BENG KUANG MARINE LIMITED

Registration No. 199400196M

First Quarter Financial Statement For The Period Ended 31 March 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		GROUP		
		1st Qtr of 2008	1st Qtr of 2007	Increase / (Decrease)
	Notes	S$'000	S$'000	%
Revenue		**33,775**	**20,288**	**66%**
Cost of sales		(26,237)	(15,240)	72%
Gross profit		**7,538**	**5,048**	**49%**
Other operating income / (expenses), net	(A)	127	(6)	NM
Administrative expenses		(3,443)	(2,904)	19%
Selling and distribution expenses		(620)	(526)	18%
Profit from operations		**3,602**	**1,612**	**123%**
Financial income		20	23	(13%)
Financial expenses		(254)	(162)	57%
Share of results of associates, net of tax		(116)	-	NM
Profit before taxation	**(B)**	**3,252**	**1,473**	**121%**
Taxation		(821)	(322)	155%
Profit after taxation		**2,431**	**1,151**	**111%**
Attributable to :				
Equity holders of the Company		**2,350**	**1,175**	**100%**
Minority Interests		81	(24)	NM
		2,431	1,151	111%

NM - Not meaningful

Notes

(A) The Group's other operating income / (expenses), net includes:

	GROUP	
	1st Qtr of 2008	**1st Qtr of 2007**
	S$'000	**S$'000**
Gain on disposal of fixed assets	65	-
Fixed assets written off	(4)	(2)
Foreign exchange loss	(86)	(15)
Other Income	152	11

(B) The Group's profit from operations is arrived at after (charging) / crediting

Interest income	20	23
Interest expense on borrowings	(245)	(170)
Depreciation of fixed assets	(931)	(535)
Write-back of allowance for doubtful debts	8	1
Allowance for doubtful debts	(90)	(77)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Fixed assets	22,282	20,352	830	853
Intangible assets [2]	3,995	3,995	-	-
Subsidiaries	-	-	8,498	8,498
Associates	3,603	3,719	-	-
Due from subsidiaries (non-trade)	-	-	154	185
Current assets				
Stocks	9,797	10,902	-	-
Work-in-progress in excess of progress billings	13,199	8,310	4,118	2,432
Trade debtors	20,530	18,336 [1]	5	3
Other debtors	2,415	1,741	38	233
Prepayment	1,165	859	197	7
Due from subsidiaries (trade)	-	-	2,469	2,424
Due from subsidiaries (non trade)	-	-	30,227	27,031
Due from related parties (trade)	19,409	11,993 [1]	2,908	1,566
Due from related parties (non trade)	84	86	-	-
Due from associates (trade)	3	6	-	-
Fixed deposits	2,869	3,500	-	-
Cash and bank balances	6,037	7,033	101	94
	75,508	**62,766**	**40,063**	**33,790**
Current liabilities				
Trade creditors	12,677	10,545 [1]	34	40
Bills payable to banks	7,188	7,605	816	1,954
Other creditors and accruals	15,862	11,981	4,739	3,405
Due to subsidiaries (trade)	-	-	1,774	935
Due to subsidiaries (non-trade)	-	-	61	39
Due to related parties (trade)	528	338 [1]	75	83
Due to related parties (non trade)	2,268	1,960	-	-
Provision for income tax	2,944	2,321	143	155
Lease obligations (current portion)	1,410	1,225	21	23
Bank overdrafts	1,173	1,931	654	1,325
Short-term bank loans	20,829	14,942	20,829	14,942
	64,879	**52,848**	**29,146**	**22,901**
Net current assets	**10,629**	**9,918**	**10,917**	**10,889**

	GROUP		COMPANY	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
	S$'000	S$'000	S$'000	S$'000
Non-current liabilities				
Lease obligations (non-current portion)	1,589	1,497	50	53
Deferred taxation	782	782	79	79
	2,371	2,279	129	132
Net assets	**38,138**	**35,705**	**20,270**	**20,293**
Equity attributable to equity holders of the Company				
Share capital	16,111	16,111	16,111	16,111
Revenue reserves	18,547	16,197	4,159	4,182
Translation reserves	(4)	(6)	-	-
	34,654	32,302	20,270	20,293
Minority interests	3,484	3,403	-	-
Total equity	**38,138**	**35,705**	**20,270**	**20,293**

(1) Comparative figures have been re-stated to classify Dubai Drydocks World LLC and its subsidiaries as related parties.

(2) The Group has engaged an Independent Valuer to carry out the purchase price allocation ("PPA") exercise for the acquisition of Water & Environmental Technologies (WET) Pte Ltd. In accordance with Singapore Financial Standards ("FRS") 103, the Group is allowed to take one year from the date of acquisition to complete the PPA exercise. As at 31 December 2007, the fair value of the goodwill and the gain on deemed disposal of subsidiary amounting to S$3.29 million and S$2.77 million have been determined on a provisional basis as the results of the independent valuation has not been finalised as at the date of announcement.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 31-Mar-08		As at 31-Dec-07	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Bank Borrowings	-	29,190	-	24,478
Lease Obligations	1,410	-	1,225	-

Amount repayable after one year

	As at 31-Mar-08		As at 31-Dec-07	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Lease Obligations	1,589	-	1,497	-

Details of any collateral

- Lease obligations are secured by the underlying assets acquired.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	1st Qtr of 2008	1st Qtr of 2007
	S$'000	S$'000
Cash flows from operating activities		
Profit before taxation	3,252	1,473
Adjustments for:		
Allowance for doubtful debts	90	77
Write-back of allowance for doubtful debts	(8)	(1)
Gain on disposal of fixed assets	(65)	-
Fixed assets written off	4	2
Depreciation of fixed assets	931	535
Provision for stock obsolescence written back	(28)	-
Share of results of associates	116	-
Interest income	(20)	(23)
Interest expenses	245	170
Operating profit before changes in working capital	**4,517**	**2,233**
(Increase) / decrease in:		
Stocks	1,133	(95)
Work-in-progress in excess of progress billings	(4,889)	2,426
Trade debtors	(2,276)	(1,109)
Other debtors	(674)	(423)
Prepayments	(306)	(369)
Due from related parties	(7,414)	(1,928)
Due from associates, net	3	-
(Decrease) / increase in:		
Trade creditors	2,132	895
Other creditors and accruals	3,881	516
Due to related parties	498	41
Cash flows (used in) / generated from operations	**(3,395)**	**2,187**
Interest received	20	23
Interest paid	(258)	(189)
Income taxes paid	(198)	(58)
Net cash flows (used in) / generated from operating activities	**(3,831)**	**1,963**

	GROUP	
	1st Qtr of 2008	1st Qtr of 2007
	S$'000	S$'000
Cash flows from investing activities		
Proceeds from disposal of fixed assets	1,191	-
Purchase of fixed assets	(3,233)	(1,424)
Net cash flows used in investing activities	**(2,042)**	**(1,424)**
Cash flows from financing activities		
Repayment of finance lease liabilities	(481)	(170)
Proceeds from shareholders	-	4,560
Decrease in bills payable to banks	(417)	(888)
Proceeds from / (Repayment of) short-term bank loans	5,900	(1,995)
Net cash flows generated from financing activities	**5,002**	**1,507**
Net effect of exchange rate changes in consolidating subsidiaries	2	-
Net (decrease) / increase in cash and cash equivalents	**(869)**	**2,046**
Cash and cash equivalents at beginning of the period	**8,602**	**10,085**
Cash and cash equivalents at end of the period	**7,733**	**12,131**

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attrributable to equity holders of the Company					
	Share Capital	Revenue Reserve	Translation Reserves	Total Reserves	Minority Interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
GROUP						
Balance as at 31 December 2006	11,551	10,386	(4)	10,382	1,106	23,039
Issuance of new shares	4,560	-	-	-	-	4,560
Net profit / (loss) for the quarter	-	1,175	-	1,175	(24)	1,151
Balance as at 31 March 2007	**16,111**	**11,561**	**(4)**	**11,557**	**1,082**	**28,750**
Balance as at 31 December 2007	16,111	16,197	(6)	16,191	3,403	35,705
Currency translation differences representing net gains and losses not recognised in statement of profit and loss	-	-	2	2	-	2
Net profit for the quarter	-	2,350	-	2,350	81	2,431
Balance as at 31 March 2008	**16,111**	**18,547**	**(4)**	**18,543**	**3,484**	**38,138**
COMPANY						
Balance as at 31 December 2006	11,551	2,907	-	2,907	-	14,458
Issuance of new shares	4,560	-	-	-	-	4,560
Net profit for the quarter	-	17	-	17	-	17
Balance as at 31 March 2007	**16,111**	**2,924**	**-**	**2,924**	**-**	**19,035**
Balance as at 31 December 2007	16,111	4,182	-	4,182	-	20,293
Net loss for the quarter	-	(23)	-	(23)	-	(23)
Balance as at 31 March 2008	**16,111**	**4,159**	**-**	**4,159**	**-**	**20,270**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The group has applied consistent accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 31 December 2007.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period base on net profit attributable to shareholders (in cents):

	Group	
	1st Quarter 2008	**1st Quarter 2007**
a) Based on weighted average number of ordinary shares on issue; and	0.61	0.32
Weighted no.of shares in issue	384,710,625	369,110,625 [(3)]
b) On a fully diluted basis	N/A	N/A

N/A - not applicable

[(3)] Comparative figures for earnings per ordinary share have been re-stated for the sub-division of shares by share split of each ordinary share into 3 ordinary shares.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	GROUP		COMPANY	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
Net asset value per ordinary share based on issued share capital at end of the period/year (in cents)	9.01	8.40	5.27	5.27

31-Mar-08

The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the period of S$34.65 million and the Company's net asset value as at the end of the period of S$20.27 million divided by the share capital of 384,710,625 ordinary shares.

31-Dec-07

The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the period of S$32.30 million and the Company's net asset value as at the end of the period of S$20.29 million divided by the share capital of 384,710,625 ordinary shares.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

	1st Quarter results			
Group Turnover	**FY 2008**	**FY 2007**	**+ / (-)**	**+ / (-)**
	S$'million	**S$'million**	**S$'million**	**%**
Corrosion Prevention ("CP")	**17.25**	**7.64**	**9.61**	**125.8**
Infrastructure & Engineering ("IE")	**9.49**	**6.28**	**3.21**	**51.1**
Supply & Distribution ("SD")	**7.04**	**6.37**	**0.67**	**10.5**
	33.78	**20.29**	**13.49**	**66.4**

The Group's turnover for 1Q2008 increased by 66% from S$20.29 million to S$33.78 million. This was mainly driven by continual strong demand momentum in marine, offshore oil and gas activities during the quarter.

The CP division contributed the highest revenue growth during the quarter which recorded an increase in turnover by S$9.61 million as compared to 1Q2007. Apart from the strong demand in marine activities, one of the key factors was the contribution from our new subsidiary - PT Berger Batam.

Revenue from our IE division increased by S$3.21 million from S$6.28 million in 1Q2007 to S$9.49 million in 1Q2008. This increase in revenue was driven by the turnkey project in Jurong Island that was secured in January 2008. The contracts secured in 2007/2008 for offshore oil and gas engineering works in Batam had contributed to the overall growth in our IE division.

The Group achieved a net profit attributable to shareholders of S$2.35 million for 1Q2008 which is 100% increase as compared to 1Q2007 with net profit of S$1.18 million.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

CASHFLOW STATEMENT

The Group's short-term bank loans increased during the year is due to project cash flow requirements to facilitate several long term rig building contracts, and the expenses incurred on construction in progress for the Batam leasehold land.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In our previous announcement of 22 February 2008, we had forecasted to remain profitable for FY2008. This quarterly results is in line with the forecast.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The outlook for the industry sector that we serve (marine-related and offshore oil and gas activities such as shipbuilding, ship conversion, ship repair, rig building activities and offshore engineering) is expected to remain positive for FY2008.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared / recommended, a statement to that effect.

No interim dividend has been declared/recommended for the current period ended 31 March 2008.

13 Confirmation pursuant to Rule 705(4) of the listing manual of the Singapore Exchange Securities Trading Limited

We, Chua Meng Kuang and Chua Meng Hua, being Directors of Beng Kuang Marine Limited (the "Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the 1st quarter ended 31 March 2008 to be false or misleading.

BY ORDER OF THE BOARD

Chua Meng Hua
Executive Director
30 April 2008