

**BENG KUANG MARINE LIMITED**

Registration No. 199400196M

**First Quarter Financial Statement For The Period Ended 31 March 2019****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.**

Discontinued operations and subsidiary classified as held for sale:

On 23 January 2019, the Company announced that it has entered into a sale and purchase agreement in relation to the Company's proposed disposal of the entire issued and paid-up share capital of Asian Sealand Engineering Pte Ltd ("ASE"). Hence, ASE is classified as "Discontinued Operations" and prior year's comparative figures are restated.

	<b>GROUP</b>		
	<b>1st Qtr 2019 S\$'000</b>	<b>1st Qtr 2018 S\$'000 Restated</b>	<b>Increase / (Decrease)</b>
<b><u>Continuing Operations</u></b>			
Revenue	10,763	11,141	(3%)
Cost of sales	(8,437)	(7,011)	20%
Gross profit	2,326	4,130	(44%)
Other losses, net	(100)	(267)	(63%)
Expenses			
- Selling and distribution	(209)	(260)	(20%)
- Administrative	(2,971)	(3,006)	(1%)
- Finance	(519)	(561)	(7%)
(Loss) / gain before income tax from Continuing Operations	(1,473)	36	NM
Income tax expense	(195)	(147)	33%
<b>Net loss from Continuing Operations</b>	<b>(1,668)</b>	<b>(111)</b>	<b>1,403%</b>
<b><u>Discontinued Operations</u></b>			
Net loss for the period from Discontinued Operation	(545)	(1,147)	(52%)
<b>Net loss</b>	<b>(2,213)</b>	<b>(1,258)</b>	<b>76%</b>
<b>(Loss) / profit attributable to:</b>			
Equity holders of the Company	(1,864)	(1,564)	19%
Non-controlling interests	(349)	306	NM
	<b>(2,213)</b>	<b>(1,258)</b>	<b>76%</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		Increase / (Decrease)
	1st Qtr S\$'000	1st Qtr S\$'000 Restated	
<b>Net loss after tax</b>	(2,213)	(1,258)	76%
Currency translation differences arising from consolidation	(320)	(463)	(31%)
Other comprehensive loss , net of tax	(320)	(463)	(31%)
<b>Total comprehensive loss</b>	<b>(2,533)</b>	<b>(1,721)</b>	47%
<b>Total comprehensive (loss) / income attributable to:</b>			
Equity holders of the Company	(2,170)	(1,941)	12%
Non-controlling interests	(363)	220	NM
	<b>(2,533)</b>	<b>(1,721)</b>	47%
<b>Loss attributable to equity holders of the Company relates to:</b>			
Continuing Operations	(1,625)	(794)	105%
Discontinued Operations	(545)	(1,147)	(52%)
	<b>(2,170)</b>	<b>(1,941)</b>	12%

**GROUP**

	1st Qtr S\$'000	1st Qtr S\$'000 Restated
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Notes

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

**Continuing Operations**

Interest income	3	2
Interest expense on borrowings	(519)	(561)
Foreign exchange losses	(217)	(531)
Gain on disposal of property, plant and equipment	9	20
Depreciation of property, plant and equipment	(1,549)	(1,794)
Credit loss allowance	(19)	(17)
Credit loss allowance written back	4	18

**Discontinued Operations**

Interest expense on borrowings	(145)	(160)
Foreign exchange (losses) / gains	(8)	62
Gain on disposal of property, plant and equipment	3	-
Depreciation of property, plant and equipment	(207)	(283)

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	
	31-Mar-19 S\$'000	31-Dec-18 S\$'000	31-Mar-19 S\$'000	31-Dec-18 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	4,841	5,212	1,078	1,428
Trade and other receivables	22,841	22,801	83,749	77,311
Contract assets	6,390	5,417	-	-
Inventories	11,173	11,238	-	-
	<u>45,245</u>	<u>44,668</u>	<u>84,827</u>	<u>78,739</u>
Assets in subsidiary classified as held-for-sale	13,305	13,511	-	-
Non-current asset classified as held-for-sale	-	-	7,800	7,800
	<u>58,550</u>	<u>58,179</u>	<u>92,627</u>	<u>86,539</u>
<b>Non-current assets</b>				
Trade and other receivables	3,640	4,030	-	-
Investment in subsidiaries	-	-	4,676	4,676
Intangible assets	64	64	-	-
Property, plant and equipment	66,818	67,276	353	381
Deferred income tax assets	356	356	17	17
	<u>70,878</u>	<u>71,726</u>	<u>5,046</u>	<u>5,074</u>
<b>Total assets</b>	<u>129,428</u>	<u>129,905</u>	<u>97,673</u>	<u>91,613</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	26,858	24,455	24,444	17,944
Contract liabilities	432	483	-	-
Deferred income	562	250	-	-
Current income tax liabilities	684	625	20	-
Borrowings and overdrafts	24,791	23,899	17,163	17,637
	<u>53,327</u>	<u>49,712</u>	<u>41,627</u>	<u>35,581</u>
Liabilities in subsidiary classified as held-for-sale	13,261	13,859	-	-
	<u>66,588</u>	<u>63,571</u>	<u>41,627</u>	<u>35,581</u>
<b>Non-current liabilities</b>				
Deferred income	23	77	-	-
Borrowings	10,164	11,071	1,893	1,983
Deferred tax liabilities	11	11	-	-
	<u>10,198</u>	<u>11,159</u>	<u>1,893</u>	<u>1,983</u>
<b>Total liabilities</b>	<u>76,786</u>	<u>74,730</u>	<u>43,520</u>	<u>37,564</u>
<b>NET ASSETS</b>	<u>52,642</u>	<u>55,175</u>	<u>54,153</u>	<u>54,049</u>
<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
Other reserves	(1,862)	(1,554)	163	163
Retained profits	2,622	4,484	4,339	4,235
	<u>50,411</u>	<u>52,581</u>	<u>54,153</u>	<u>54,049</u>
<b>Non-controlling interests</b>	2,231	2,594	-	-
<b>Total equity</b>	<u>52,642</u>	<u>55,175</u>	<u>54,153</u>	<u>54,049</u>

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

**Amount repayable in one year or less, or on demand**

	<b>As at 31-Mar-19</b>		<b>As at 31-Dec-18</b>	
	<b>S\$'000</b>		<b>S\$'000</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Bank borrowings and overdrafts	-	16,558	-	15,841
Term loans	2,719	417	2,738	240
Convertible bonds		4,997		4,987
Finance lease liabilities	100	-	93	-

**Amount repayable after one year**

	<b>As at 31-Mar-19</b>		<b>As at 31-Dec-18</b>	
	<b>S\$'000</b>		<b>S\$'000</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Term loans	5,418	4,583	6,117	4,760
Finance lease liabilities	163	-	194	-

**Details of any collateral**

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Included in the Group's secured borrowings are:-

- (a) S\$5,199,000 as at 31 March 2019 (31 December 2018: S\$5,648,000) in respect of loans are secured by vessels.
- (b) S\$10,993,000 as at 31 March 2019 (31 December 2018: S\$11,591,000) in respect of loans are secured by immovable properties. S\$8,055,000 (31 December 2018: S\$8,384,000) of these loans as at 31 March 2019 has been reclassified as liabilities held-for-sale.
- (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>1st Qtr of 2019</b>	<b>1st Qtr of 2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Net loss	(2,213)	(1,258)
<i>Adjustments for:</i>		
Credit loss allowance	19	17
Credit loss allowance written back	(4)	(18)
Income tax expense	195	147
Gain on disposal of property, plant and equipment	(12)	(20)
Depreciation of property, plant and equipment	1,756	2,077
Interest income	(3)	(2)
Interest expenses	664	721
Unrealised currency translation (gains) / loss	(130)	183
	<u>272</u>	<u>1,847</u>
<i>Changes in working capital</i>		
Inventories	130	923
Trade and other receivables	(243)	(3,748)
Contract assets	(689)	1,176
Trade and other payables	2,216	1,315
Contract liabilities	(51)	(57)
Deferred income	258	(183)
<b>Cash flows generated from operations</b>	<u>1,893</u>	<u>1,273</u>
Interest received	3	2
Interest paid	(538)	(592)
Income taxes paid	(136)	(79)
<b>Net cash flows generated from operating activities</b>	<u>1,222</u>	<u>604</u>
<b>Cash flows from investing activities</b>		
Addition to property, plant and equipment	(1,079)	(139)
Proceeds from disposal of property, plant and equipment	17	114
<b>Net cash flows used in investing activities</b>	<u>(1,062)</u>	<u>(25)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings, net	(468)	(2,041)
Repayment of finance lease liabilities	(24)	(34)
Bills payable	249	(135)
Interest paid	(184)	(183)
<b>Net cash flows used in financing activities</b>	<u>(427)</u>	<u>(2,393)</u>
<b>Net decrease in cash and cash equivalents</b>	(267)	(1,814)
<b>Cash and cash equivalents</b>		
Beginning of the period	1,360	1,956
Effects of currency translation on cash and cash equivalents	(2)	32
<b>End of financial period</b>	<u>1,091</u>	<u>174</u>
<b>Cash and cash equivalents comprise the following at the end of the reporting year:</b>		
Continuing Operations	1,076	174
Assets in subsidiary classified as held for sale	15	-
	<u>1,091</u>	<u>174</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						Non-controlling interests	Total equity
	Share capital	Retained profits	Translation reserves	Equity component of convertible bonds	Premium paid on acquisition of non-controlling interest	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>GROUP</b>								
Balance as at 1 January 2018	49,651	16,145	(1,498)	163	(52)	64,409	3,702	68,111
Total comprehensive (loss) / income for the quarter	-	(1,564)	(377)	-	-	(1,941)	220	(1,721)
<b>Balance as at 31 March 2018</b>	<b>49,651</b>	<b>14,581</b>	<b>(1,875)</b>	<b>163</b>	<b>(52)</b>	<b>62,468</b>	<b>3,922</b>	<b>66,390</b>
Balance as at 1 January 2019	49,651	4,484	(1,665)	163	(52)	52,581	2,594	55,175
Total comprehensive (loss) / income for the quarter	-	(1,862)	(308)	-	-	(2,170)	(363)	(2,533)
<b>Balance as at 31 March 2019</b>	<b>49,651</b>	<b>2,622</b>	<b>(1,973)</b>	<b>163</b>	<b>(52)</b>	<b>50,411</b>	<b>2,231</b>	<b>52,642</b>
<b>COMPANY</b>								
Balance as at 1 January 2018	49,651	3,281	-	163	-	53,095	-	53,095
Total comprehensive loss for the quarter	-	(128)	-	-	-	(128)	-	(128)
<b>Balance as at 31 March 2018</b>	<b>49,651</b>	<b>3,153</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>52,967</b>	<b>-</b>	<b>52,967</b>
Balance as at 1 January 2019	49,651	4,235	-	163	-	54,049	-	54,049
Total comprehensive loss for the quarter	-	104	-	-	-	104	-	104
<b>Balance as at 31 March 2019</b>	<b>49,651</b>	<b>4,339</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>54,153</b>	<b>-</b>	<b>54,153</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 1 January 2019 and 31 March 2019	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 \$0.84 after 12 months from the date of issue or redeemable within 4 years from the date of issue. There was no conversion of the bonds to new shares upon maturity on 26 April 2019.

The said convertible bonds have been exchanged for non-convertible 2022 bonds at an aggregate principal amount of S\$4.0 million bearing interest at 9.0% per annum. The exchange bonds will mature on or around 26 April 2022. The remaining S\$1.0 million of the convertible bonds is being redeemed in due course.

	As at 31-Mar-19	As at 31-Mar-18
	No. of shares	No. of shares
Outstanding option to subscribe new shares	Nil	Nil

#### Treasury Shares

The Company did not have any treasury shares and subsidiary holdings as at 31 March 2019 and 31 March 2018.

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 31-Mar-19	As at 31-Dec-18
	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, disposal, cancellation and/or use of treasury shares as at the current financial period reported on.

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 2018.

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 based on net profit attributable to shareholders (in cents):

a) Based on weighted average number of ordinary shares on issue; and

From Continuing Operations  
From Discontinued Operations  
Total

Weighted no. of shares in issue

b) On a fully diluted basis

From Continuing Operations  
From Discontinued Operations  
Total

	Group	
	1st Quarter 2019	1st Quarter 2018
	-0.98	-0.31
	-0.40	-0.85
	-1.38	-1.16
	135,010,406	135,010,406
	-0.98	-0.31
	-0.40	-0.85
	-1.38	-1.16

- 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	
	31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
Net asset value per ordinary share based on issued share capital at end of the period / year (in cents)	37.34	38.95	40.11	40.03

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**

<b><u>Group Turnover</u></b>	<b>1st Quarter results</b>			
	<b><u>FY 2019</u></b>	<b><u>FY 2018</u></b>	<b><u>+ / (-)</u></b>	<b><u>+ / (-)</u></b>
	S\$ million	S\$ million	S\$ million	%
Infrastructure & Engineering ("IE")	3.31	2.55	0.76	29.8
Corrosion Prevention ("CP")	4.30	3.99	0.31	7.8
Supply & Distribution ("SD")	1.45	2.03	(0.58)	(28.6)
Shipping & Others ("SH")	1.70	2.57	(0.87)	(33.9)
	<b>10.76</b>	<b>11.14</b>	<b>(0.38)</b>	<b>(3.4)</b>

The Group's revenue decreased by 3.4% or S\$0.38 million from S\$11.14 million in 1Q2018 to S\$10.76 million in 1Q2019.

Revenue for our IE division increased by S\$0.76 million to S\$3.31 million in 1Q2019 as compared to S\$2.55 million in 1Q2018. The increase in revenue for 1Q2019 was mainly attributable to offshore asset repair and maintenance services and some Batam fabrication projects secured during 2H2018 carried forward into 1Q2019. Nevertheless, IE division's business remained challenging and our fabrication yards operated below capacity.

Revenue for our CP division increased by S\$0.31 million from S\$3.99 million in 1Q2018 to S\$4.30 million in 1Q2019 with early sign of recovery from established shipyards in Singapore while corrosion prevention business in Batam remained weak.

Revenue for our SD division decreased by S\$0.58 million from S\$2.03 million in 1Q2018 to S\$1.45 million in 1Q2019 due to weak demand for marine and industrial hardware products.

Revenue for our SH division decreased by S\$0.87 million from S\$2.57 million in 1Q2018 to S\$1.70 million in 1Q2019 as one of the livestock carriers was undergoing five year mandatory drydocking survey and repairs.

During 1Q2019 notwithstanding the revenue decreased by approximately 3% the cost of sales increased by approximately 20% due to increase in cost of materials and continuing operational costs incurred by our cattle carrier despite being in mandatory drydock.

Interest expense on borrowings for continuing operations decreased by 7.49% or S\$42,000 from S\$0.56 million in 1Q2018 to S\$0.51 million in 1Q2019 as a result of reduction in bank borrowings.

Foreign exchange losses on continuing operations was S\$0.22 million for 1Q2019 due to slight weakening of US dollar during the period. Similarly, foreign exchange losses during 1Q2018 was caused by lower of US dollar against Singapore dollar.

Depreciation expenses on continuing operations decreased by S\$0.24 million from S\$1.79 million in 1Q2018 to S\$1.55 million in 1Q2019 as a result of two sets of tugs and barges placed in inventories for intention to sell.

The Group's gross profit on continuing operations decreased by S\$1.80 million from S\$4.13 million in 1Q2018 to S\$2.33 million in 1Q2019. The Group lacked sizeable projects to generate adequate revenue together with earnings to cover its fixed costs (which includes depreciation expense) and finance expenses. The Group continue to operate under tough marine and offshore sector conditions and hence registered a net loss attributable to shareholders of S\$1.86 million in 1Q2019 inclusive of S\$0.55 million losses on discontinued operations.



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**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: (Cont'd)**

**(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 (Cont'd)**

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

#### **CASHFLOW STATEMENT**

Net cash inflow generated from operating activities was S\$1.22 million in 1Q2019. The changes in working capital during 1Q2019 was mainly due to increase in contract assets by S\$0.69 million and an increase in trade and other payables by S\$2.22 million. During 1Q2019, interest paid on operating activities was S\$0.54 million.

Net cash outflow in investing activities was S\$1.08 million in 1Q2019 mainly related to five year mandatory drydocking on one of the livestock carriers.

Net cash outflow in financing activities was S\$0.43 million in 1Q2019. This was mainly due to repayment of borrowings, lease liabilities and interests.

As a result of the above, the Group registered a net decrease in cash and cash equivalent of S\$0.27 million for 1Q2019.

#### **ASSETS AND LIABILITIES**

The Group registered total assets of S\$129.43 million as at 31 March 2019.

The Group's current assets increased from S\$58.18 million as at 31 December 2018 to S\$58.55 million as at 31 March 2019 mainly due to the increased in contract assets by S\$0.97 million on current CP and IE projects.

The Group's non current assets declined from S\$71.73 million as at 31 December 2018 to S\$70.87 million as at 31 March 2019 due to decrease of S\$0.39 million on non current trade receivables and decrease of S\$0.46 million in property plant and equipment.

Total liabilities for the Group increased by S\$2.06 million from S\$74.73 million as at 31 December FY2018 to S\$76.79 million as at 31 March 2019. This was mainly due to an increase of S\$2.40 million on trade and other creditors to S\$26.86 million as a result of increase in business activities on CP and IE segments in 1Q2019.

The Group registered net current liabilities of S\$8.04 million as at 31 March 2019 as compared to S\$5.39 million as at 31 December 2018. S\$5.0 million convertible bonds was accounted as current liabilities as the maturity date was within a year. On 26 April 2019, the Company completed the bond exchange on S\$4.0 million convertible bonds with S\$4.0 million non convertible 2022 bonds. The Company has entered into an agreement to dispose its wholly owned subsidiary (Asian Sealand Engineering Pte Ltd) to improve the Group's gearing and working capital position.

The Board is of the opinion that, after taking into consideration the Group's existing cash and cash equivalents, available bank facilities and other possible financing options as well as its Group's existing assets, 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 31 March 2019.

**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 outlook for marine, offshore oil and gas sectors remain uncertain. The Group will continue with its cost reduction measures and seek new business projects to generate sustainable earnings for the Group.

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**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 and the reason(s) for the decision.**

No interim dividend has been declared/recommended as the Company made a loss for the current period ended 31 March 2019.

**13 Summary of Interested Person Transactions for the financial period ended 31 March 2019.**

During the financial period ended 31 March 2019, 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 31 March 2019 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  
13 May 2019

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