BENG KUANG MARINE LIMITED
Registration No. 199400196M

First 9 months financial statement for the period ended 30 September 2009

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND 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.

		GROUP			GROUP		
	Notes	3rd Qtr of 2009 S$'000	3rd Qtr of 2008 S$'000	Increase / (Decrease) %	9 Months 2009 S$'000	9 Months 2008 S$'000	Increase / (Decrease) %
Revenue		**35,143**	**31,394**	**12%**	**111,613**	**100,178**	**11%**
Cost of sales		(27,851)	(24,257)	15%	(87,939)	(76,927)	14%
Gross profit		**7,292**	**7,137**	**2%**	**23,674**	**23,251**	**2%**
Other operating income (net)	(A)	23	173	(87%)	383	568	(33%)
Administrative expenses		(4,348)	(3,937)	10%	(11,549)	(11,180)	3%
Selling & distribution expenses		(567)	(735)	(23%)	(1,642)	(2,107)	(22%)
Profit from operations		**2,400**	**2,638**	**(9%)**	**10,866**	**10,532**	**3%**
Financial Income		1	5	(80%)	3	27	(89%)
Financial expenses		(421)	(349)	21%	(1,145)	(882)	30%
Share of results of associates, net of tax		(44)	(12)	267%	(202)	(276)	(27%)
Profit before taxation	**(B)**	**1,936**	**2,282**	**(15%)**	**9,522**	**9,401**	**1%**
Taxation		(426)	(613)	(31%)	(2,347)	(2,454)	(4%)
Profit after taxation		**1,510**	**1,669**	**(10%)**	**7,175**	**6,947**	**3%**
Attributable to :							
Equity holders of the Company		**1,567**	**1,505**	**4%**	**7,030**	**6,875**	**2%**
Minority Interests		(57)	164	NM	145	72	101%
		1,510	**1,669**	**(10%)**	**7,175**	**6,947**	**3%**

NM - Not meaningful

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

	GROUP			GROUP		
	3rd Qtr of 2009	3rd Qtr of 2008	Increase / (Decrease)	9 Months 2009	9 Months 2008	Increase / (Decrease)
	S$'000	S$'000	%	S$'000	S$'000	%
Profit after taxation	**1,510**	**1,669**	**(10%)**	**7,175**	**6,947**	**3%**
Exchange difference on translation of foreign entities	(7)	14	NM	(15)	(9)	67%
Total comprehensive income	**1,503**	**1,683**	**(11%)**	**7,160**	**6,938**	**3%**
Total comprehensive income attributable to:						
Equity holders of the Company	**1,560**	**1,519**	**3%**	**7,015**	**6,866**	**2%**
Minority Interests	(57)	164	NM	145	72	101%
Total comprehensive income	**1,503**	**1,683**	**(11%)**	**7,160**	**6,938**	**3%**

Notes

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

Gain / (loss) on disposal of fixed assets	15	20	(14)	86
Fixed assets written off	-	(1)	(53)	(5)
Foreign exchange gain / (loss)	10	44	(48)	11
Other (expense) / income	(2)	110	498	476

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

Interest income	1	5	3	27
Interest expense on borrowings	(350)	(328)	(1,045)	(837)
Depreciation of fixed assets	(1,556)	(1,201)	(4,273)	(3,143)
Amortisation of intangible asset	(12)	-	(35)	-
Write-back of allowance for doubtful debts	-	5	241	40
Allowance for doubtful debts	(94)	(128)	(282)	(305)

NM - Not meaningful

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	
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Fixed assets	44,847	30,753	1,032	1,137
Intangible assets	2,689	2,724	-	-
Subsidiaries	-	-	9,440	8,981
Associates	4,189	4,191	-	-
Due from subsidiaries (non-trade)	-	-	113	236
Current assets				
Stocks	10,642	15,053	-	-
Work-in-progress in excess of progress billings	15,594	9,651	5,718	3,103
Trade debtors	20,650	22,613	-	-
Other debtors	3,218	6,946	329	552
Prepayment	1,200	864	74	4
Due from subsidiaries (trade)	-	-	3,644	3,018
Due from subsidiaries (non trade)	-	-	33,464	35,411
Due from related parties (trade)	20,805	19,863	5,052	6,797
Due from related parties (non trade)	10	-	17	-
Due from associates (trade)	7	20	-	-
Fixed deposits	5,980	863	5,000	-
Cash and bank balances	19,304	14,283	4,305	2,113
	97,410	**90,156**	**57,603**	**50,998**
Current liabilities				
Trade creditors	26,675	17,422	56	24
Bills payable to banks	1,473	6,169	-	781
Other creditors and accruals	14,790	21,644	4,319	4,835
Due to subsidiaries (trade)	-	-	2,930	6,054
Due to subsidiaries (non-trade)	-	-	168	44
Due to related parties (trade)	688	281	306	115
Due to related parties (non trade)	296	257	-	-
Provision for income tax	3,872	3,077	-	171
Lease obligations (current portion)	1,829	2,309	50	51
Bank overdrafts	341	866	114	-
Short-term bank loans	31,624	31,462	27,782	30,005
Term loans (current portion)	2,432	-	1,258	-
	84,020	**83,487**	**36,983**	**42,080**
Net current assets	**13,390**	**6,669**	**20,620**	**8,918**

	GROUP		COMPANY	
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08
	S$'000	S$'000	S$'000	S$'000
Non-current liabilities				
Lease obligations (non-current portion)	1,160	2,453	94	131
Term loans (non-current portion)	7,514	-	3,438	-
Deferred taxation	875	825	83	83
	9,549	3,278	3,615	214
Net assets	**55,566**	**41,059**	**27,590**	**19,058**
Share capital and reserves				
Share capital	25,666	16,111	25,666	16,111
Revenue reserves	26,161	21,057	1,924	2,947
Translation reserves	(35)	(20)	-	-
	51,792	37,148	27,590	19,058
Minority interests	3,774	3,911	-	-
Total equity	**55,566**	**41,059**	**27,590**	**19,058**

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 30-Sep-09		As at 31-Dec-08	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Short-term bank loans	-	33,438	-	38,497
Term loans	923	1,509	-	-
Lease obligations	1,829	-	2,309	-

Amount repayable after one year

	As at 30-Sep-09		As at 31-Dec-08	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Term loans	3,410	4,104	-	-
Lease obligations	1,160	-	2,453	-

Details of any collateral

Included in the Group's secured borrowings are:-
(a) S$4,333,000 (31 Dec 2008: Nil) in respect of a loan secured by a leasehold property.
(b) Lease obligations are secured by the underlying equipment.

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	
	3rd Qtr of 2009 S$'000	3rd Qtr of 2008 S$'000
Cash flows from operating activities		
Profit before taxation	1,936	2,282
Adjustments for:		
Allowance for doubtful debts	94	128
Write-back of allowance for doubtful debts	-	(5)
Gain on disposal of fixed assets	(15)	(20)
Depreciation of fixed assets	1,556	1,201
Amortisation of intangible assets	12	-
Allowance for stock obsolescence	23	-
Grant of equity-settled share to employees	1,037	-
Share of results of associates	44	12
Interest income	(1)	(5)
Interest expenses	350	328
Operating profit before working capital changes	**5,036**	**3,922**
(Increase) / decrease in:		
Stocks	468	(3,168)
Work-in-progress in excess of progress billings	6,344	2,060
Trade debtors	(386)	2,787
Other debtors	681	986
Prepayments	(110)	632
Due from related parties, net	(675)	(1,380)
Due from associates, net	10	32
Increase / (decrease) in:		
Trade creditors	3,572	(3,408)
Other creditors and accruals	(3,944)	2,190
Due to related parties, net	(532)	(55)
Net cash generated from operations	**10,464**	**4,598**
Interest received	1	5
Interest paid	(421)	(324)
Income taxes paid	(391)	(908)
Net cash generated from operating activities	**9,653**	**3,371**

	GROUP	
	3rd Qtr of 2009	3rd Qtr of 2008
	S$'000	S$'000
Cash flows from investing activities		
Proceeds from disposal of fixed assets	81	94
Purchase of fixed assets	(4,186)	(3,658)
Net cash outflow on acquisition of minority interests' share in subsidiaries	(285)	-
Net cash used in investing activities	**(4,390)**	**(3,564)**
Cash flows from financing activities		
Repayment of finance lease liabilities	(567)	-
Net proceeds from issue of new ordinary shares	8,517	-
Decrease in bills payable to banks	(114)	(590)
Net proceeds from short term bank loans	2,000	3,175
Repayment of term loans	(561)	-
Dividends paid to minority interest	-	(10)
Net cash generated from financing activities	**9,275**	**2,575**
Net effect of exchange rate changes in consolidating subsidiaries	(8)	25
Net increase in cash and cash equivalents	**14,530**	**2,407**
Cash and cash equivalents at beginning of the period	**10,413**	**7,803**
Cash and cash equivalents at end of the period	**24,943**	**10,210**

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					
	Share Capital	Revenue Reserve	Translation Reserves	Total Reserves	Minority Interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
GROUP						
Balance as at 30 June 2008	16,111	18,201 [(1)]	(29)	18,172 [(1)]	3,720	38,003 [(1)]
Total comprehensive income for the quarter	-	1,505	14	1,519	164	1,683
Dividends paid to minority interest	-	-	-	-	(10)	(10)
Balance as at 30 September 2008	**16,111**	**19,706**	**(15)**	**19,691**	**3,874**	**39,676**
Acquisition of minority interest						
Balance as at 30 June 2009	16,111	24,596	(28)	24,568	4,113	44,792
Issuance of new shares	8,550	-	-	-	-	8,550
Grant of equity-settled shares to employees	1,066	-	-	-	-	1,066
Share issue expense	(61)	-	-	-	-	(61)
Acquisition of minority interest	-	-	-	-	(282)	(282)
Goodwill realised to revenue reserve upon acquisition of minority interest	-	(2)	-	(2)	-	(2)
Total comprehensive income for the quarter	-	1,567	(7)	1,560	(57)	1,503
Balance as at 30 September 2009	**25,666**	**26,161**	**(35)**	**26,126**	**3,774**	**55,566**
COMPANY						
Balance as at 30 June 2008	16,111	2,051	-	2,051	-	18,162
Total comprehensive income for the quarter	-	272	-	272	-	272
Balance as at 30 September 2008	**16,111**	**2,323**	**-**	**2,323**	**-**	**18,434**
Balance as at 30 June 2009	16,111	1,520	-	1,520	-	17,631
Issuance of new shares	8,550	-	-	-	-	8,550
Grant of equity-settled shares to employees	1,066	-	-	-	-	1,066
Share issue expense	(61)	-	-	-	-	(61)
Total comprehensive income for the quarter	-	404	-	404	-	404
Balance as at 30 September 2009	**25,666**	**1,924**	**-**	**1,924**	-	**27,590**

[(1)] The purchase price allocation ("PPA") of the acquisition of Water & Environmental Technologies (WET) Pte Ltd ("WET") in the financial year ended 31 December 2007 were provisional as the Group has sought an independent valuation for the intellectual property rights owned by WET. The result of this valuation had not been received at the date the 2007 financial statement were authorised for issue. The valuation of the intellectual property rights were completed in 2008 and the fair value of the net identifiable asset at acquisition date was $2.98 million, an increase of $1.99 million compared to the initial provisional value of $0.99 million. There was also a corresponding reduction in goodwill of $1.02 million from the initial provision value of $5.22 million to a goodwill of $4.20 million.

The 2007 comparative information has been restated to reflect this adjustment. The gain on deemed disposal was restated from the provisional gain of $2.72 million to $1.45 million to reflect the fair value of the WET PPA as mentioned above.

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 on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

The Company granted 5,331,000 share awards by issuing 5,331,000 new ordinary shares at $0.20 each pursuant to performance share plan ("PSP) on 21 August 2009.

On 23 September 2009, the Company issued 38,000,000 new ordinary shares at $0.225 each with net proceeds of S$8.5 million pursuant to a Subscription Agreement dated 7 September 2009.

Pursuant to the Call Option Agreement dated 7 September 2009, the new subscribers were granted an Option to subscribe 38,000,000 new shares in the Company at an exercise price of $0.25 per share. This Option is exercisable at the sole discretion of the subscribers within the period of 3 years from the date of the Call Option Agreement.

The Option has not been exercised in whole or in part as at 30 September 2009.

The details of changes in the Company's share capital were as follows:

Issued and fully paid	No.of ordinary shares	S$'000
Balance as at 30 June 2009	384,710,625	16,111
Issue of new shares pursuant to PSP	5,331,000	1,037
	390,041,625	17,148
Issue of new shares pursuant to the placement	38,000,000	8,517
Balance as at 30 September 2009	428,041,625	25,665

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	As at 30-Sep-09	As at 31-Dec-08
	No. of shares	No. of shares
Issued and fully paid	428,041,625	384,710,625

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the current financial period reported on.

None.

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

The figures have not been audited nor reviewed by the auditors.

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.

The Group has applied consistent accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 31 December 2008.

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.

Not applicable.

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 for the period base on net profit attributable to shareholders (in cents):	Group	
	9 Months 2009	9 Months 2008
a) Based on weighted average number of ordinary shares on issue; and	1.82	1.79
Weighted no.of shares in issue	386,624,804	384,710,625
b) On a fully diluted basis	1.82	N/A

N/A - not applicable

7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08
Net asset value per ordinary share based on issued share capital at end of the period/year (in cents)	12.10	9.66	6.45	4.95

30-Sep-09
The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the period of S$51.79 million and the Company's net asset value as at the end of the period of S$27.59 million divided by the share capital of 428,041,625 ordinary shares.

31-Dec-08
The net asset value per ordinary share is calculated using the Group's net asset value as at the end of the period of S$37.15 million and the Company's net asset value as at the end of the period of S$19.06 million divided by the share capital of 384,710,625 ordinary shares.

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

INCOME STATEMENT REVIEW

3rd Quarter of FY2009

	3rd Quarter results			
Group Turnover	**FY 2009**	**FY 2008**	**+ / (-)**	**+ / (-)**
	S$'million	**S$'million**	**S$'million**	**%**
Infrastructure & Engineering ("IE")	**16.82**	**9.69**	**7.13**	**73.6**
Corrosion Prevention ("CP")	**12.50**	**15.01**	**(2.51)**	**(16.7)**
Supply & Distribution ("SD")	**5.82**	**6.69**	**(0.87)**	**(13.0)**
	35.14	**31.39**	**3.75**	**11.9**

The Group's turnover for 3Q2009 increased by 11.9% from S$31.39 million to S$35.14 million. The increase in revenue was contributed by the improved performance from the IE division.

Revenue from our IE division registered an increase of S$7.13 million from S$9.69 million in 3Q2008 to S$16.82 million in 3Q2009. The revenue increase was mainly due to the recognition of the revenue from the construction of accomodation deckhouse for the pipe-laying barge which is nearing completion during this quarter.

Global demand for rigs and offshore support vessels remains weak and this adversely affects the sales of our CP and SD Divisions during the quarter.

The Group achieved a net profit attributable to shareholders of S$1.57 million for 3Q2009, an improvement of 4.0% compared to 3Q2008 with net profit of S$1.51 million.

9 Months FY2009

Group Turnover	9 Months results			
	FY 2009 S$'million	FY 2008 S$'million	+ / (-) S$'million	+ / (-) %
Infrastructure Engineering ("IE")	48.23	29.39	18.84	64.1
Corrosion Prevention ("CP")	45.29	49.70	(4.41)	(8.9)
Supply & Distribution ("SD")	18.09	21.09	(3.00)	(14.2)
	111.61	100.18	11.43	11.4

The Group's turnover for the 9 months ended 30 September 2009 increased by 11.4% to S$111.61 million compared to the same period last year. The increase in the Group's turnover was largely attributable to better performance from the IE division.

During the 9 months period, revenue from the IE division rose by S$18.84 million from S$29.39 million to $48.23 million. This increase was mainly due to the construction of an accomodation deckhouse for a pipe-laying barge with a contract value of S$21 million.

Due to the weak global economic environment, both the CP and SD Divisions had lower revenue compared to the previous corresponding period.

The Group's net profits attributable to shareholders increased by 2.3% to S$7.03 million for the 9 months ended 30 September 2009 as compared to S$6.88 million for the previous corresponding period. The improved performance was attributable to the activities from the existing offshore oil and gas contracts while management kept the administrative, selling and distribution expenses in check for the 9 months period ended.

CASHFLOW STATEMENT

The Group had positive net operating cashflow of S$9.65 million for the 3Q2009. This was largely due to the decrease in the work in progress in excess of progress billings and reduction in receivables and stocks.

During 3Q2009, the Group increased its capital expenditures mainly on the development of the Batam yard and the purchase of machinery and equipment for its operations.

On 23 September 2009, the Company raised net proceeds of S$8.52 million through issuance of 38,000,000 new ordinary shares. The purpose of raising additional funding was for repayment of bank loans, funding capital expenditure for our Batam yard and general working capital.

Total bank borrowings rose slightly from S$46.17 million as at 30 June 2009 to S$46.37 million as at 30 September 2009. The management intends to pay down several short term bank loans before the year end as these bank loans mature.

ASSETS AND LIABILITIES

As the Leighton Eclipse project was nearing completion date, most of the provision for expenses from work orders and purchase orders had been materialised and billed as previously announced on 30 September 2008. Consequently, this led to the reduction in accruals and other provisions accounts in 3Q2009.

The reduction of stock level was in line with the business slowdown in the SD division.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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.

There were signs of improvement in the global economic outlook in recent months. The Group is cautiously optimistic that the overall business conditions from the offshore, oil and gas sectors will improve in the next 12 months.

The Group has raised net proceeds of $8.52 million from private placement in the 3rd quarter to improve its balance sheet with a lower net financial gearing and to improve the facilities at its fabrication yard in Batam.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No interim dividend has been declared/recommended for the current period ended 30 September 2009.

13 Summary of Interested Person Transactions for the financial period ended 30 September 2009

	3rd Quarter of FY2009	
	Aggregate value of all interested person transactions during the financial period 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$100,000)**
Revenue/(Expenses)		S$
Labroy Shipbuilding & Engineering Pte Ltd		
Provision of Corrosion Prevention Services		1,512,769
Provision of Infrastructure Engineering Services		315,000
Sale of Hardware Equipments, Tools and Other Consumables		82,679
Rental of Machineries		752,027
PT Nanindah Mutiara Shipyard		
Sale of hardware equipment, tools and other consumables		164,348
Labroy Offshore Engineering Pte Ltd		
Provision of corrosion prevention services		1,871,664
PT Graha Trisaka Industri		
Provision of corrosion prevention services		3,245,300
Provision of infrastructure engineering services		221,205
Drydocks World-Singapore Pte Ltd		
Provision of corrosion prevention services		593,629
PT Drydocks World Pertama		
Provision of corrosion prevention services		1,020,064

14 Confirmation pursuant to Rule 705(5) of the listing manual of the Singapore Exchange Securities Trading Limited

We, Chua Beng Kuang and Chua Meng Hua, being Directors of Beng Kuang Marine Limited (the "Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the 3rd quarter ended 30 September 2009 to be false or misleading.

BY ORDER OF THE BOARD

Chua Beng Kuang
Executive Chairman
12 November 2009

Chua Meng Hua
Managing Director