

**Second Quarter Financial Statement For The Period Ended 30 June 2018**

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

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP			GROUP		
	2nd Qtr of 2018	2nd Qtr of 2017	Increase / (Decrease)	1st half of 2018	1st half of 2017	Increase / (Decrease)
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	20,620	15,379	34%	35,421	32,520	9%
Cost of sales	(19,707)	(10,840)	82%	(31,218)	(24,258)	29%
Gross profit	913	4,539	(80%)	4,203	8,262	(49%)
Other gains / (losses), net	1,272	29	NM	1,072	(424)	NM
Expenses						
- Selling and distribution	(272)	(344)	(21%)	(532)	(671)	(21%)
- Administrative	(2,872)	(3,493)	(18%)	(6,092)	(7,040)	(13%)
- Finance	(695)	(721)	(4%)	(1,416)	(1,377)	3%
(Loss) / profit before income tax	(1,654)	10	NM	(2,765)	(1,250)	121%
Income tax expense	(93)	(2)	NM	(240)	(196)	22%
<b>Net (loss) / profit</b>	<b>(1,747)</b>	<b>8</b>	<b>NM</b>	<b>(3,005)</b>	<b>(1,446)</b>	<b>108%</b>
<b>(Loss) / profit attributable to:</b>						
Equity holders of the Company	(1,962)	(375)	423%	(3,525)	(2,117)	67%
Non-controlling interests	215	383	NM	520	671	(23%)
	<b>(1,747)</b>	<b>8</b>	<b>NM</b>	<b>(3,005)</b>	<b>(1,446)</b>	<b>108%</b>

NM - Not meaningful

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	GROUP			GROUP		
	2nd Qtr of 2018	2nd Qtr of 2017	Increase / (Decrease)	1st half of 2018	1st half of 2017	Increase / (Decrease)
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Net (loss) / profit after tax</b>	(1,747)	8	NM	(3,005)	(1,446)	108%
Currency translation differences arising from consolidation	416	(270)	NM	(45)	(1,054)	(96%)
Other comprehensive income / (loss), net of tax	416	(270)	NM	(45)	(1,054)	(96%)
<b>Total comprehensive loss</b>	<b>(1,331)</b>	<b>(262)</b>	<b>407%</b>	<b>(3,050)</b>	<b>(2,500)</b>	<b>22%</b>
<b>Total comprehensive (loss) / income attributable to:</b>						
Equity holders of the Company	(1,673)	(579)	189%	(3,611)	(2,939)	23%
Non-controlling interests	342	317	8%	561	439	28%
	<b>(1,331)</b>	<b>(262)</b>	<b>407%</b>	<b>(3,050)</b>	<b>(2,500)</b>	<b>22%</b>

	GROUP		GROUP	
	2nd Qtr of 2018	2nd Qtr of 2017	1st half of 2018	1st half of 2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Notes</b>				
The Group's profit from operations is arrived at after (charging) / crediting				
Interest Income	2	1	4	2
Interest expense on borrowings	(695)	(721)	(1,416)	(1,377)
Foreign exchange gain / (loss)	1,108	(157)	639	(895)
Gain on disposal of property, plant and equipment	230	101	250	163
Property, plant and equipment written off	(13)	-	(13)	-
Depreciation of property, plant and equipment	(2,067)	(1,816)	(4,144)	(4,248)
Allowance for impairment of trade receivables	-	-	(32)	(15)
Inventories written back	-	6	-	6
Write-back of allowance for impairment of trade receivables	60	14	93	10

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP			COMPANY	
	30-Jun-18	31-Dec-17	1-Jan-17	30-Jun-18	31-Dec-17
		Restated <sup>(1)</sup>	Restated <sup>(1)</sup>		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	4,433	5,714	4,985	31	32
Trade and other receivables	25,401	21,144	26,987	75,423	73,851
Contract assets <sup>(1)</sup>	7,119	6,770	11,203	-	-
Inventories	13,850	15,081	14,219	-	-
	<u>50,803</u>	<u>48,709</u>	<u>57,394</u>	<u>75,454</u>	<u>73,883</u>
<b>Non-current assets</b>					
Trade and other receivables	4,680	-	-	-	-
Investment in subsidiaries	-	-	-	12,519	12,519
Intangible assets	64	64	64	-	-
Property, plant and equipment	81,892	92,057	105,563	440	449
Deferred income tax assets	1,110	1,110	1,076	65	17
	<u>87,746</u>	<u>93,231</u>	<u>106,703</u>	<u>13,024</u>	<u>12,985</u>
<b>Total assets</b>	<b>138,549</b>	<b>141,940</b>	<b>164,097</b>	<b>88,478</b>	<b>86,868</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	23,823	19,448	22,803	15,909	13,147
Contract liabilities <sup>(1)</sup>	311	374	450	-	-
Deferred income	228	376	345	-	-
Current income tax liabilities	628	511	526	-	-
Borrowings and overdrafts	28,041	33,723	31,626	17,234	13,641
	<u>53,031</u>	<u>54,432</u>	<u>55,750</u>	<u>33,143</u>	<u>26,788</u>
<b>Non-current liabilities</b>					
Deferred income	184	291	505	-	-
Borrowings	20,507	18,946	25,748	2,081	6,985
Deferred tax liabilities	160	160	245	-	-
	<u>20,851</u>	<u>19,397</u>	<u>26,498</u>	<u>2,081</u>	<u>6,985</u>
<b>Total liabilities</b>	<b>73,882</b>	<b>73,829</b>	<b>82,248</b>	<b>35,224</b>	<b>33,773</b>
<b>NET ASSETS</b>	<b>64,667</b>	<b>68,111</b>	<b>81,849</b>	<b>53,254</b>	<b>53,095</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	49,651	49,651	49,651	49,651	49,651
Other reserves	(1,475)	(1,387)	194	163	163
Retained profits	12,619	16,145	27,122	3,440	3,281
	<u>60,795</u>	<u>64,409</u>	<u>76,967</u>	<u>53,254</u>	<u>53,095</u>
<b>Non-controlling interests</b>	<b>3,872</b>	<b>3,702</b>	<b>4,882</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>64,667</b>	<b>68,111</b>	<b>81,849</b>	<b>53,254</b>	<b>53,095</b>

Notes:

<sup>(1)</sup> The Group's comparative balance sheet as at 31 December 2017 had been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue from Contracts with Customers (Please refer to paragraph 5).

**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-Jun-18		As at 31-Dec-17	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Bank borrowings and overdrafts	-	18,783	-	19,745
Term loans	4,158	-	13,850	-
Convertible bonds	-	4,963	-	-
Finance lease liabilities	137	-	128	-

**Amount repayable after one year**

	As at 30-Jun-18		As at 31-Dec-17	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Term loans	15,251	5,000	8,734	5,000
Convertible bonds	-	-	-	4,941
Finance lease liabilities	256	-	271	-

**Details of any collateral**

Included in the Group's secured borrowings are:-

- (a) S\$6,468,000 as at 30 June 2018 (31 March 2018: S\$6,943,000) in respect of loans are secured by vessels.
- (b) S\$12,941,000 as at 30 June 2018 (31 March 2018: S\$13,855,000) in respect of loans are secured by properties.
- (c) Finance lease obligations are secured by the underlying equipment.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>GROUP</b>	
	<b>2nd Qtr of 2018 S\$'000</b>	<b>2nd Qtr of 2017 S\$'000</b>
<b>Cash flows from operating activities</b>		
Net (loss) / profit	(1,747)	8
<i>Adjustments for:</i>		
Write-back of allowance for impairment of trade receivables	(60)	(14)
Inventories written back	-	(6)
Income tax expense	93	2
Gain on disposal of property, plant and equipment	(230)	(101)
Property, plant and equipment written off	13	-
Depreciation of property, plant and equipment	2,067	1,816
Interest income	(2)	(1)
Interest expense	695	721
Unrealised currency translation (gains) / loss	(888)	194
	<u>(59)</u>	<u>2,619</u>
<i>Changes in working capital</i>		
Inventories	6,937	374
Trade and other receivables	(5,750)	1,109
Contract assets	(1,526)	574
Trade and other payables	3,587	(301)
Contract liabilities	(5)	(175)
<b>Cash flows generated from operations</b>	<u>3,184</u>	<u>4,200</u>
Interest received	2	1
Interest paid	(582)	(492)
Income taxes paid	(43)	(143)
<b>Net cash flows generated from operating activities</b>	<u>2,561</u>	<u>3,566</u>
<b>Cash flows from investing activities</b>		
Addition to property, plant and equipment	(578)	(995)
Proceeds from disposal of property, plant and equipment	1,063	203
<b>Net cash flows generated from / (used in) investing activities</b>	<u>485</u>	<u>(792)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings, net	(1,945)	(1,736)
Repayment of finance lease liabilities	(35)	(390)
Bills payable	563	723
Dividend paid to non-controlling interest	(392)	(245)
Interest paid	(5)	(230)
<b>Net cash flows used in financing activities</b>	<u>(1,814)</u>	<u>(1,878)</u>
<b>Net increase in cash and cash equivalents</b>	1,232	896
<b>Cash and cash equivalents</b>		
Beginning of the period	174	153
Effects of currency translation on cash and cash equivalents	28	58
End of financial period	<u>1,434</u>	<u>1,107</u>

- 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					Total	Non-controlling interests	Total equity
	Share capital	Retained profits	Translation reserves	Equity component of convertible bonds	Premium paid on acquisition of non-controlling interest			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>GROUP</b>								
Balance as at 1 April 2017	49,651	25,380	(535)	163	(52)	74,607	5,004	79,611
Dividend paid to non-controlling interest	-	-	-	-	-	-	(245)	(245)
Total comprehensive (loss) / income for the quarter	-	(375)	(204)	-	-	(579)	317	(262)
<b>Balance as at 30 June 2017</b>	<b>49,651</b>	<b>25,005</b>	<b>(739)</b>	<b>163</b>	<b>(52)</b>	<b>74,028</b>	<b>5,076</b>	<b>79,104</b>
Balance as at 1 April 2018	49,651	14,581	(1,875)	163	(52)	62,468	3,922	66,390
Dividend paid to non-controlling interest	-	-	-	-	-	-	(392)	(392)
Total comprehensive (loss) / income for the quarter	-	(1,962)	289	-	-	(1,673)	342	(1,331)
<b>Balance as at 30 June 2018</b>	<b>49,651</b>	<b>12,619</b>	<b>(1,586)</b>	<b>163</b>	<b>(52)</b>	<b>60,795</b>	<b>3,872</b>	<b>64,667</b>
<b>COMPANY</b>								
Balance as at 1 April 2017	49,651	3,610	-	163	-	53,424	-	53,424
Total comprehensive income for the quarter	-	85	-	-	-	85	-	85
<b>Balance as at 30 June 2017</b>	<b>49,651</b>	<b>3,695</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>53,509</b>	<b>-</b>	<b>53,509</b>
Balance as at 1 April 2018	49,651	3,153	-	163	-	52,967	-	52,967
Total comprehensive income for the quarter	-	287	-	-	-	287	-	287
<b>Balance as at 30 June 2018</b>	<b>49,651</b>	<b>3,440</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>53,254</b>	<b>-</b>	<b>53,254</b>

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

#### Ordinary shares

	No. of ordinary shares	S\$'000
Balance as at 31 March 2018 and 30 June 2018	135,010,406	49,651

#### Convertibles

On 27 April 2015, the Company issued convertible bonds with a nominal value of \$5 million bearing interest at 8% per annum. All or any part of the Bonds may be converted to new shares at \$0.21 after 12 months from the date of issue or redeemable within 4 years from the date of issue.

	As at 30-Jun-18	As at 30-Jun-17
Outstanding option to subscribe new shares	No. of shares Nil	No. of shares Nil

#### Treasury Shares

The Company did not have any treasury shares as at 30 June 2018 and 30 June 2017.

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-June-18	As at 31-Dec-17
	No. of shares	No. of shares
Issued and fully paid	135,010,406	135,010,406

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

None.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 2017 except for those as disclosed under paragraph 5 below.

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's financial statements for the financial year ending 31 December 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council ("ASC") and International Financial Reporting Standards ("IFRS") issued by the international Accounting Standards Board ("IASB")

Other than those discussed below, the adoption of new SFRS(I) did not result in significant change to the Group's and Company's accounting policies and did not have material impact on the amounts reported for the current or prior financial years.

#### SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

As a result, certain balance sheet items were adjusted as at 1 January 2018.

The line items on the Group's financial statements with significant impact arising from the adoption of SFRS(I) are summarised below:

	As at 31 Dec 2017 reported under SFRS S\$'000	As at 1 Jan 2018 reported under SFRS(I) S\$'000	As at 1 Jan 2017 reported under SFRS S\$'000	As at 1 Jan 2017 reported under SFRS(I) S\$'000
Trade and other receivables	27,914	21,144	38,190	26,987
Contract assets	-	6,770	-	11,203
Contract liabilities	-	374	-	450
Trade and other payables	19,822	19,448	23,253	22,803

**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):

- a) Based on weighted average number of ordinary shares on issue; and  
Weighted no.of shares in issue
- b) On a fully diluted basis

Group	
1st Half 2018	1st Half 2017
-2.61	-1.57
135,010,406	135,010,406
-2.61	-1.57

**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.**

Net asset value per ordinary share based on issued share capital at end of the period / year (in cents)

GROUP		COMPANY	
30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
45.03	47.71	39.44	39.33

The Group and the Company's net assets value per ordinary share for the periods have been computed based on the share capital of 135,010,406 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**

**Group Turnover**

	2nd Quarter results			
	FY 2018	FY 2017	+ / (-)	+ / (-)
	S\$'million	S\$'million	S\$'million	%
Infrastructure & Engineering ("IE")	4.10	5.29	(1.19)	(22.5)
Corrosion Prevention ("CP")	4.06	4.56	(0.50)	(11.0)
Supply & Distribution ("SD")	1.81	2.42	(0.61)	(25.2)
Shipping & Others ("SH")	10.65	3.11	7.54	242.4
	<b>20.62</b>	<b>15.38</b>	<b>5.24</b>	<b>34.1</b>

The Group's revenue increased by 34.1% or S\$5.24 million from S\$15.38 million in 2Q2017 to S\$20.62 million in 2Q2018.

Revenue for our IE division fell by 22.5% or S\$1.19 million from S\$5.29 million in 2Q2017 to S\$4.10 million in 2Q2018 as no sizeable marine or fabrication contract was secured during 2Q2018 and the commencement of a project in the Batam yard was delayed.

Revenue for our CP division decreased by S\$0.50 million from S\$4.56 million in 2Q2017 to S\$4.06 million in 2Q2018 because of weak demand for blasting and painting business in major Shipyards in Singapore.

Revenue for our SD division declined by S\$0.61 million from S\$2.42 million in 2Q2017 to S\$1.81 million in 2Q2018 due to lower demand for marine and industrial hardware products.

Revenue for our SH division increased by S\$7.54 million from S\$3.11 million in 2Q2017 to S\$10.65 million in 2Q2018 due to sale of four sets of tugs & barges for S\$6.3 million in June 2018. The livestock carriers also performed better with regular charters and lesser downtime during 2Q2018 as compared to 2Q2017.

The Group's gross profit decreased by S\$3.63 million from S\$4.54 million in 2Q2017 to S\$0.91 million in 2Q2018. This was mainly due to lower business from our CP and IE divisions. The SH division incurred a loss on sale of the four sets of tugs and barges in June 2018 and downtime on 2 sets of tugs and barges undergoing repair in 2Q2018. Consequently, the Group's net loss was S\$1.75 million for 2Q2018 compared to profit of S\$8,000 for 2Q2017.



<b>Group Turnover</b>	<b>1st Half results</b>			
	<b>FY 2018</b>	<b>FY 2017</b>	<b>+ / (-)</b>	<b>+ / (-)</b>
	S\$'million	S\$'million	S\$'million	%
Infrastructure & Engineering ("IE")	10.31	12.29	(1.98)	(16.1)
Corrosion Prevention ("CP")	8.05	10.13	(2.08)	(20.5)
Supply & Distribution ("SD")	3.84	4.78	(0.94)	(19.7)
Shipping & Others ("SH")	13.22	5.32	7.90	148.5
	<b>35.42</b>	<b>32.52</b>	<b>2.90</b>	<b>8.9</b>

The Group's revenue increased by 8.9% or S\$2.90 million from S\$32.52 million in 1H2017 to S\$35.42 million in 1H2018.

Revenue for our IE division fell by 16.1% or S\$1.98 million from S\$12.29 million to S\$10.31 million as no sizeable marine or fabrication contract was secured during 1H2018.

Revenue for our CP division decreased by S\$2.08 million from S\$10.13 million in 1H2017 to S\$8.05 million in 1H2018. This was because of fewer newbuildings and offshore projects in major shipyards in Singapore and Batam.

Our SD division registered a decline in revenue of S\$0.94 million from S\$4.78 million in 1H2017 to S\$3.84 million in 1H2018 due to weaker demand for marine and industrial hardware products.

Revenue from our SH division increased by S\$7.90 million from S\$5.32 million in 1H2017 to S\$13.22 million in 1H2018. The increase was due to sale of four sets of tugs and barges at S\$6.3 million in June 2018. The livestock carriers performed better due to regular charters and lesser down time during 1H2018 as compared to 1H2017.

Our gross profit declined by S\$4.06 million from S\$8.26 million in 1H2017 to S\$4.20 million in 1H2018 and this was mainly due to lower revenue from CP and IE divisions which continue to be adversely affected by the depressed offshore oil and gas and marine markets in the region and worldwide. In addition, the sale of four sets of tugs and barges at a loss of S\$220,000 brought down the overall gross profit of the Group.

The Group's loss attributable to shareholders was S\$3.53 million for 1H2018 compared to S\$2.12 million loss for 1H2017 and was mainly due to the weak market conditions.

#### **CASHFLOW STATEMENT**

Net cash inflow generated from operating activities was S\$2.56 million during 2Q2018. During the period, there was a decrease in inventory by S\$6.9 million; an increase in trade and other receivables by S\$5.7million; an increase in contract assets by S\$1.5 million; and an increase in trade and other payables by S\$3.8 million.

Net cash inflow in investing activities was S\$0.49 million during 2Q2018. This was mainly due to proceeds from sale of several equipment and motor vehicles.

Net cash outflow in financing activities was S\$1.81 million during 2Q2018. This was mainly due to repayment of borrowings.

As a result of the above, the Group registered a net increase in cash and cash equivalent of S\$1.23 million for 2Q2018.

#### **ASSETS AND LIABILITIES**

The Group registered total assets of S\$138.55 million as at 30 June 2018.

The Group's current assets increased from S\$48.71 million as at 31 December 2017 to S\$50.80 million as at 30 June 2018. This was mainly due to increase in trade and other receivables of S\$4.26 million resulting from improved business operating income of S\$35.42 million for 1H2018 as compared to S\$22.23 million in 2H2017. The increase in trade and other receivables is also due to current year portion of the trade receivables relating to the instalment sale of four sets of tugs and barges.

The Group's non current assets decreased from S\$93.23 million as at 31 December 2017 to S\$87.75 million as at 30 June 2018 because of depreciation and sale of various equipment and motor vehicles during the period 1H2018. There was a reclassification of two sets of tugs & barges to inventories as these are earmarked for sale. The Group recorded non-current trade receivables of S\$4.68 million that is due after one year on the instalment sale of four sets of tugs and barges.

Total liabilities for the Group were comparable for both comparative periods S\$73.88 million at 30 June 2018 and S\$73.83 million at end of FY2017. There was an increase of S\$4.38 million on trade and other creditors due to increase in business operating activities as explained earlier. The Group's borrowings reduced by S\$4.12 million to S\$48.55 million in 1H2018.

The Group registered net current liabilities of S\$2.23 million as at 30 June 2018 as compared to S\$5.72 million as at 31 December 2017. Notwithstanding the reclassification of S\$4.96 million convertible bond from non-current liabilities to current liabilities as the maturity date is within a year, the Group's net current liabilities decreased from S\$5.72 million as at 31 December 2017 to S\$2.23 million as at 30 June 2018 due to the reclassification of 2 sets of tugs and barges from fixed assets to inventories.

The Board is of the opinion that, after taking into consideration the Group's existing cash and cash equivalents and the available bank facilities, the Group is able to meet its short-term obligations as and when they fall due.

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

The Company did not make any forecast and prospect statement in respect of its result for the quarter ended 30 June 2018.

**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, offshore oil and gas market is expected to see some improvement in the future with the current increase in crude oil prices. The Group will continue to tighten cost on current projects and maintain strict cash flow discipline to weather the current difficult market environment.

**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 period?

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 June 2018.

**13 Summary of Interested Person Transactions for the financial period ended 30 June 2018.**

During the financial period ended 30 June 2018, the Group did not enter into interested person transactions with aggregate value of more than S\$100,000.

**14 Negative confirmation pursuant to Rule 705(5).**

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 period ended 30 June 2018 to be false or misleading in any material aspect.

**15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).**

The Group has obtained undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

**BY ORDER OF THE BOARD**

**Chua Beng Kuang**  
Executive Chairman

**7 Aug 2018**

**Chua Meng Hua**  
Managing Director and  
Chief Executive Officer