BENG KUANG MARINE LIMITED

Registration No. 199400196M

Third Quarter Financial Statement For The Period Ended 30 September 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.

	GROUP			GROUP		
	3rd Qtr of 2019	3rd Qtr of 2018	Increase / (Decrease)	9 Months of 2019	9 Months of 2018	Increase / (Decrease)
	S$'000	S$'000 Restated		S$'000	S$'000 Restated	
Continuing Operations						
Revenue	16,600	11,245	48%	42,762	40,601	5%
Cost of sales	(13,855)	(8,551)	62%	(35,759)	(31,842)	12%
Gross profit	2,745	2,694	2%	7,003	8,759	(20%)
Other gain, net	785	(123)	NM	6,683	880	659%
Expenses						
- Selling and distribution	(196)	(198)	(1%)	(570)	(730)	(22%)
- Administrative	(2,901)	(3,195)	(9%)	(9,193)	(8,892)	3%
- Finance	(492)	(562)	(12%)	(1,449)	(1,659)	(13%)
Profit / (loss) before income tax from Continuing Operations	(59)	(1,384)	(96%)	2,474	(1,642)	NM
Income tax credit / (expense)	(113)	(85)	33%	69	(325)	NM
Net profit / (loss) from Continuing Operations	(172)	(1,469)	(88%)	2,543	(1,967)	NM
Discontinued Operations						
Net loss for the period from Discontinued Operation	51	(578)	NM	(2,073)	(3,085)	(33%)
Net profit / (loss)	(121)	(2,047)	(94%)	470	(5,052)	NM
Profit / (loss) attributable to:						
Equity holders of the Company	(462)	(2,134)	(78%)	763	(5,659)	NM
Non-controlling interests	341	87	292%	(293)	607	NM
	(121)	(2,047)	(94%)	470	(5,052)	NM

Discontinued operations and subsidiary classified as asset 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"), a wholly-owned subsidiary. Hence, ASE is classified as "Discontinued Operations" and prior year's comparative figures are restated.

The disposal of ASE was completed on 25 June 2019 for a cash consideration of S$14.0 million. The gain on disposal of ASE recognised was S$5.81 million.

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		
	3rd Qtr of 2019 S$'000	3rd Qtr of 2018 S$'000 Restated	Increase / (Decrease)	9 Months of 2019 S$'000	9 Months of 2018 S$'000 Restated	Increase / (Decrease)
Net profit / (loss) after tax	(121)	(2,047)	(94%)	470	(5,052)	NM
Currency translation differences arising from consolidation	319	(253)	NM	365	(300)	NM
Other comprehensive gain / (loss), net of tax	319	(253)	NM	365	(300)	NM
Total comprehensive income / (loss)	198	(2,300)	NM	835	(5,352)	NM
Total comprehensive income / (loss) attributable to:						
Equity holders of the Company	(214)	(2,367)	(91%)	1,072	(5,980)	NM
Non-controlling interests	412	67	515%	(237)	628	NM
	198	(2,300)	NM	835	(5,352)	NM
Gain / (loss) attributable to equity holders of the Company relates to:						
Continuing Operations	(265)	(1,789)	(85%)	3,145	(2,895)	NM
Discontinued Operations	51	(578)	NM	(2,073)	(3,085)	(33%)
	(214)	(2,367)	(91%)	1,072	(5,980)	NM

Notes

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

	GROUP		GROUP	
	3rd Qtr of 2019 S$'000	3rd Qtr of 2018 S$'000	9 Months of 2019 S$'000	9 Months of 2018 S$'000
Continuing Operations				
Interest income	2	1	7	5
Interest expense on borrowings	(492)	(562)	(1,449)	(1,659)
Foreign exchange gains	521	51	220	625
Gain / (loss) on disposal of property, plant and equipment	11	(240)	189	2
Property, plant and equipment written off	-	(4)	-	(17)
Amortisation on right-of-use assets	(332)	-	(443)	-
Depreciation of property, plant and equipment	(1,647)	(1,565)	(4,681)	(5,143)
Credit loss allowance	(22)	(125)	(58)	(125)
Credit loss allowance written back	1	3	9	96
Gain on disposal of asset held-for-sale	-	-	5,810	-
Discontinued Operations				
Interest expense on borrowings	-	(151)	(283)	(470)
Foreign exchange (losses) / gains	(11)	51	(16)	116
Gain on disposal of property, plant and equipment	-	33	3	41
Property, plant and equipment written off	-	-	(112)	-
Depreciation of property, plant and equipment	-	(284)	(401)	(850)

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-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Current assets				
Cash and bank balances	4,151	5,212	14	1,428
Trade and other receivables	23,155	22,801	88,420	77,311
Contract assets	7,205	5,417	-	-
Inventories	5,917	11,238	-	-
	40,428	44,668	88,434	78,739
Assets in subsidiary classified as held-for-sale	-	13,511	-	-
Non-current asset classified as held-for-sale	-	-	-	7,800
	40,428	58,179	88,434	86,539
Non-current assets				
Trade and other receivables	2,860	4,030	-	-
Investment in subsidiaries	-	-	4,992	4,676
Intangible assets	64	64	-	-
Property, plant and equipment	68,193	67,276	302	381
Right-of-use assets	3,546	-	3,546	-
Deferred income tax assets	1,243	356	158	17
	75,906	71,726	8,998	5,074
Total assets	116,334	129,905	97,432	91,613
LIABILITIES				
Current liabilities				
Trade and other payables	25,876	24,455	25,249	17,944
Contract liabilities	590	483	-	-
Deferred income	21	250	-	-
Current income tax liabilities	326	625	-	-
Borrowings and overdrafts	21,743	23,899	9,541	17,637
Lease liabilities	1,283	-	1,283	-
	49,839	49,712	36,073	35,581
Liabilities in subsidiary classified as held-for-sale	-	13,859	-	-
	49,839	63,571	36,073	35,581
Non-current liabilities				
Trade and other payables	1,411	-	-	-
Deferred income	130	77	-	-
Borrowings	8,368	11,071	5,706	1,983
Lease liabilities	2,293	-	2,293	-
Deferred tax liabilities	11	11	-	-
	12,213	11,159	7,999	1,983
Total liabilities	62,052	74,730	44,072	37,564
NET ASSETS	54,282	55,175	53,360	54,049
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	49,651	49,651	49,651	49,651
Other reserves	(1,408)	(1,554)	-	163
Retained profits	5,410	4,484	3,709	4,235
	53,653	52,581	53,360	54,049
Non-controlling interests	629	2,594	-	-
Total equity	54,282	55,175	53,360	54,049

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-19		As at 31-Dec-18	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Bank borrowings and overdrafts	543	12,510	-	15,841
Term loans	7,727	839	2,738	240
Convertible bonds	-	-	-	4,987
Finance lease liabilities	124	-	93	-

Amount repayable after one year

	As at 30-Sep-19		As at 31-Dec-18	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Term loans	-	4,068	6,117	4,760
Bond	-	4,077	-	-
Finance lease liabilities	223	-	194	-

Details of any collateral

Included in the Group's secured borrowings are:-

(a) S$5,878,000 as at 30 September (30 June 2019: S$8,023,000) in respect of loans are secured by vessels.

(b) S$2,392,000 as at 30 September 2019 (30 June 2019: S$2,665,000) in respect of loans are secured by immovable 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.

	GROUP	
	3rd Qtr of 2019	3rd Qtr of 2018
	S$'000	S$'000
Cash flows from operating activities		
Net loss	(121)	(2,047)
Adjustments for:		
Credit loss allowance	22	45
Credit loss allowance written back	(1)	(3)
Income tax expense	50	85
(Gain) / loss on disposal of property, plant and equipment	(11)	207
Property, plant and equipment written off	-	4
Depreciation of property, plant and equipment	1,647	1,849
Amortisation on right-of-use assets	332	-
Interest income	(2)	(1)
Interest expenses	492	713
Gain on disposal of subsidiary	(22)	-
Unrealised currency translation gains	(395)	(184)
	1,991	668
Changes in working capital		
Inventories	2,259	436
Trade and other receivables	1,083	(12)
Contract assets	138	(1,353)
Trade and other payables	(2,462)	3,806
Contract liabilities	327	12
Deferred income	(41)	(72)
Cash flows generated from operations	3,295	3,485
Interest received	2	1
Interest paid	(341)	(578)
Income taxes paid	(232)	(296)
Net cash flows generated from operating activities	2,724	2,612
Cash flows from investing activities		
Addition to property, plant and equipment	(728)	(517)
Proceeds from disposal of property, plant and equipment	15	724
Proceeds from disposal of subsidiary, net of cash disposed of	93	-
Net cash flows (used in) / generated from investing activities	(620)	207
Cash flows from financing activities		
Repayment of borrowings, net	(2,412)	(438)
Repayment of finance lease liabilities	(30)	(114)
Repayment of lease liabilities	(293)	-
Bills payable	(23)	(942)
Dividend paid to non-controlling interest	-	(980)
Interest paid	(71)	(129)
Net cash flows used in financing activities	(2,829)	(2,603)
Net (decrease) / increase in cash and cash equivalents	(725)	216
Cash and cash equivalents		
Beginning of the period	1,518	1,434
Effects of currency translation on cash and cash equivalents	23	(46)
End of financial period	816	1,604

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	Retained profits	Translation reserves	Equity component of convertible bonds	Premium paid on acquisition of non-controlling interest	Total	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
GROUP								
Balance as at 1 July 2018	49,651	12,619	(1,586)	163	(52)	60,795	3,872	64,667
Dividend paid to non-controlling interest	-	-	-	-	-	-	(980)	(980)
Total comprehensive (loss) / income for the quarter	-	(2,134)	(233)	-	-	(2,367)	67	(2,300)
Balance as at 30 September 2018	**49,651**	**10,485**	**(1,819)**	**163**	**(52)**	**58,428**	**2,959**	**61,387**
Balance as at 1 July 2019	49,651	5,874	(1,606)	-	(52)	53,867	338	54,205
Disposal of subsidiary	-	-	-	-	-	-	(121)	(121)
Total comprehensive (loss) / income for the quarter	-	(464)	250	-	-	(214)	412	198
Balance as at 30 September 2019	**49,651**	**5,410**	**(1,356)**	**-**	**(52)**	**53,653**	**629**	**54,282**
COMPANY								
Balance as at 1 July 2018	49,651	3,440	-	163	-	53,254	-	53,254
Total comprehensive income for the quarter	-	950	-	-	-	950	-	950
Balance as at 30 September 2018	**49,651**	**4,390**	**-**	**163**	**-**	**54,204**	**-**	**54,204**
Balance as at 1 July 2019	49,651	3,487	-	-	-	53,138	-	53,138
Total comprehensive income for the quarter	-	222	-	-	-	222	-	222
Balance as at 30 September 2019	**49,651**	**3,709**	**-**	**-**	**-**	**53,360**	**-**	**53,360**

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 30 June 2019 and 30 September 2019	135,010,406	49,651

Convertibles

On 26 April 2019, the Company exchanged convertible bonds 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 26 April 2022.

	As at 30-Sep-19	As at 30-Sep-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 30 September 2019 and 30 September 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 30-Sep-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):

	Group	
	9 Months 2019	**9 Months 2018**
a) Based on weighted average number of ordinary shares on issue; and		
From Continuing Operations	2.10	-1.91
From Discontinued Operations	-1.54	-2.29
Total	0.57	-4.19
Weighted no.of shares in issue	135,010,406	135,010,406
b) On a fully diluted basis		
From Continuing Operations	2.10	-1.91
From Discontinued Operations	-1.54	-2.29
Total	0.57	-4.19

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-19	31-Dec-18	30-Sep-19	31-Dec-18
Net asset value per ordinary share based on issued share capital at end of the period / year (in cents)	39.74	38.95	39.52	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

	3rd Quarter results			
Group Turnover	**FY 2019**	**FY 2018**	**+ / (-)**	**+ / (-)**
	S$'million	S$'million	S$'million	%
Infrastructure & Engineering ("IE")	3.75	2.61	1.14	43.7
Corrosion Prevention ("CP")	5.00	3.96	1.04	26.3
Supply & Distribution ("SD")	1.56	1.35	0.21	15.6
Shipping & Others ("SH")	6.29	3.33	2.96	88.9
	16.60	**11.25**	**5.35**	**47.6**

The Group's revenue increased by 47.6% or S$5.35 million from S$11.25 million in 3Q2018 to S$16.60 million in 3Q2019.

Revenue for our IE division increased by S$1.14 million to S$3.75 million in 3Q2019 as compared to S$2.61 million in 3Q2018. The increase in revenue for 3Q2019 was contributed by our offshore asset repair and maintenance services as well as secured more steel fabrication orders in Singapore. Our IE division's business in Batam remains challenging as our fabrication yard did not secure sizeable projects during 3Q2019.

Revenue for our CP division increased by S$1.04 million from S$3.96 million in 3Q2018 to S$5.00 million in 3Q2019. Our CP division received increase in volume on recurring ship repair orders from established shipyards since 1Q2019. In addition, our CP Indonesia subsidiaries performed better as compared to 3Q2018.

Revenue for our SD division increased slightly by S$0.21 million from S$1.35 million in 3Q2018 to S$1.56 million in 3Q2019. Nevertheless, demand for marine and industrial hardware products remained weak.

Revenue for our SH division increased by S$2.96 million from S$3.33 million in 3Q2018 to S$6.29 million in 3Q2019. During 3Q2019, SH division sold a pair of used tug and barge for S$2.05 million. Secondly, our livestock carrier completed five year mandatory drydocking survey and repairs, secured forward freight charters and commenced voyage at end of July 2019.

Finance charges inclusive of discontinued operations decreased by S$0.22 million from S$0.71 million in 3Q2018 to S$0.49 million in 3Q2019 primarily as a result of reduction in bank borrowings.

Foreign exchange gain inclusive of discontinued operations was S$0.51 million for 3Q2019 due to stronger US dollar against Singapore dollar during the period.

Depreciation expenses inclusive of discontinued operations decreased by S$0.20 million from S$1.85 million in 3Q2018 to S$1.65 million in 3Q2019 due to decrease in fixed assets. Capital expenditure on mandatory drydocking repairs for one of the livestock carriers commenced depreciation on the capitalised amount over next five years from July 2019.

The Group's gross profit from continuing operations increased marginally from S$2.69 million in 3Q2018 to S$2.75 million in 3Q2019. Net loss attributable to shareholders narrowed from S$2.13 million in 3Q2018 to net S$0.46 million in 3Q2019 mainly due to foreign exchange gain and lower administrative expenses.

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)

	9 Months results			
Group Turnover	**FY 2019**	**FY 2018**	**+ / (-)**	**+ / (-)**
	S$'million	S$'million	S$'million	%
Infrastructure & Engineering ("IE")	10.60	6.85	3.75	54.7
Corrosion Prevention ("CP")	14.99	12.01	2.98	24.8
Supply & Distribution ("SD")	4.47	5.19	(0.72)	(13.9)
Shipping & Others ("SH")	12.71	16.55	(3.84)	(23.2)
	42.77	**40.60**	**2.17**	**5.3**

The Group's revenue increased by 5.3% or S$2.17 million from S$40.60 million in 9M2018 to S$42.77 million in 9M2019.

Revenue for our IE division increased by S$3.75 million from S$6.85 million in 9M2018 to S$10.60 million in 9M2019. The increase in revenue for 9M2019 was mainly attributable to offshore asset repair and maintenance services and increased in work orders on steel fabrication activities in Singapore. However, IE division's business in Batam remained weak as we did not secure sizeable contracts in 9M2019.

Revenue for our CP division increased by S$2.98 million from S$12.01 million in 9M2018 to S$14.99 million in 9M2019 mainly due to increase in ship repairs activities at major shipyards in Singapore and our indonesia subsidiaries managed to secure more blasting and painting jobs as compared to 9M2018.

Revenue for our SD division decreased by S$0.72 million from S$5.19 million in 9M2018 to S$4.47 million in 9M2019 due to weak demand for marine and industrial hardware products.

Revenue for our SH division decreased by S$3.84 million from S$16.55 million in 9M2018 to S$12.71 million in 9M2019 due to one of the livestock carriers undergoing five year mandatory drydocking survey and repairs.

Interest expense on borrowings for continuing operations decreased by 12.7% or S$0.21 million from S$1.66 million in 9M2018 to S$1.45 million in 9M2019 as a result of reduction in bank borrowings.

Foreign exchange gain on continuing operations was S$0.22 million for 9M2019 due to strengthening of US dollar during the period. For 9M2018, there was foreign exchange gain of S$0.62 million on US dollar against Singapore dollar.

Depreciation expenses inclusive of discontinued operations decreased by S$0.91 million from S$5.99 million in 9M2018 to S$5.08 million in 9M2019 due to decrease in total fixed assets between the two corresponding periods. Capital expenditure on mandatory drydocking repairs for one of the livestock carriers commenced depreciation on the capitalised amount over next five years from July 2019.

The Group's gross profit from continuing operations decreased by S$1.76 million from S$8.76 million in 9M2018 to S$7.00 million in 9M2019. This was largely due to (i) the Group's failure to secure IE projects generating sufficient revenue to cover the fixed overhead costs of the Batam fabrication yard, notwithstanding the above stated increase in revenue; and (ii) our SH division suffering a loss of revenue from the off charter of one of our livestock carriers. The off charter resulted from the livestock carrier being in mandatory drydocking for maintenance and repairs for approximately seven months. The Group registered net profit attributable to shareholders of S$0.76 million in 9M2019 mainly attributable to S$5.81 million gain on disposal of a subsidiary.

CASHFLOW STATEMENT

Net cash inflow generated from operating activities was S$2.72 million in 3Q2019. This was attributable to changes in working capital mainly generated from S$2.26 million decrease in inventories; decrease in trade and other receivables by S$1.08 million; and increase on contract liabilities by S$0.33 million.

Net cash outflow used in investing activities was S$0.62 million in 3Q2019. This was attributable to cash outflow of S$0.73 million largely related to capital expenditure on mandatory drydocking repairs on one of the livestock carriers.

Net cash outflow in financing activities was S$2.83 million in 3Q2019. This was mainly due to repayment of S$2.4 million borrowings; and S$0.29 million on repayment of lease liabilities.

As a result of the above, the Group registered a net decrease in cash and cash equivalent of S$0.73 million for 3Q2019.

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)

ASSETS AND LIABILITIES

The Group registered total assets of S$116.33 million as at 30 September 2019.

The Group's current assets decreased from S$58.18 million as at 31 December 2018 to S$40.43 million as at 30 September 2019 mainly due to the completion of the disposal of a subsidiary which was recorded as asset held-for-sale at S$13.51 million as at 31 December 2018 to NIL as at 30 September 2019. Inventories decreased from S$11.24 million to S$5.92 million mainly due to sale of two used tug boats and two used cargo barges.

Ageing of the trade receivables as of 30 September 2019 are as follow:-

	Sep-19 S$'000	Dec-18 S$'000	Increase / (Decrease) S$'000
Current	3,922	3,165	757
less than 90 days	7,144	5,483	1,661
91 to 150 days	1,032	1,396	(364)
151 to 365 days	2,148	3,047	(899)
More than 365 days	4,623	4,862	(239)
	18,869	17,953	916

The Board notes that the trade receivables for 151 to 365 days and more than 365 days has decreased from 31 December 2018 to 30 September 2019 and will closely monitor the collectability of such trade receiavbles. In addition, the Group carries out impairment loss testing on its trade receivables on a quarterly basis. As and when trade receivables are deemed uncollectable, the Company will make the necessary impairment loss provisions. The last impairment loss testing was done in November 2019 prior to the release of this announcement on 14 November 2019.

The Group's non current assets increased from S$71.73 million as at 31 December 2018 to S$75.90 million as at 30 September 2019 mainly due to S$3.55 million on right-of-use assets relating to a recently entered 3 year lease agreement for headquarter office as well as rental of various equipment. Our SH division incurred capital expenditure of S$2.30 million on mandatory drydocking for one of our livestock carriers.

Total liabilities for the Group decreased by S$12.68 million from S$74.73 million as at 31 December FY2018 to S$62.05 million as at 30 September 2019.

The Group's current liabilities decreased by S$13.73 million from S$63.57 million as at 31 December 2018 to S$49.84 million as at 30 September 2019. This was mainly due to completion of the disposal of a subsidiary which was recorded as liabilities held-for-sale at S$13.86 million as at 31 December 2018 to NIL as at 30 September 2019.

The Group's non current liabilities increased from S$11.16 million as at 31 December 2018 to S$12.21 million as at 30 September 2019 mainly due to lease liabilities S$2.29 million relating to a 3 year lease agreement for headquarter office premises as well as rental of various equipment, right-of-use assets, the Group also obtained extended terms with few key supportive trade creditors of which S$1.41 million payables shall be due after one year.

The Group registered net current liabilities of S$9.41 million as at 30 September 2019 as compared to S$5.39 million as at 31 December 2018. The increase was primarily due to bullet payments of US$2.63 million and S$1.57 million of a vessel loan and an indonesian waterfront leasehold property loan respectively within twelve months. In addition, the Group registered lease liabilities (current portion) of S$1.28 million on the newly entered 3 years lease agreement (pursuant to SFRS(I) 16 Leases - The Group has applied the standard from its mandatory adoption date of 1 January 2019 to all leases, including leases of Right-of-Use assets in a sublease).

The Board is of the opinion that, after taking into consideration the Group's existing cash and cash equivalents, available bank facilities, existing banking relationships 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 results for the financial period ended on 30 September 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 Group will continue to emphasize on cost control and focus on marketing to secure more contracts to generate sustainable revenue and earnings for the Group.

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.

After considering the Group's financial position and the difficult business environment, no dividend is declared or recommended for the profit under review.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

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 September 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
14 Nov 2019

Chua Meng Hua
Managing Director and Chief Executive Officer