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Beng Kuang Marine Achieves Sterling Results in FY2006

- ***Net profit soars 68% to S$3.8m on the back of a 32% increase in revenue to S$70.5m***
- ***Rewards shareholders with an increase in dividends (1.1 cents per share)***

Singapore, 27 February 2007 – Beng Kuang Marine Limited ("BKM" or "明光海事") and its subsidiaries (the "Group"), are established providers of corrosion prevention (CP), infrastructure engineering (IE), and supply and distribution (SD) services to the marine and offshore oil and gas industries. BKM has achieved a record net profit of S$3.8 million for FY2006 which is attributable to the escalation in activities in the marine and offshore industries. To reward shareholders, the Group has announced a dividend of 1.1 cents per ordinary share.

Financial Highlights	FY2006 S$'000	FY2005 S$'000	% Change
Revenue	70,550	53,246	32%
Gross Profit	17,272	14,819	17%
Net Profit	3,819	2,273	68%
Net Profit Margin	5.4%	4.3%	26%
Dividend Per Share (cents)	1.10	0.75	

Financial Review

In FY2006, the Group's revenue rose by 32% to an all-time high of S$70.5 million. The growth in revenue was largely driven by the high demand for the Group's

services in the IE division and the sale of hardware products in the SD division. Gross profit increased by 17% to S$17.3 million, while net profit increased by 68% to S$3.8 million. Earnings per share also improved from 1.96 cents in FY2005 to 3.28 cents in FY2006.

Net asset value per share increased from 16.19 cents in FY2005 to 18.87 cents in FY2006, while cash and bank balances stood at a healthy S$10.0 million.

Segmental Review

The IE division performed particularly well in FY2006. Revenue for the division more than doubled year-on-year to S$16.2 million. The large increase in revenue was due to the Group undertaking more high-value vessel and rig construction projects in the marine and offshore industries in Singapore, Batam and Malaysia.

The SD division also posted a strong performance for the year. Revenue for the division grew by 52% to S$22.1 million in FY2006. The surge in shipyard activities among the Group's major customers had resulted in an increase in demand for the Group's hardware products.

Revenue for the CP division declined marginally to S$32.2 million. The slight decrease in turnover was due to reduction in both tank cleaning services and used copper slag collection services.

Company Outlook for 2007

The Group has capitalised on the opportunities available in the marine and offshore industries and secured multi-million dollar contracts with major industry players (refer to table below).

Period	Contract	Value
February 2007	Conversion and upgrading works on a Floating Production, Storage and Offloading ("FPSO") vessel	US$5.85m
February 2007	Supply welding cables and other products to an established marine shipbuilding specialist	S$3.5m

November 2006	Corrosion Prevention Project for a major rig building company	S$3.9m

With the expected increase in shipbuilding and rig building activities of the major shipyards, the Group is well positioned to ride on this growth momentum. With BKM's proven track record and capabilities, the Group would expect to benefit from the outsourcing of work by the major shipyards and rig builders.

Mr Chua Beng Kuang (蔡明光), Managing Director of BKM, said, "We are pleased to announce this set of good results to our shareholders, and have proposed dividend of 1.1 cents per ordinary share for their confidence in BKM. With the recent increase in shipbuilding and rig building contracts undertaken by our customers, we will focus on expanding our IE division. As part of our growth strategy, we target to maximise our yard capacity in Batam to take on larger scale IE projects, such as steel work modules for jack-up drilling rigs and conversion and upgrading of FPSO vessels."

In January 2007, the Group issued 12 million new ordinary shares which raised net proceeds of S$4.37 million. The net proceeds will be used to fund the expansion of the Group's business through acquisitions or joint ventures as and when the opportunities arise and as working capital for the Group.

Barring any unforeseen circumstances, the Group expects to achieve better revenue and earnings in FY2007.

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About Beng Kuang Marine Limited

Beng Kuang Marine Limited ("BKM" or "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 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 this 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.

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

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

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