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Beng Kuang Marine sails ahead with 138% increase in PAT to S$9.1 million in FY2007

- **Profit attributable to shareholders jumped 77% to S$6.7 million on the back of 36% increase in revenue to S$95.7 million**
- **To reward shareholders with total dividends of 0.70 cents per ordinary share**

Singapore, 22 February 2008 – Beng Kuang Marine Limited ("**BKM**") and its subsidiaries (the "Group") ("明光海事") has achieved record earnings of S$9.1 million and profit attributable to shareholders of S$6.7 million on the back of S$95.7 million revenue for the financial year ended 31 December 2007.

Overall highlights	4Q2007 S$ '000	4Q2006 S$ '000	Change	FY2007 S$ '000	FY2006 S$ '000	Change
Revenue	**24,604**	**17,798**	**38%**	**95,687**	**70,550**	**36%**
Gross profit	**8,887**	**3,434**	**159%**	**25,942**	**17,272**	**50%**
Profit from operations	**3,633**	**1,295**	**181%**	**9,998**	**5,416**	**85%**
Profit before tax	**3,249**	**1,070**	**204%**	**11,758**	**4,560**	**158%**
Profit after tax	**2,286**	**1,110**	**106%**	**9,077**	**3,820**	**138%**
Profit attributable to shareholders	**2,311**	**1,108**	**109%**	**6,745**	**3,819**	**77%**

FY2007 Financial Review

The Group's revenue rose by 36% from S$70.6 million in FY2006 to S$95.7 million in FY2007. The gross profit increased by 50% to S$25.9 million and the profit after tax increased by 138% to S$9.1 million year on year. The increase in the Group's revenue was mainly attributable to the securing of higher value projects from the Infrastructure Engineering ("IE") division, the new stream of revenue from newly incorporated subsidiaries and increase in market demand for its corrosion prevention services, and improved sales performance from the Supply and Distribution ("SD") division.

BKM's net profits attributable to shareholders increased by 77% from S$3.8 million to S$6.7 million for FY2007 year on year. The stellar performance was due to the high volume in marine and offshore oil and gas activities and costing efforts while maintaining administrative, selling and distribution expenses.

Figure 1: Profit after Tax

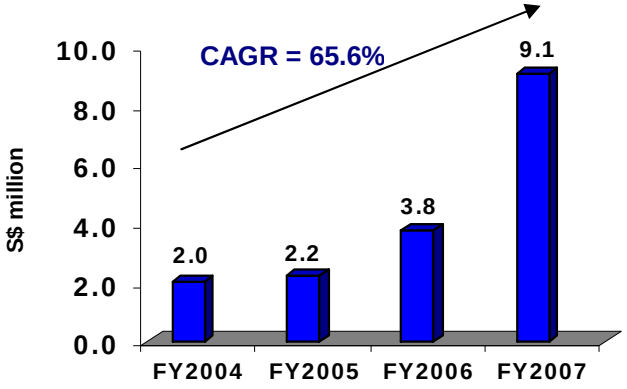
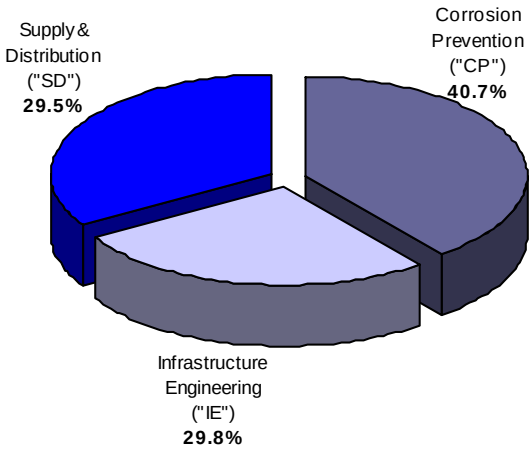


Figure 2: FY2007 Revenue Breakdown



Segmental Review

Revenue from the Corrosion Prevention ("CP") division increased by S$6.6 million from S$32.3 million in FY2006 to S$38.9 million in FY2007. The increase was mainly due to contributions from **BKM**'s newly incorporated subsidiaries that operate in Batam and the increase in market demand for corrosion prevention services.

Revenue from the IE division increased by S$12.4 million or 76% from S$16.2 million in FY2006 to S$28.6 million in FY2007, showing the greatest growth among the various divisions. The increase in revenue was due to the contributions from the conversion and upgrading works of a Floating, Production, Storage and Offloading ("FPSO") vessel in Indonesia. In addition, the Group was able to secure higher value IE projects.

The increase in shipyard and rig building activities also had a positive effect on the SD division, which in turn led to an increased in demand for the Group's hardware products. As a result, the SD division's revenue increased by S$6.1 million from S$22.1 million in FY2006 to S$28.2 million in FY2007.

"FY2007 is a record year for Beng Kuang Marine in terms of revenue and earnings. The Group was able to capitalize on the numerous opportunities that were presented throughout 2007. To reward our shareholders for their support, we are proposing to declare a first and final dividend of 0.70 cents per ordinary share."

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

Growth Prospects

IE project in Batam, Indonesia

In June 2007, the Group successfully acquired the 30-year leasehold waterfront land of approximately 32.8 hectare which is approximately four times its present operating yard in Batam. With decreasing yard space available for offshore vessel projects in the region, **BKM's** timely land acquisition provides good opportunities to secure large-scale fabricating and engineering projects. The Group aims to increase its IE production capacity when the land is operational. In addition, the presence of a 350-metre waterfront in this newly acquired land allows for convenient transportation

of large steel modules by sea. Barring unforeseen circumstances, this new yard is scheduled to commence operations in 2H2008.

Mr Chua continues, "With continued exploration and production spending due to high oil prices and the ongoing replacement cycle of oil rigs and offshore vessels still going strong, we continue to be optimistic about the outlook for the marine, offshore oil and gas sectors. With our new yard in Batam, we believe that the IE division has good growth potential due to the large number of shipbuilding and rig building projects undertaken by both local and Batam shipyards."

- 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. With the acquisition of Water and Environmental Technologies (WET) Pte Ltd in 2007, BKM is looking at business opportunities to expand the new Environmental and Resource ("ER") division.

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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