

**BENG KUANG MARINE LIMITED**

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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.

| | Notes | GROUP | | | GROUP (Year to date) | | |
|------------------------------------|-------|--------------------|--------------------|-------------------------------|-------------------------|----------------------|-------------------------------|
| | | 4th Qtr of 2006 | 4th Qtr of 2005 | Increase / (Decrease) % | FY 2006 | FY 2005 (audited) | Increase / (Decrease) % |
| | | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| REVENUE | | 17,798 | 13,653 | 30% | 70,550 | 53,246 | 32% |
| Cost of Sales | | (14,364) | (9,287) | 55% | (53,278) | (38,427) | 39% |
| GROSS PROFIT | | 3,434 | 4,366 | (21%) | 17,272 | 14,819 | 17% |
| Other operating income (net) | (A) | 36 | 16 | 125% | 102 | 33 | 209% |
| Administrative expenses | | (1,605) | (3,050) | (47%) | (9,813) | (9,830) | (0%) |
| Selling & distribution expenses | | (556) | (656) | (15%) | (2,083) | (1,482) | 41% |
| PROFIT FROM OPERATIONS | | 1,309 | 676 | 94% | 5,478 | 3,540 | 55% |
| Financial income | | 3 | (15) | 120% | 9 | 88 | (90%) |
| Financial expenses | | (242) | (173) | 40% | (927) | (646) | 43% |
| PROFIT BEFORE TAXATION | (B) | 1,070 | 488 | 119% | 4,560 | 2,982 | 53% |
| TAXATION | | 40 | 1 | 3,900% | (740) | (749) | (1%) |
| PROFIT AFTER TAXATION | | 1,110 | 489 | 127% | 3,820 | 2,233 | 71% |
| Attributable to : | | | | | | | |
| Shareholders of the Company | | 1,108 | 464 | 139% | 3,819 | 2,273 | 68% |
| Minority interests | | 2 | 25 | (92%) | 1 | (40) | 103% |
| | | <u>1,110</u> | <u>489</u> | 127% | <u>3,820</u> | <u>2,233</u> | 71% |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006Notes

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

| | GROUP | | GROUP (Year To Date) | |
|----------------------------------|--------------------|--------------------|-------------------------|----------------------|
| | 4th Qtr of 2006 | 4th Qtr of 2005 | FY 2006 | FY 2005 (audited) |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Gain on disposal of fixed assets | 35 | 17 | 78 | 11 |
| Fixed assets written off | (68) | (21) | (68) | (40) |
| Other income | 69 | 20 | 92 | 62 |

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

| | GROUP | | GROUP (Year To Date) | |
|---|--------------------|--------------------|-------------------------|----------------------|
| | 4th Qtr of 2006 | 4th Qtr of 2005 | FY 2006 | FY 2005 (audited) |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Interest income | 3 | 0 | 9 | 16 |
| Interest expense on borrowings | (223) | (167) | (844) | (626) |
| Depreciation of fixed assets | (509) | (456) | (1,964) | (1,786) |
| Provision for doubtful trade debts written back | 1,136 | 18 | 1,194 | 64 |
| Provision for doubtful trade debts | (79) | (1,042) | (525) | (1,674) |
| Provision for stock obsolescence | (31) | 0 | (31) | (11) |
| Foreign exchange (loss) / gain | (14) | (15) | (62) | 72 |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006

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 | |
|---|---------------|---------------|---------------|---------------|
| | 31/12/2006 | 31/12/2005 | 31/12/2006 | 31/12/2005 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Fixed assets | 9,827 | 7,631 | 440 | 721 |
| Subsidiaries | 0 | 0 | 2,786 | 2,684 |
| Due from subsidiaries (non-trade) | 0 | 0 | 75 | 340 |
| Current assets | | | | |
| Stocks | 8,656 | 6,007 | 0 | 0 |
| Work-in-progress in excess of progress billings | 5,493 | 7,675 | 719 | 1,013 |
| Trade debtors | 18,513 | 16,231 | 2 | 9 |
| Other debtors, deposits and prepayments | 1,246 | 699 | 66 | 46 |
| Due from subsidiaries (trade) | 0 | 0 | 2,701 | 5,105 |
| Due from subsidiaries (non-trade) | 0 | 0 | 17,093 | 14,736 |
| Due from related parties (trade) | 4,777 | 3,186 | 1,656 | 1,447 |
| Due from related parties (non-trade) | 55 | 79 | 0 | 0 |
| Fixed deposits | 87 | 448 | 0 | 0 |
| Cash and bank balances | 10,005 | 3,032 | 3,303 | 614 |
| | 48,832 | 37,357 | 25,540 | 22,970 |
| Current liabilities | | | | |
| Trade creditors | 8,585 | 5,504 | 116 | 191 |
| Bills payable to banks | 5,615 | 3,196 | 1,864 | 615 |
| Other creditors and accruals | 7,700 | 4,188 | 1,600 | 1,571 |
| Due to related parties (trade) | 238 | 345 | 74 | 139 |
| Due to related parties (non-trade) | 57 | 45 | 0 | 1 |
| Due to subsidiaries (trade) | 0 | 0 | 555 | 494 |
| Due to subsidiaries (non-trade) | 0 | 0 | 9 | 6 |
| Provision for income tax | 1,002 | 941 | 45 | 61 |
| Lease obligations (current portion) | 666 | 123 | 11 | 11 |
| Bank overdrafts | 7 | 30 | 0 | 30 |
| Short-term bank loans | 10,035 | 10,012 | 10,035 | 10,012 |
| | 33,905 | 24,384 | 14,309 | 13,131 |
| Net current assets | 14,927 | 12,973 | 11,231 | 9,839 |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006

| | GROUP | | COMPANY | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2006 | 31/12/2005 | 31/12/2006 | 31/12/2005 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current liabilities | | | | |
| Lease obligations (non-current portion) | 1,058 | 96 | 12 | 24 |
| Deferred taxation | 657 | 683 | 62 | 102 |
| | 23,039 | 19,825 | 14,458 | 13,458 |
| Share capital and reserves | | | | |
| Share capital* | 11,551 | 9,299 | 11,551 | 9,299 |
| Share premium | 0 | 2,252 | 0 | 2,252 |
| Revenue reserves | 10,387 | 7,265 | 2,907 | 1,907 |
| Translation reserves | (5) | 2 | 0 | 0 |
| | 21,933 | 18,818 | 14,458 | 13,458 |
| Minority interests | 1,106 | 1,007 | 0 | 0 |
| | 23,039 | 19,825 | 14,458 | 13,458 |

* Pursuant to the Companies (Amendment) Act 2005 effective 30 January 2006, the concept of authorised share capital and par value has been abolished. The credit in the share premium account has been transferred to the share capital account as at that date.

1(b)(ii) Aggregate amount of group's borrowings and debt securities
Amount repayable in one year or less, or on demand

| | As at 31/12/06 | | As at 31/12/05 | |
|-------------------|-----------------------|------------------|-----------------------|------------------|
| | S\$'000 | | S\$'000 | |
| | Secured | Unsecured | Secured | Unsecured |
| Bank Borrowings | | \$ 15,657 | | \$ 13,238 |
| Lease Obligations | \$ 666 | | \$ 123 | |

Amount repayable after one year

| | As at 31/12/06 | | As at 31/12/05 | |
|-------------------|-----------------------|------------------|-----------------------|------------------|
| | S\$'000 | | S\$'000 | |
| | Secured | Unsecured | Secured | Unsecured |
| Lease Obligations | \$ 1,058 | | \$ 96 | |

Details of any collateral

- Lease obligations are secured by the underlying assets acquired.

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006**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 | |
|--|----------------|------------------------------|
| | FY 2006 | FY 2005 |
| | S\$'000 | (audited) S\$'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 4,560 | 2,982 |
| <u>Adjustments:</u> | | |
| Provision for doubtful trade debts | 525 | 1,674 |
| Provision for doubtful trade debts written back | (1,194) | (64) |
| Gain on disposal of fixed assets | (78) | (11) |
| Fixed assets written off | 68 | 40 |
| Depreciation of fixed assets | 1,964 | 1,786 |
| Interest income | (9) | (16) |
| Interest expenses | 844 | 626 |
| Operating profit before working capital changes | 6,680 | 7,017 |
| <u>(Increase) / decrease in:</u> | | |
| Stocks | (2,649) | (749) |
| Work-in-progress in excess of progress billings | 2,182 | 456 |
| Trade debtors | (1,613) | 172 |
| Other debtors, deposits and prepayments | (547) | (280) |
| Due from related parties | (1,567) | (902) |
| <u>Increase / (decrease) in:</u> | | |
| Trade creditors | 3,081 | 331 |
| Other creditors and accruals | 3,512 | 683 |
| Due to related parties | (95) | (720) |
| Cash generated from operations | 8,984 | 6,008 |
| Interest received | 9 | 16 |
| Interest paid | (821) | (626) |
| Income taxes paid | (705) | (548) |
| Net cash generated from operating activities | 7,467 | 4,850 |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006

| | GROUP | |
|---|----------------|------------------|
| | FY 2006 | FY 2005 |
| | S\$'000 | (audited) |
| | S\$'000 | S\$'000 |
| Cash flows from investing activities | | |
| Proceeds from disposal of fixed assets | 414 | 201 |
| Purchase of fixed assets | (2,778) | (2,297) |
| Proceeds from a minority shareholder of a subsidiary | 98 | 10 |
| Net cash used in investing activities | (2,266) | (2,086) |
| Cash flows from financing activities | | |
| Repayment of finance lease obligations | (281) | (251) |
| Increase in bills payable to banks | 2,419 | 115 |
| Repayment of short-term bank loans | 0 | (999) |
| Dividends paid to shareholders | (697) | 0 |
| Dividends paid to a minority shareholder of a subsidiary | 0 | (39) |
| Net cash generated from / (used in) financing activities | 1,441 | (1,174) |
| Net effect of exchange rate changes in consolidating subsidiaries | (7) | 2 |
| Net increase in cash and cash equivalents | 6,635 | 1,592 |
| Cash and cash equivalents at beginning of the year | 3,450 | 1,858 |
| Cash and cash equivalents at end of the year | 10,085 | 3,450 |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006

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.

| | Attributable to equity holders of the company | | | | | Minority Interests | Total Equity |
|---|---|---------------|-----------------|----------------------|---------------|--------------------|---------------|
| | Share Capital | Share Premium | Revenue Reserve | Translation Reserves | Total Reserve | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| GROUP | | | | | | | |
| Balance as at 1 Jan 2005 | 9,299 | 2,252 | 4,992 | 0 | 4,992 | 1,076 | 17,619 |
| Currency translation differences representing net gains and losses not recognised in statement of profit and loss | 0 | 0 | 0 | 2 | 2 | 0 | 2 |
| Issuance of shares to minority interest | 0 | 0 | 0 | 0 | 0 | 10 | 10 |
| Net profit / (loss) for the year | 0 | 0 | 2,273 | 0 | 2,273 | (40) | 2,233 |
| Dividends paid to a minority shareholder of a subsidiary | 0 | 0 | 0 | 0 | 0 | (39) | (39) |
| Balance as at 31 December 2005 | 9,299 | 2,252 | 7,265 | 2 | 7,267 | 1,007 | 19,825 |
| Balance as at 1 Jan 2006 | 9,299 | 2,252 | 7,265 | 2 | 7,267 | 1,007 | 19,825 |
| Currency translation differences representing net gains and losses not recognised in statement of profit and loss | 0 | 0 | 0 | (7) | (7) | 0 | (7) |
| # Transfer of share premium reserve to share capital account | 2,252 | (2,252) | 0 | 0 | 0 | 0 | 0 |
| Issuance of shares to minority interest | 0 | 0 | 0 | 0 | 0 | 98 | 98 |
| Dividends paid to shareholders | 0 | 0 | (697) | 0 | (697) | 0 | (697) |
| Net profit for the year | 0 | 0 | 3,819 | 0 | 3,819 | 1 | 3,820 |
| Balance as at 31 December 2006 | 11,551 | 0 | 10,387 | (5) | 10,382 | 1,106 | 23,039 |

| | Attributable to equity holders of the company | | | | | Minority Interests | Total |
|--|---|---------------|-----------------|----------------------|---------------|--------------------|---------------|
| | Share Capital | Share Premium | Revenue Reserve | Translation Reserves | Total Reserve | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| COMPANY | | | | | | | |
| Balance as at 1 Jan 2005 | 9,299 | 2,252 | 318 | 0 | 318 | 0 | 11,869 |
| Net profit for the year | 0 | 0 | 1,589 | 0 | 1,589 | 0 | 1,589 |
| Balance as at 31 December 2005 | 9,299 | 2,252 | 1,907 | 0 | 1,907 | 0 | 13,458 |
| Balance as at 1 Jan 2006 | 9,299 | 2,252 | 1,907 | 0 | 1,907 | 0 | 13,458 |
| # Transfer of share premium reserve to share capital account | 2,252 | (2,252) | 0 | 0 | 0 | 0 | 0 |
| Dividends paid to shareholders | 0 | 0 | (697) | 0 | (697) | 0 | (697) |
| Net profit for the year | 0 | 0 | 1,697 | 0 | 1,697 | 0 | 1,697 |
| Balance as at 31 December 2006 | 11,551 | 0 | 2,907 | 0 | 2,907 | 0 | 14,458 |

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.

None.

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

Figures have not been audited or reviewed.

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.

Yes.

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.

The Group has adopted new / revised Financial Reporting Standards and interpretations that are mandatory for the financial years beginning on or after 1 January 2006. These do not have any material financial impact on the Group's results.

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 (cents) for the period: | Group | |
|---|----------------|----------------|
| | FY 2006 | FY 2005 |
| a) Based on number of ordinary shares in issue | 3.29 | 1.96 |
| b) On a fully diluted basis | 3.29 | 1.96 |

(i) The earnings per ordinary share for both periods were computed based on 116,236,875 ordinary shares in issue.

(ii) There is no dilution of earnings per ordinary share since there is presently no share option scheme on unissued 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 | |
|---|--------------|------------|----------------|------------|
| | 31/12/2006 | 31/12/2005 | 31/12/2006 | 31/12/2005 |
| Net asset value per ordinary share based on issued share capital at end of the period/year (in cents) | 18.87 | 16.19 | 12.44 | 11.58 |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006

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

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

FY 2006**Group Turnover**

| | 4th Quarter Results | | | |
|-------------------------------------|---------------------|--------------------|-------------|-------------|
| | 4th Qtr of 2006 | 4th Qtr of 2005 | + / (-) | + / (-) |
| | S\$'million | S\$'million | S\$'million | % |
| Corrosion Prevention ("CP") | 8.26 | 9.86 | (1.60) | (16.2) |
| Infrastructure & Engineering ("IE") | 4.10 | 0.41 | 3.69 | 900.0 |
| Supply & Distribution ("SD") | 5.44 | 3.38 | 2.06 | 60.9 |
| | <u>17.80</u> | <u>13.65</u> | <u>4.15</u> | <u>30.4</u> |

4th Quarter of 2006

Our Group's sales increased by 30.4% from S\$13.65 million in 4Q2005 to S\$17.80 million in 4Q2006 due to the increase in demand for our services and products. Net profit attributable to shareholders for 4Q2006 increased by approximately 139% from S\$0.46 million in 4Q2005 to S\$1.11 million in 4Q2006 mainly due to increased sales.

FY 2006**Group Turnover**

| | Full Year Results | | | |
|-------------------------------------|-------------------|--------------|--------------|-------------|
| | FY 2006 | FY 2005 | + / (-) | + / (-) |
| | S\$'million | S\$'million | S\$'million | % |
| Corrosion Prevention ("CP") | 32.27 | 33.63 | (1.36) | (4.0) |
| Infrastructure & Engineering ("IE") | 16.19 | 5.10 | 11.09 | 217.5 |
| Supply & Distribution ("SD") | 22.09 | 14.52 | 7.57 | 52.1 |
| | <u>70.55</u> | <u>53.25</u> | <u>17.30</u> | <u>32.5</u> |

Full year FY 2006

Our Group's turnover for FY2006 increased by 32.5% from S\$53.25 million in FY2005 to S\$70.55 million in FY2006. This increase was largely driven by increases in demand for services in our IE division and for hardware products in our SD division. The IE division performed particularly well in FY2006; revenues more than doubled year-on-year. This was due to the Group undertaking more vessel and rig construction projects in the thriving marine and offshore industries in Singapore, Batam and Malaysia. Revenue increases in the IE and SD divisions more than offset the decrease in revenue in our CP division.

Our CP division's revenue for FY2006 decreased by 4.0% from S\$33.63 million in FY2005 to S\$32.27 million in FY2006. The decrease was mainly due to reduction in tank cleaning services, and collection of used copper slag services. However, the segment results from the CP division remain stable at S\$2.65 million for FY2006.

Better performances in turnover from our IE and SD divisions contributed to the overall increased on Group's turnover. As a result, our Group's net profits attributable to shareholders increased by 68% from S\$2.27 million in FY2005 to S\$3.82 million in FY2006. Our constant efforts towards improving our resources management and work processes to maintain our competitiveness in the industry have contributed to the improved earnings.

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 10 October 2006, we had forecasted to remain profitable for FY2006. This fourth quarter results are in line with the said 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 marine and offshore industries (consisting of the rig building, shipbuilding, and ship repair and conversion sectors) had a positive year in 2006 and its outlook remains optimistic through 2007. Recent industry data such as rising exploration and production capex, and high rig day rates and utilisation rates, indicate that the demand in the marine and offshore industries will remain strong. As a sign of the robust demand, the Group's major and traditional shipyard customers continue to report new contract wins for shipbuilding and rig building with yard capacities taken up to beyond 2007.

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 our proven track record and capabilities, we would expect to benefit from the outsourcing of work by the major shipyards.

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

11. Dividend**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes.

| | |
|------------------------|---------------|
| Name of Dividend: | First & Final |
| Dividend Type: | Cash |
| Dividend Rate (Gross): | 1.10 cents |
| Tax Rate: | 18% |

(b) Corresponding period of the immediately preceding financial year

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

| | |
|------------------------|---------------|
| Name of Dividend: | First & Final |
| Dividend Type: | Cash |
| Dividend Rate (Gross): | 0.75 cents |
| Tax Rate: | 20% |

(c) Date payable

To be announced at a later date

(d) Books closure date

To be announced at a later date

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

Not Applicable.

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

BUSINESS SEGMENTS

| | GROUP 2006 (Year to-date) | | | | |
|--------------------------------|------------------------------|---------------------------------|--------------------------|----------------|------------------------|
| | CORROSION PREVENTION | INFRASTRUCTURE & ENGINEERING | SUPPLY & DISTRIBUTION | ELIMINATION | GROUP |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | | | | | |
| Sales to external customers | 32,265 | 16,193 | 22,092 | - | 70,550 |
| Inter-segment sales | 245 | 533 | 4,226 | (5,004) | - |
| | <u>32,510</u> | <u>16,726</u> | <u>26,318</u> | <u>(5,004)</u> | <u>70,550</u> |
| Results: | | | | | |
| Segment results | <u>2,650</u> | <u>977</u> | <u>2,141</u> | <u>-</u> | <u>5,768</u> |
| Unallocated expenses | | | | | (290) |
| Financial expenses | | | | | (927) |
| Financial income | | | | | 9 |
| Profit before taxation | | | | | <u>4,560</u> |
| Taxation | | | | | (740) |
| Profit after taxation | | | | | <u>3,820</u> |
| Minority interests | | | | | (1) |
| Net profit for the year | | | | | <u><u>3,819</u></u> |
| Segment assets | 51,007 | 12,000 | 21,088 | (25,436) | <u>58,659</u> |
| Segment liabilities | (31,710) | (10,807) | (16,880) | 25,436 | (33,961) |
| Unallocated liabilities | | | | | (1,659) |
| Total liabilities | | | | | <u><u>(35,620)</u></u> |
| Capital expenditure | 3,369 | 928 | 269 | | 4,566 |
| Depreciation | 1,600 | 207 | 158 | | 1,964 |
| Non cash expenses / (income) | 827 | (433) | 367 | | 761 |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006**BUSINESS SEGMENTS**

| | GROUP | | | | |
|-----------------------------|----------------------------|---------------------------------|--------------------------|----------------|-----------------|
| | 2005 (Year to-date) | | | | |
| | CORROSION PREVENTION | INFRASTRUCTURE & ENGINEERING | SUPPLY & DISTRIBUTION | ELIMINATION | GROUP |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | | | | | |
| Sales to external customers | 33,628 | 5,102 | 14,516 | - | 53,246 |
| Inter-segment sales | 164 | 11 | 3,847 | (4,022) | - |
| | <u>33,792</u> | <u>5,113</u> | <u>18,363</u> | <u>(4,022)</u> | <u>53,246</u> |
| Results | | | | | |
| Segment results | <u>2,671</u> | <u>(281)</u> | <u>1,307</u> | <u>-</u> | <u>3,697</u> |
| Unallocated expenses | | | | | (157) |
| Financial expenses | | | | | (646) |
| Financial income | | | | | 88 |
| Profit before taxation | | | | | <u>2,982</u> |
| Taxation | | | | | (749) |
| Profit after taxation | | | | | <u>2,233</u> |
| Minority interests | | | | | 40 |
| Net profit for the year | | | | | <u>2,273</u> |
| | | | | | |
| Segment assets | 36,010 | 6,878 | 13,750 | (11,650) | <u>44,988</u> |
| Segment liabilities | (19,414) | (6,211) | (9,564) | 11,650 | (23,539) |
| Unallocated liabilities | | | | | (1,624) |
| Total liabilities | | | | | <u>(25,163)</u> |
| | | | | | |
| Capital expenditure | 1,852 | 347 | 134 | | 2,333 |
| Depreciation | 1,424 | 175 | 187 | | 1,786 |
| Non cash expenses | 600 | 885 | 189 | | 1,674 |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8.

15. A breakdown of sales.

| | GROUP | | | |
|----------------------|--------------------|--------------------|--------------------|--------------|
| | FY 2006 S\$'000 | FY 2005 S\$'000 | + / (-) S\$'000 | + / (-) % |
| First Half | | | | |
| (a) Revenue | 34,691 | 25,027 | 9,664 | 38.6% |
| (b) Profit after tax | 1,625 | 1,275 | 350 | 27.5% |
| Second Half | | | | |
| (a) Revenue | 35,859 | 28,219 | 7,640 | 27.1% |
| (b) Profit after tax | 2,195 | 958 | 1,237 | 129.1% |

16. A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details).

Not Applicable.

| | Latest Full Year() | Previous Full Year () |
|------------|--------------------|-----------------------|
| Ordinary | 1,411 | 872 |
| Preference | - | - |
| Total: | 1,411 | 872 |

BENG KUANG MARINE LIMITED

Registration No. 199400196M

Financial Statement and Dividend Announcement for the Year Ended 2006**17. Summary of Interested Person Transactions for the financial period ended 31 December 2006**

| | 4th Quarter of FY2006 | | Full Year FY 2006 | |
|---|--|--|--|--|
| | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
| [Revenue/(Expenses)] | S\$ | S\$ | | |
| <u>Labroy Shipbuilding & Engineering Pte Ltd</u> | | | | |
| Provision of Corrosion Prevention Services | | 981,035 | | 3,961,787 |
| Sale of hardware equipment, tools and other consumables | | 194,303 | | 1,091,443 |
| Provision of Infrastructure Engineering Services | | 176,925 | | 905,613 |
| Procurement of Yard's Consumables | | (52,251) | | (160,530) |
| <u>PT Nanindah Mutiara Shipyard</u> | | | | |
| Sale of hardware equipment, tools and other consumables | | 710,378 | | 2,912,033 |
| <u>Heng Huat Shipbuilding & Construction Pte Ltd</u> | | | | |
| Rental of property expenses | (105,000) | | (420,000) | |
| <u>Tellus Marine Engineering Pte Ltd</u> | | | | |
| Sale of hardware equipment, tools and other consumables | | 143,696 | | 512,419 |
| <u>Crown Shipping Pte Ltd</u> | | | | |
| Provision of electrical and maintenance service: | | 25,976 | | 101,186 |

Our Shareholders' Mandate first came into effect from our admission to the Official List of the SGX SESDAQ on 15 October 2004 and was renewed during our previous Annual General Meeting held on 28 April 2005 and our recent Annual General Meeting held on 26 April 2006.

BY ORDER OF THE BOARD

Chua Meng Hua
Executive Director
27/February/2007