



Beng Kuang Marine Limited

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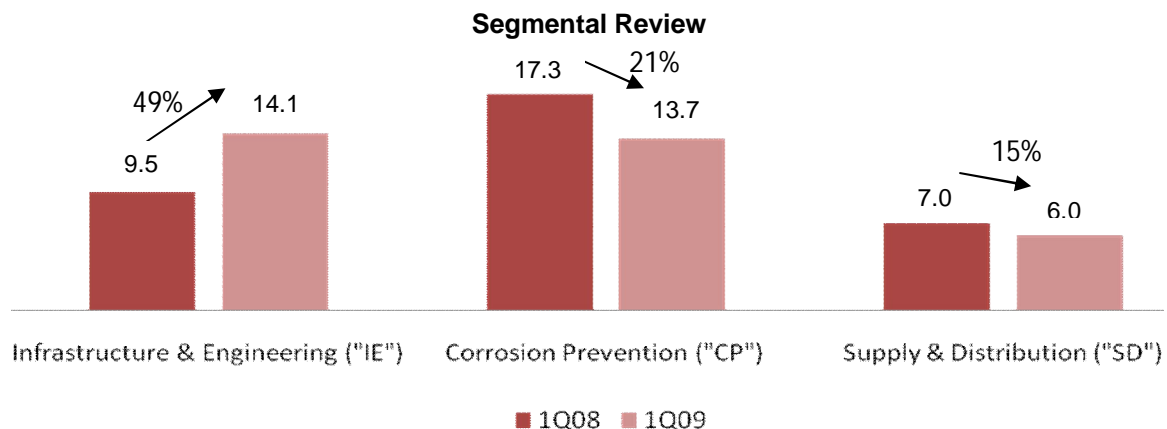
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Beng Kuang Marine maintains revenue and profits in 1Q09

Singapore, 5 May 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 the Group’s business remained resilient in 1Q09 with revenue sustained at S\$33.8 million which is comparable to 1Q08.

Financial Review

(S\$'000)	1Q09	1Q08	%Chg
Revenue	33,792	33,775	0
Gross profit	7,235	7,538	(4)
Gross profit margin	21.4%	22.3%	-
PATMI	2,444	2,350	4
Net profit margin	7.2%	7.0%	-
Net cash flows generated from/(used in) operating activities	1,056	(3,831)	N.M.
Cash and cash equivalents at end of period	10,987	7,733	42



For the three months ended 31 March 2009, the IE division surpassed the CP division in terms of revenue contribution to the Group. As a result of the contracts secured in FY08/09 for offshore oil and gas engineering works, revenue from the IE division grew by 49% to S\$14.1 million.

Due to a slowdown in the marine industry, the Group saw the revenue contribution from the CP division declined by 21% to S\$13.7 million in 1Q09.

As BKM continues to tighten its operating expenses, net profit attributable to equity holders rose by 4% to S\$2.4 million. The Group's cash flow position also improved with the careful management of its working capital. BKM generated S\$1.1 million net cash from operating activities in 1Q09 as compared to net cash used in operating activities of S\$3.8 million in 1Q08. Cash and cash equivalents also increased from S\$7.7 million as at end of 1Q08 to S\$11.0 million as at end of 1Q09.

The Group anticipates the short term outlook for the marine and offshore oil and gas industries to continue to be challenging.

“We are pleased with the Group’s ability to remain resilient through the downturn as the revenue contribution from the IE division continues to grow. BKM is confident that it will remain competitive and be able to secure additional contracts for its new fabrication yard in Batam.”

Mr Chua Beng Kuang, Executive Chairman

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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 recent addition of the 32.8 hectare waterfront fabrication yard facilities in Batam, BKM expects the IE division to be a key growth driver in the future. The IE division 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 WET, BKM will also be looking at business opportunities to expand the Environmental and Resource (“ER”) division.

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

Issued for and on behalf of Beng Kuang Marine Limited
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