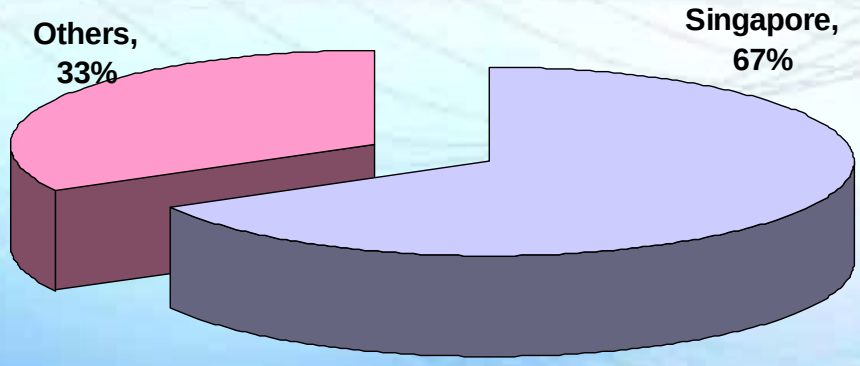
FINANCIAL HIGHLIGHTS

Revenue By Area (YEARLY / YTD)



Revenue S$ million	2004 (Full Yr)	2005 (Full Yr	2006 (Full Yr)	2007 (H) (YTD)
Singapore	40.04	41.75	55.15	33.34
Others*	8.09	11.50	15.40	16.74

**** Others – Based on the billing location of customers***



Revenue in %	2004 (Full Yr)	2005 (Full Yr	2006 (Full Yr)	2007 (H) (YTD)
Singapore	83%	78%	78%	67%
Others*	17%	22%	22%	33%

**** Others – Based on the billing location of customers***

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FINANCIAL HIGHLIGHTS

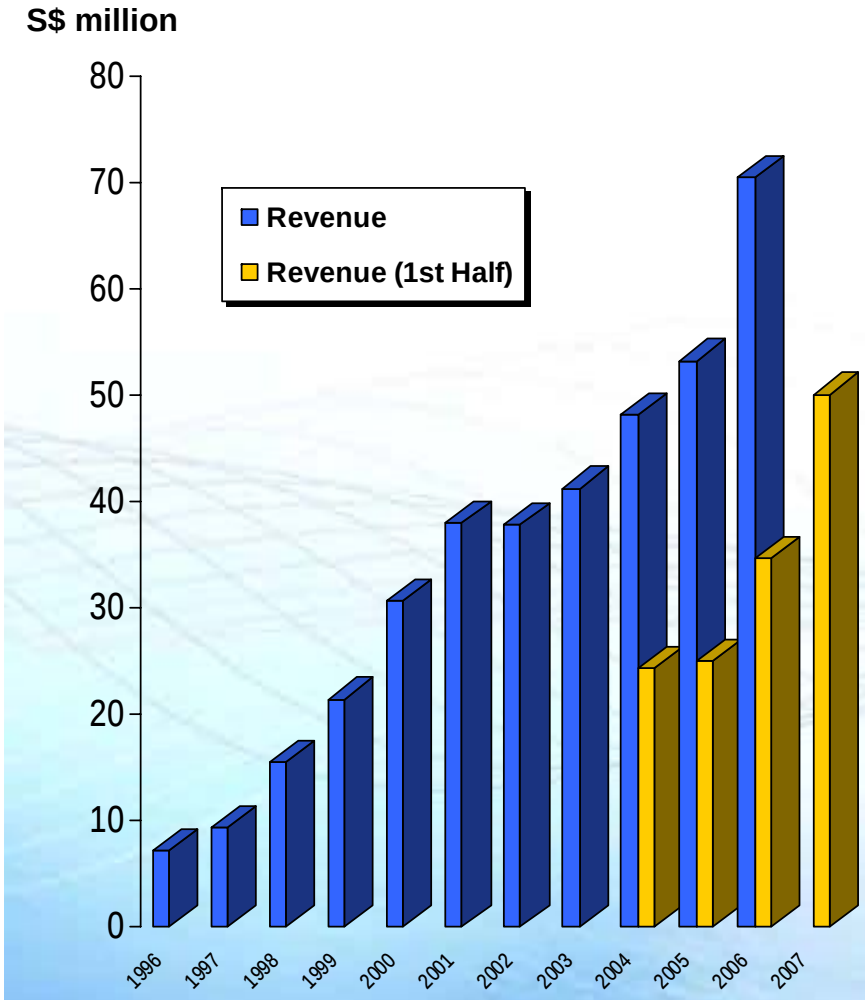
ORDER BOOK

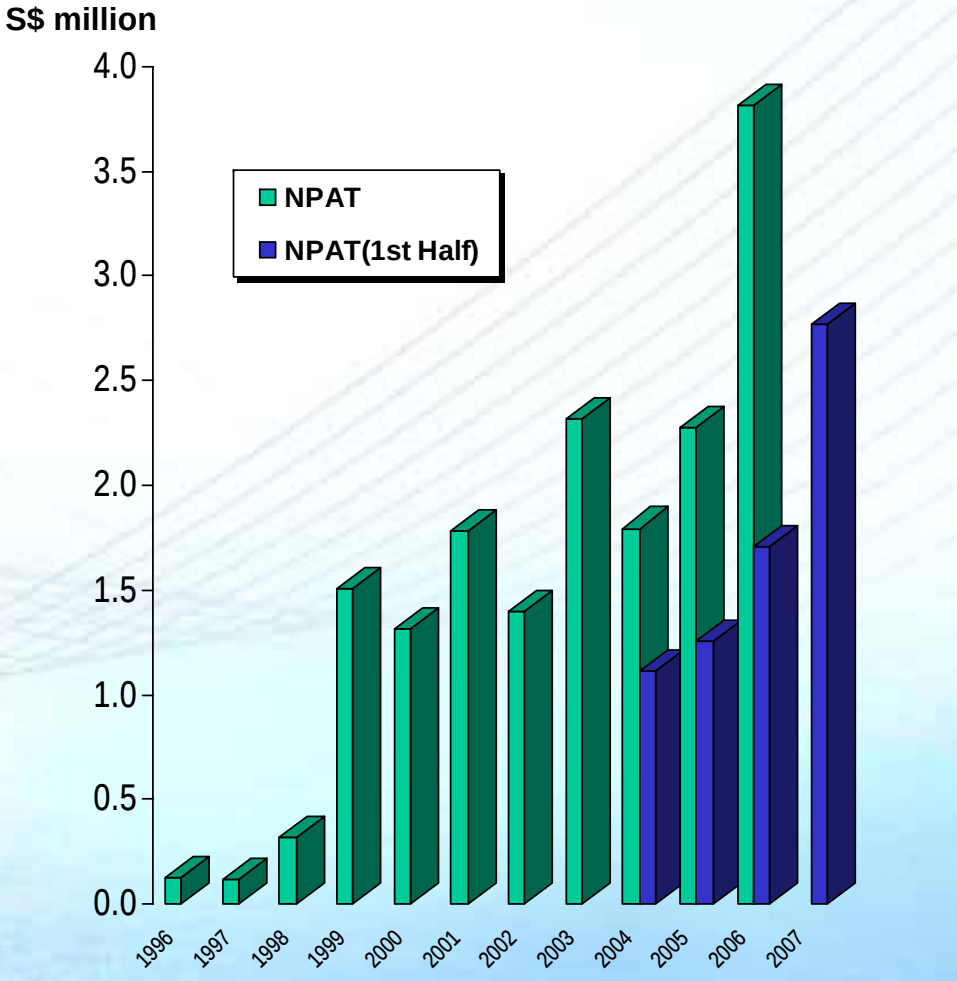
S$ million	2007	2008	2009	Total
Corrosion Prevention "CP"	$15.0	$5.5	$3.9	$24.4
Infrastructure Engineering "IE"	$8.7	$5.3	-	$14.0
Supply & Distribution "SD"	$2.6	-	-	$2.6
Total	$26.3	$10.8	$3.9	$41.0

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FINANCIAL HIGHLIGHTS

TEN YEARS RESULT





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PRESENTATION OUTLINE

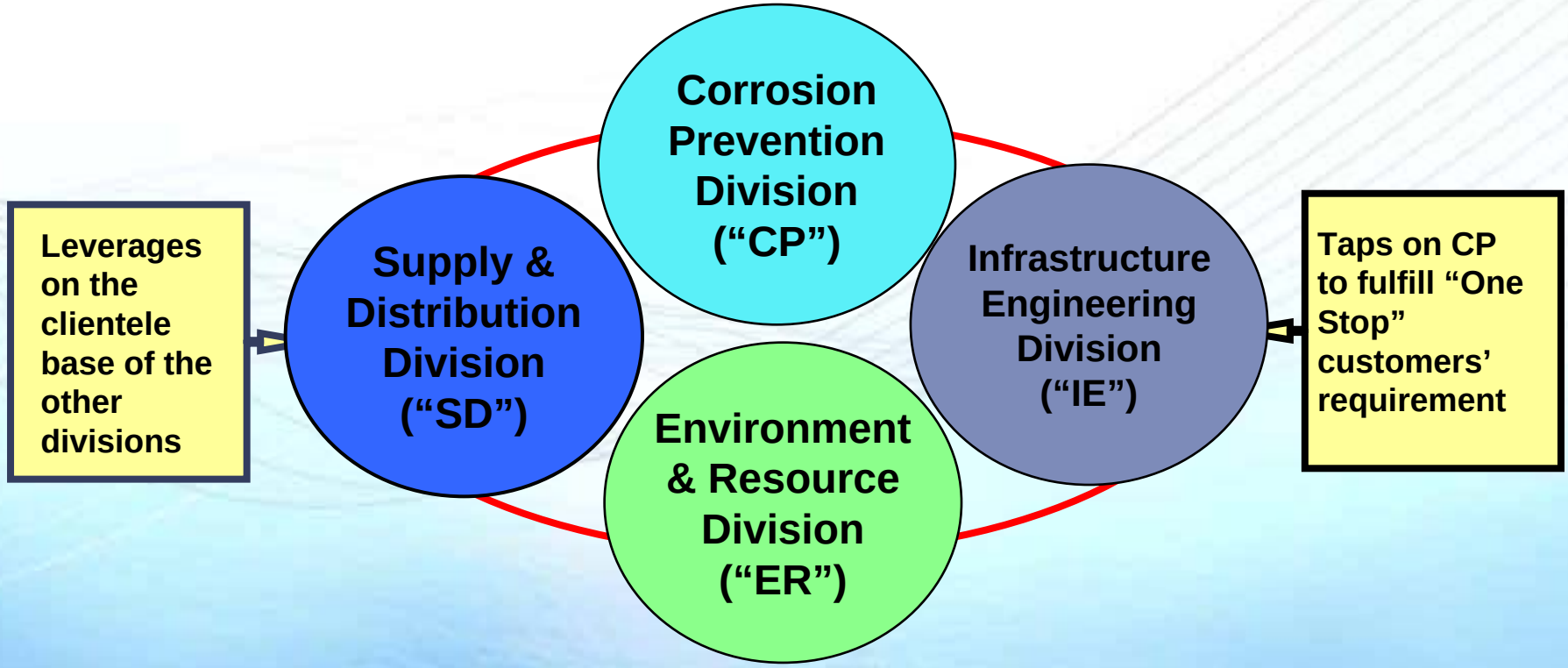
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BUSINESS OVERVIEW

BUSINESS MODEL

Strategic Integration among 4 business divisions enhances efficient operational flow, cost effectiveness and growth potential



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BUSINESS OVERVIEW

YARD FACILITIES – S'PORE

Location:
- 55 Shipyard Road

Land Area:
- 10,068 square metres

Wharf Frontage:
- 68 meter







YARD FACILITIES – INDO., BATAM

Location:
- Jl. Brigjend Katamso Tanjung Uncang

Land Area:
- 80,000 square metres








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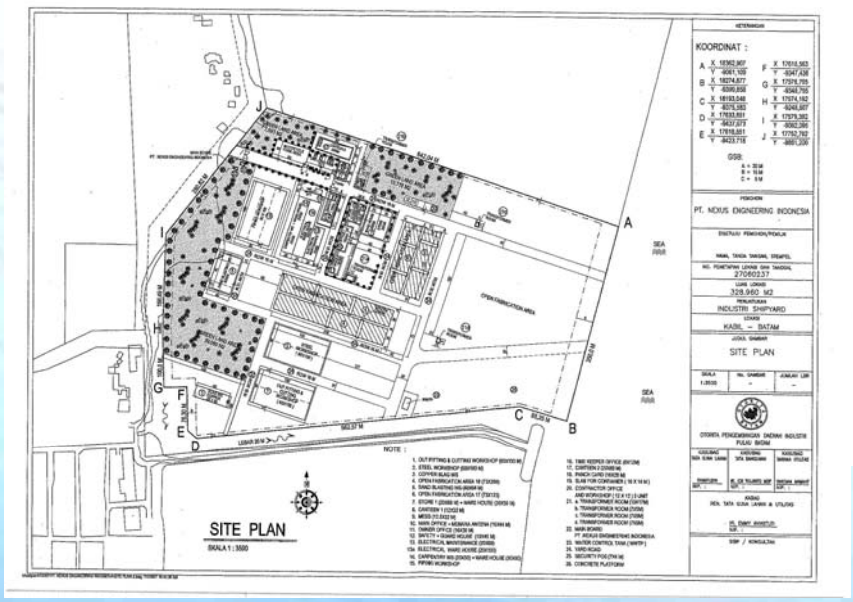
BUSINESS OVERVIEW

NEWLY ACQUIRED YARD – BATAM

Location:
- Kabil Timur **(Next to SMOE)**

Land Area:
- 328,965 square metres

Waterfront:
- 350 metres





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BUSINESS OVERVIEW

WORKSHOP – MALAYSIA

Location:
- Pasir Gudang, Johor, Malaysia

Land Area:
- 2,718 square metres








STORAGE & WAREHOUSING – TUAS

- Supply over 300 types of product under our house brands:-
  - *MASTER, Multi-Flex, Picco, Splash, WELL, Tri-Win*



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BUSINESS OVERVIEW

LABORATORY – S'PORE

- Water Treatment
  - Treatment of surface water, brackish water and sea water to:-
    - Potable water
    - Deionised (DI) water
    - Ultrapure water
- Wastewater Treatment
  - Treatment of municipal and industrial wastewater for discharge or reuse
    - Industrial grade water
- Solid waste Treatment
  - Industrial waste management, treatment and reutilisation.
  - convert hazardous industrial wastes into environmentally safe materials for engineering applications





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BUSINESS OVERVIEW

PATENTS

CRYSTALLISATION TECHNOLOGY (CT)



Industrial Wastes



Contaminated Dredged Material



Crystallisation Technology

1. **Stabilisation**
2. **Fixation & Encapsulation**
3. **Vitrification**

Value-Added Products





Building Bricks



Paving Blocks

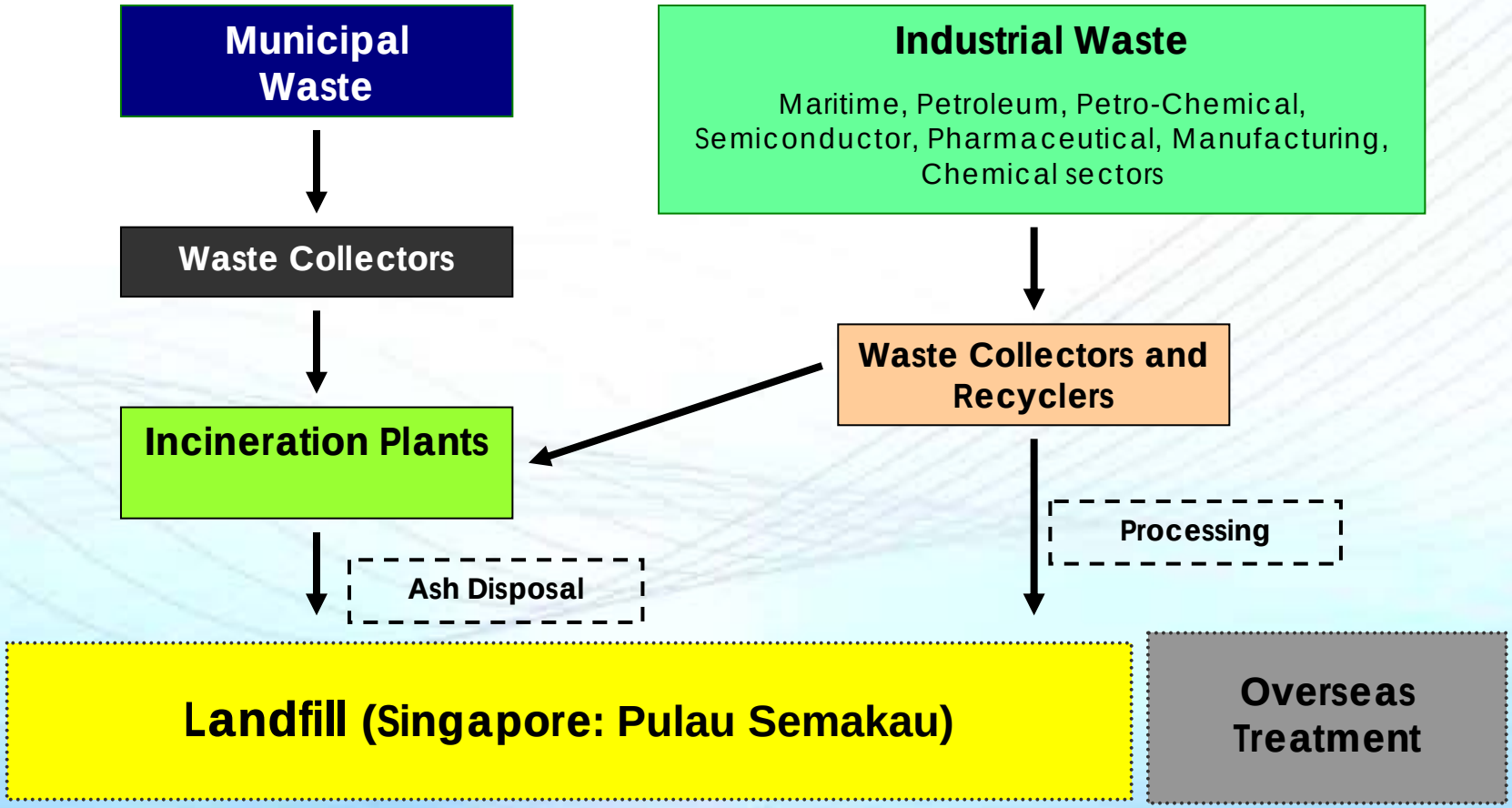


Synthetic Fines / Filler

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BUSINESS OVERVIEW

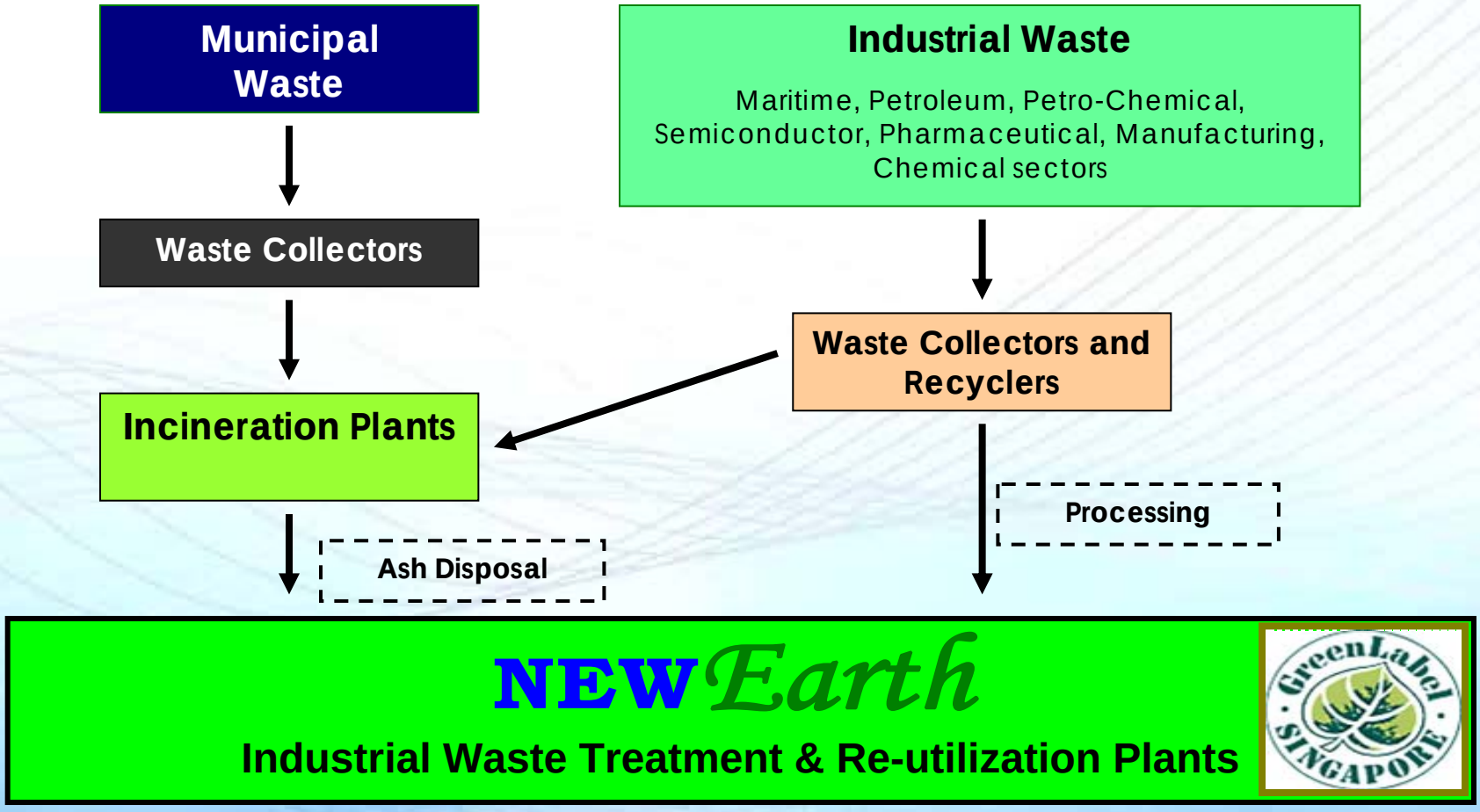
THE ECOSYSTEM – PRESENT



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BUSINESS OVERVIEW

THE ECOSYSTEM – PRESENT

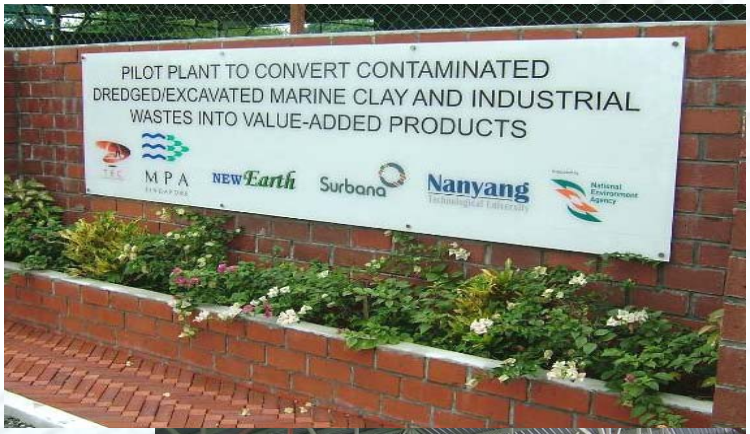


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BUSINESS OVERVIEW

1st COMMERCIAL PLANT

- Commercialisation : Nov 2008
- Plant Location : Tuas Area
- Cost of Plant : S$25 million
- Plant Capacity : 180,000 tons per year
- Sales of VAP* : 100,000 tons per year
- No. of Staff : 40



The Enterprise Challenge, TEC Pilot Plant, Singapore
Commissioned, July 2004





* VAP – valued-added Products

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PRESENTATION OUTLINE

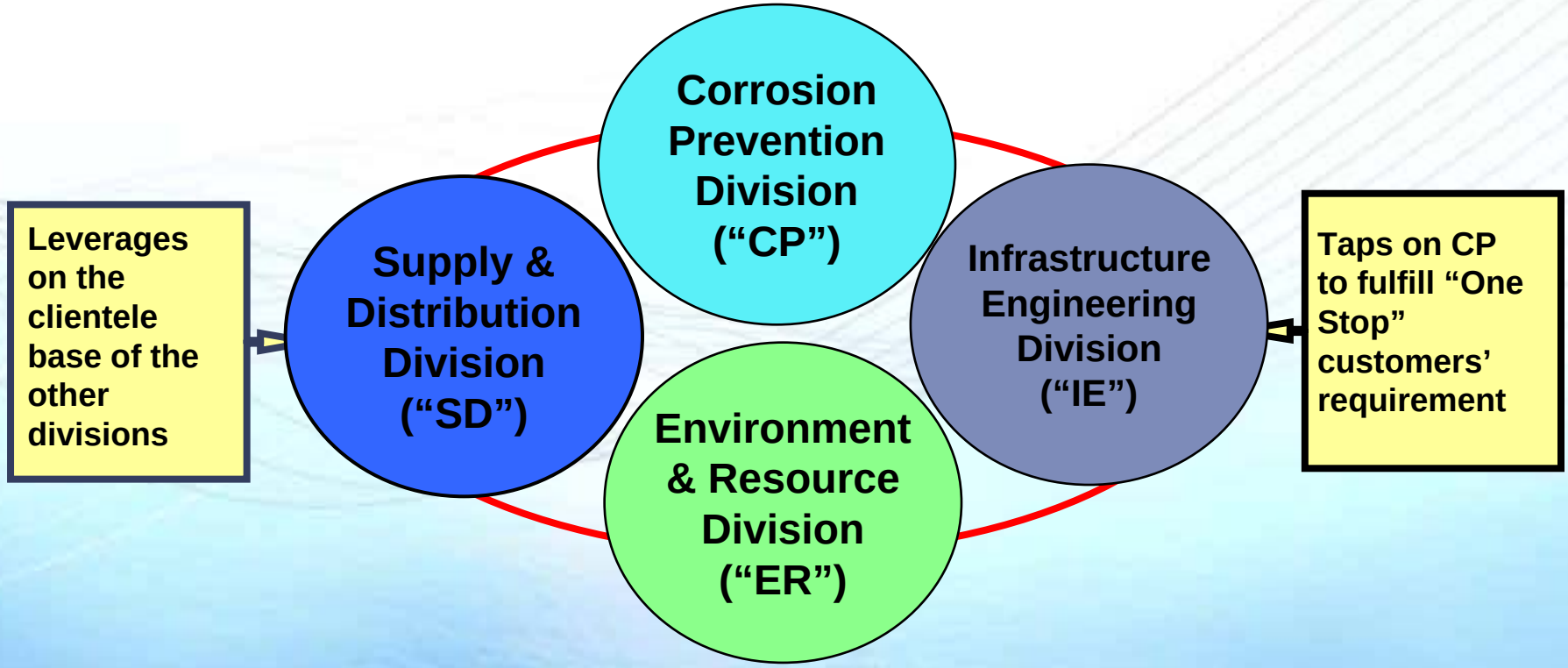
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COMPETITIVE STRENGTHS

1) Integrated Service Provider

The business divisions are integrated through the provision of a single to a comprehensive "One Stop" services, as well as through leveraging on the clientele base of each division.



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COMPETITIVE STRENGTHS

2) Quality Service

- Dedicated in providing quality services and products to customer
- Awarded the ISO 9001:2000 certification for our IE division
- Numerous letter of appreciation from customers



3) Established Track Record

- One of the leading contractor for hullside corrosion prevention services in Singapore and Batam
  - With more than 10 years of experience in corrosion prevention business
- Status as "Hullside Resident Contractor" for several shipyards –
  - Seven major shipyards in Singapore
  - Two major shipyards in Batam

4) Long-Standing Relationship

- Close working relationship with vendors and customers cultivated over the years
  - Strength in drawing satisfied customers for referrals
  - Strength in retaining more repeated businesses
- Approximately 70-80% of our annual revenue was derived from our repeat customers

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COMPETITIVE STRENGTHS

5) Experienced Management Team



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FUTURE PLANS

"CP", "IE", "SD" Divisions

Expand Capabilities

Expand Market

Expand Products & Services

- Construction of newly acquired location
  - For larger scale projects
  - With better infrastructure & facilities
- Target to secure more turnkey projects

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FUTURE PLANS

"CP", "IE", "SD" Divisions

Expand Capabilities

Expand Market

Expand Products & Services

- Malaysia Market
  - Explore opportunity to service more land-based projects
- Indonesia Market
  - Expand market shares

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FUTURE PLANS

"CP", "IE", "SD" Divisions

Expand Capabilities

Expand Market

Expand Products & Services

- Develop more in-house brand products to capture larger market share
- Merger & Acquisition projects to expand scope of business activities.

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FUTURE PLANS

"ER" Division

Expand Capabilities

- Increase number of NES commercial plants to three
  - To be the leading solid industrial waste collector and recycling centre in Singapore by 2013

Expand Market

- Middle East, China, Indonesia, Europe

Expand Products & Services

- Further develop WET's capabilities in treatment and recycling of industrial water, waste water and solid wastes

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Contact Details

For more information, please contact:-

Financial PR Pte Ltd

Mark LEE, marklee@financialpr.com.sg

Yen TAN, yen@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064

BKM website: www.bkmgroup.com.sg

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