SPEECH BY MR PHILIP YEO, CHAIRMAN, SPRING SINGAPORE, AT THE JOINT VENTURE SIGNING CEREMONY BETWEEN BENG KUANG MARINE LTD AND QUILL FAR EAST PTE LTD AT 10.00 AM ON WEDNESDAY, 18 MARCH 2009

Mr Chua Beng Kuang, Executive Chairman, Beng Kuang Marine Ltd

Mr David Dore, Managing Director, Quill Far East Pte Ltd

Ladies and gentlemen

Good Morning

Robustness of the Marine Industry

1. I am pleased to join all of you today at the joint venture signing between Beng Kuang Marine and Quill Far East.

2. The Singapore marine industry is a key pillar of our vital Manufacturing sector. In 2007, our marine industry had an outstanding growth of 33 % with an output of S$13 billion. Singapore today is a world class ship repair centre and offshore rig builder. In the current global recession, though the back order books are good, the marine industry is affected too.

3. To ride out this economic down turn, our local enterprises should take the opportunity to upgrade their technology and develop innovative solutions to address global market needs. The marine supporting

industries need to break out from being just labour contractors and embrace technology to emerge as niche marine equipment designers and manufacturers. Marine supporting industries should leverage on SPRING Singapore's initiatives to explore new technology both locally and overseas.

4. Beng Kuang Marine is a good example of a Singapore marine company always on the lookout for potential collaborators in areas of technology adoption and market expansion. A repair contractor started in 1990, Beng Kuang Marine is Singapore's leading corrosion prevention solutions provider that supports beyond the marine and offshore sector to include emerging markets such as the environmental and infrastructure engineering industries.

Moving from service provider to equipment manufacturer

5. Last year, the EDB's Marine Local Industry Upgrading Programme (LIUP) and SPRING Singapore jointly led a delegation to visit the Shipbuilding, Machinery and Marine Technology Trade Fair in Hamburg. The objective of the visit was to look at new technologies relevant to our marine supporting industries. Through the visit, Beng Kuang Marine assessed the relevant technologies and made the decision to link up

with a British company, Quill Falcon PLC, a specialist in cleaning equipment for industrial applications.

6. Quill Falcon has an innovative wet abrasive blasting process that is able to cut down noise pollution by 20% and copper slag consumption by 50%. This creates a safer and more environmental-friendly shipyard, and allows simultaneous jobs to be performed on the docked ship, thereby reducing the repair turnaround time.

7. I am pleased that the collaboration between Beng Kuang Marine and Quill Far East, the local office to Quill Falcon, is taking off. Quill Marine Pte Ltd, the JV company will combine Beng Kuang Marine's extensive South-East Asian distribution network and Quill Falcon's patented technology to provide wet abrasive blasting solutions to marine and offshore industries in the region. Quill Marine plans to establish a $10 million manufacturing plant in Singapore to design and manufacture blasting equipment for the Asia Pacific market.

8. This joint venture is a good formula that can serve Singapore and foreign enterprises well. Combining the technology capabilities of international companies from Europe and the US, with the extensive

regional network of Singapore enterprises, to provide competitive products and solutions to the region.

9. Companies, big and small, are most inclined to merely cut back on capital investments to ride out the global recession. Beng Kuang Marine and Quill Far East did not. Both companies felt that this was a good opportunity to leverage on each other's strengths to seek out new markets. This joint venture should help buffer their businesses against the global downturn, and better position them well for the upturn and growth.

10. Finally, let me extend my heartiest congratulations to the management and staff of Beng Kuang Marine Ltd, Quill Far East Pte Ltd and the joint venture, Quill Marine Pte Ltd for successfully setting up this partnership. I wish you every success in the years ahead.