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Beng Kuang Marine PATMI grows 36% to a record S$8.2 million in FY08

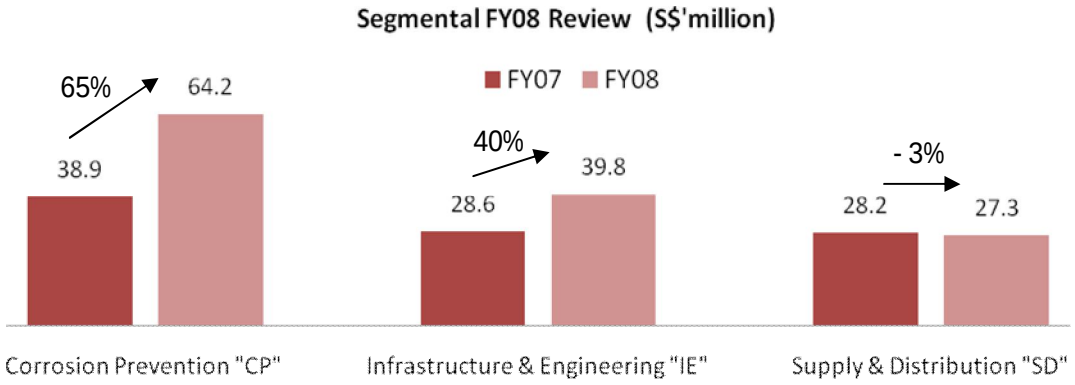
- **Strong growth of 37% to record revenue of S$131.5 million on the back of strong order books from marine, offshore oil and gas sectors**
- **Revenue from infrastructure engineering division grew 40% to S$39.8 million**

Singapore, 20 Feburary 2009 – Beng Kuang Marine Limited ("BKM", "the Group" or "明光海事"), an established provider of Corrosion Prevention ("CP") services, Infrastructure Engineering ("IE") services, and Supply and Distribution ("SD") of hardware equipment and tools to the marine and offshore oil and gas industries, is pleased to announce that its profit attributable to equity holders grew 36% to a record S$8.2 million for the 12 months ended 31st December 2008.

Financial Review

(S$'000)	4Q08	4Q07	%Chg	FY08	FY07	%Chg
Revenue	31,279	24,604	27	131,457	95,687	37
Gross Profit	7,043	8,887	(21)	30,294	25,942	17
Operating Profit	1,967	3,633	(46)	12,499	9,997	25
PATMI	1,364	2,311	(41)	8,239	6,059	36

BKM's revenue grew 37% in FY08 to S$131.5 million on the back of strong order books from marine, offshore oil and gas sectors throughout the year.



The CP division was the main revenue driver in FY08, registering a 65% growth in revenue to S$64.2 million. Despite the economic crisis corrosion prevention activities from major shipyards remained strong with demand coming from ship building, ship repair, and rig building activities.

The recent contract announced with one of Australia's largest project development and contracting companies, Leighton's Holdings, to build an accommodation module was a significant milestone for our new 32.8 hectare waterfront fabrication yard in Batam. With the stream of new contracts secured, the IE division was able to register 40% improvement in revenue to S$39.8 million.

For the full year ended 31 December 2008, profit after tax improved 8% to S$8.4 million, while profit attributable to equity holders of the company rose 36% to S$8.2 million. The Group's cash flow position remains healthy, with net cash generated from operating activities of S$6.5 million in FY08 as compared to S$5.5 million in FY07. Cash and cash equivalents also increased from S$8.6 million as at end of FY07 to S$14.3 million as at end of FY08.

In appreciation for the unwavering support shown by shareholders, the Group is pleased to propose a first and final tax exempt one-tier dividend of 0.5 Singapore cents per ordinary share for FY08.

Outlook

The current global economic downturn has impacted the marine oil and gas industry. Under the current economic environment, the Group expects the outlook for the next 12 months to be challenging. The Group will stay focused on its current core business, adopt a prudent approach on managing expenses while actively pursuing business opportunities for its new fabrication yard in Batam.

"**We believe in this challenging environment, the new yard will be the engine of growth for the years to come, adding capacity and capabilities to perform higher value-added work to attract customers, creating a new revenue stream for the Group while improving profit margins.**"

Mr Chua Beng Kuang, Managing Director

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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
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