BENG KUANG MARINE LIMITED

Registration No. 199400196M

First Quarter Financial Statement For The Period Ended 31 March 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		
	Notes	1st Qtr of 2009 S$'000	1st Qtr of 2008 S$'000	Increase / (Decrease)
Revenue		**33,792**	**33,775**	**0%**
Cost of sales		(26,557)	(26,237)	1%
Gross profit		**7,235**	**7,538**	**(4%)**
Other operating income, net	(A)	265	127	109%
Administrative expenses		(3,473)	(3,443)	1%
Selling and distribution expenses		(579)	(620)	(7%)
Profit from operations		**3,448**	**3,602**	**(4%)**
Financial income		1	20	(95%)
Financial expenses		(341)	(254)	34%
Share of results of associates, net of tax		(66)	(116)	(43%)
Profit before taxation	**(B)**	**3,042**	**3,252**	**(6%)**
Taxation		(666)	(821)	(19%)
Profit after taxation		**2,376**	**2,431**	**(2%)**
Attributable to :				
Equity holders of the Company		**2,444**	**2,350**	**4%**
Minority Interests		(68)	81	NM
		2,376	2,431	(2%)

NM - Not meaningful

Notes

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

	GROUP	
	1st Qtr of 2009	**1st Qtr of 2008**
	S$'000	**S$'000**
(Loss) / gain on disposal of fixed assets	(3)	65
Fixed assets written off	(53)	(4)
Foreign exchange gain /(loss)	154	(86)
Other Income	167	152

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

Interest income	1	20
Interest expense on borrowings	(329)	(245)
Depreciation of fixed assets	(1,302)	(931)
Amortisation of intangible asset	(11)	-
Write-back of allowance for doubtful debts	20	8
Allowance for doubtful debts	(100)	(90)

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	
	31-Mar-09	31-Dec-08	31-Mar-09	31-Dec-08
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Fixed assets	31,166	30,753	1,062	1,137
Intangible assets	2,713	2,724	-	-
Subsidiaries	-	-	8,981	8,981
Associates	4,125	4,191	-	-
Due from subsidiaries (non-trade)	-	-	175	236
Current assets				
Stocks	12,233	15,053	-	-
Work-in-progress in excess of progress billings	18,345	9,651	4,071	3,103
Trade debtors	21,205	22,613	13	-
Other debtors	7,291	6,946	465	552
Prepayment	1,028	864	254	4
Due from subsidiaries (trade)	-	-	3,178	3,018
Due from subsidiaries (non trade)	-	-	36,481	35,411
Due from related parties (trade)	17,983	19,863	4,149	6,797
Due from related parties (non trade)	2	-	-	-
Due from associates (trade)	10	20	-	-
Fixed deposits	990	863	-	-
Cash and bank balances	10,734	14,283	1,587	2,113
	89,821	**90,156**	**50,198**	**50,998**
Current liabilities				
Trade creditors	19,732	17,422	43	24
Bills payable to banks	2,576	6,169	107	781
Other creditors and accruals	19,195	21,644	4,685	4,835
Due to subsidiaries (trade)	-	-	5,849	6,054
Due to subsidiaries (non-trade)	-	-	8	44
Due to related parties (trade)	325	281	225	115
Due to related parties (non trade)	593	257	-	-
Provision for income tax	3,336	3,077	175	171
Lease obligations (current portion)	2,173	2,309	50	51
Bank overdrafts	737	866	-	-
Short-term bank loans	32,814	31,462	29,752	30,005
	81,481	**83,487**	**40,894**	**42,080**
Net current assets	**8,340**	**6,669**	**9,304**	**8,918**

	GROUP		COMPANY	
	31-Mar-09	31-Dec-08	31-Mar-09	31-Dec-08
	S$'000	S$'000	S$'000	S$'000
Non-current liabilities				
Lease obligations (non-current portion)	1,991	2,453	119	131
Deferred taxation	825	825	83	83
	2,816	3,278	202	214
Net assets	**43,528**	**41,059**	**19,320**	**19,058**
Equity attributable to equity holders of the Company				
Share capital	16,111	16,111	16,111	16,111
Revenue reserves	23,501	21,057	3,209	2,947
Translation reserves	73	(20)	-	-
	39,685	37,148	19,320	19,058
Minority interests	3,843	3,911	-	-
Total equity	**43,528**	**41,059**	**19,320**	**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 31-Mar-09		As at 31-Dec-08	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Bank Borrowings	-	36,127	-	38,497
Lease Obligations	2,173	-	2,309	-

Amount repayable after one year

	As at 31-Mar-09		As at 31-Dec-08	
	S$'000		S$'000	
	Secured	Unsecured	Secured	Unsecured
Lease Obligations	1,991	-	2,453	-

Details of any collateral

- Lease obligations are secured by the underlying assets acquired.

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	
	1st Qtr of 2009	**1st Qtr of 2008**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit before taxation	3,042	3,252
Adjustments for:		
Allowance for doubtful debts	100	90
Write-back of allowance for doubtful debts	(20)	(8)
Loss / (gain) on disposal of fixed assets	3	(65)
Fixed assets written off	53	4
Depreciation of fixed assets	1,302	931
Amortisation of intangible asset	11	-
Allowance for stock obsolescence	31	-
Write back of allowance for stock obsolescence	-	(28)
Share of results of associates	66	116
Interest income	(1)	(20)
Interest expenses	329	245
Operating profit before changes in working capital	**4,916**	**4,517**
(Increase) / decrease in:		
Stocks	2,789	1,133
Work-in-progress in excess of progress billings	(8,694)	(4,889)
Trade debtors	1,328	(2,276)
Other debtors	(345)	(674)
Prepayments	(164)	(306)
Due from related parties	1,878	(7,414)
Due from associates, net	10	3
(Decrease) / increase in:		
Trade creditors	2,310	2,132
Other creditors and accruals	(2,449)	3,881
Due to related parties	380	498
Cash flows generated from/ (used in) operations	**1,959**	**(3,395)**
Interest received	1	20
Interest paid	(497)	(258)
Income taxes paid	(407)	(198)
Net cash flows generated from / (used in) operating activities	**1,056**	**(3,831)**

	GROUP	
	1st Qtr of 2009	1st Qtr of 2008
	S$'000	S$'000
Cash flows from investing activities		
Proceeds from disposal of fixed assets	67	1,191
Purchase of fixed assets	(1,838)	(3,233)
Net cash flows used in investing activities	**(1,771)**	**(2,042)**
Cash flows from financing activities		
Repayment of finance lease liabilities	(598)	(481)
Decrease in bills payable to banks	(3,593)	(417)
Proceeds short-term bank loans	1,520	5,900
Net cash flows (used in) / generated from financing activities	**(2,671)**	**5,002**
Net effect of exchange rate changes in consolidating subsidiaries	93	2
Net decrease in cash and cash equivalents	**(3,293)**	**(869)**
Cash and cash equivalents at beginning of the period	**14,280**	**8,602**
Cash and cash equivalents at end of the period	**10,987**	**7,733**

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.

	Attrributable 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 31 December 2007	16,111	16,197	(6)	16,191	3,403	35,705
Currency translation differences representing net gains and losses not recognised in statement of profit and loss	-	-	2	2	-	2
Net profit for the quarter	-	2,350	-	2,350	81	2,431
Balance as at 31 March 2008	**16,111**	**18,547**	**(4)**	**18,543**	**3,484**	**38,138**
Balance as at 31 December 2008	16,111	21,057	(20)	21,037	3,911	41,059
Currency translation differences representing net gains and losses not recognised in statement of profit and loss	-	-	93	93	-	93
Net profit for the quarter	-	2,444	-	2,444	(68)	2,376
Balance as at 31 March 2009	**16,111**	**23,501**	**73**	**23,574**	**3,843**	**43,528**
COMPANY						
Balance as at 31 December 2007	16,111	4,182	-	4,182	-	20,293
Net loss for the quarter	-	(23)	-	(23)	-	(23)
Balance as at 31 March 2008	**16,111**	**4,159**	**-**	**4,159**	**-**	**20,270**
Balance as at 31 December 2008	16,111	2,947	-	2,947	-	19,058
Net profit for the quarter	-	262	-	262	-	262
Balance as at 31 March 2009	**16,111**	**3,209**	**-**	**3,209**	**-**	**19,320**

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.

None.

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-09	**As at 31-Dec-08**
	No. of shares	**No. of shares**
Issued and fully paid	384,710,625	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	
	1st Quarter 2009	**1st Quarter 2008**
a) Based on weighted average number of ordinary shares on issue; and	0.64	0.61
Weighted no.of shares in issue	384,710,625	384,710,625
b) On a fully diluted basis	N/A	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	
	31-Mar-09	31-Dec-08	31-Mar-09	31-Dec-08
Net asset value per ordinary share based on issued share capital at end of the period/year (in cents)	10.32	9.66	5.02	4.95

31-Mar-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$39.69 million and the Company's net asset value as at the end of the period of S$19.32 million divided by the share capital of 384,710,625 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

	1st Quarter results			
Group Turnover	**FY 2009**	**FY 2008**	**+ / (-)**	**+ / (-)**
	S$'million	**S$'million**	**S$'million**	**%**
Infrastructure & Engineering ("IE")	**14.12**	**9.49**	**4.63**	**48.8**
Corrosion Prevention ("CP")	**13.67**	**17.25**	**(3.58)**	**(20.8)**
Supply & Distribution ("SD")	**6.00**	**7.04**	**(1.04)**	**(14.8)**
	33.79	**33.78**	**0.01**	**0.0**

The Group's turnover for 1Q2009 was S$33.79 million, which was about the same as in 1Q2008. However, the revenue growth for each division was quite different. The revenue of IE division rose 48.8% whereas revenue of CP division dropped by 20.8% and SD division dropped by 14.8%.

Revenue from our IE division increased by S$4.63 million from S$9.49 million in 1Q2008 to S$14.12 million in 1Q2009. The contracts secured in 2008/2009 for offshore oil and gas engineering works in Singapore and Batam had contributed to the overall growth in our IE division.

The CP division turnover declined during 1Q2009 by S$3.58 million as compared to 1Q2008. This was due to a slowdown in work orders received from shipyards in Singapore.

The Group net profit attributable to shareholders improved by 4% to S$2.44 million for 1Q2009 as compared to S$2.35 million in 1Q2008. The marginal improvement was due to the Group's efforts in controlling cost.

CASHFLOW STATEMENT

The Group had positive net operating cashflow of S$1.1 million for 1Q2009. This was mainly due to efforts targeted at optimising inventory level and debt collections.

The increase in work in progress "WIP" was due to the increased activities for new projects in IE division. Upon reaching certain milestone of the projects, progress billings will be generated and the consequence collections will contribute to better cash balances.

The net cash flows used in financing activities was due to repayment of bills payable to banks and hire purchase instalments. Total bank borrowings were reduced from S$43.3 million as at 31 December 2008 to S$40.3 million as at 31 March 2009.

ASSETS AND LIABILITIES

As mentioned above, the increase in WIP in excess of progress billings during 1Q2009 was mainly due to the new projects in IE division.

The Group had taken steps to tighten control and improve on stock and warehouse management. This had led to the decrease in inventories during 1Q2009 and 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.

The current sentiments for the marine oil and gas industries continues to be challenging. Despite the slowdown in the global economy, the Group managed to secure contracts for our core business in the IE and CP divisions. As of 1 April 2009, outstanding orderbook for the Group amounts to approximately S$33 million. The Group will stay focused and continue to seek offshore marine projects for our new fabrication yard in Batam. The Group remains cautious and adopts a prudent approach to its cash management during this period.

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 31 March 2009.

13 Summary of Interested Person Transactions for the financial period ended 31 March 2009

	1st Quarter of FY2009	
	Aggregate value of all interested person transactions during the financial year 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$100,000)
[Revenue/(Expenses)]	S$	S$
Labroy Shipbuilding & Engineering Pte Ltd		
Provision of Corrosion Prevention Services		1,053,868
Sale of Hardware Equipments, Tools and Other Consumables		17,220
Rental of Machineries		625,464
PT Nanindah Mutiara Shipyard		
Sale of hardware equipment, tools and other consumables		446,089
Heng Huat Shipbuilding & Construction Pte Ltd		
Rental of property expenses	(105,000)	
Labroy Offshore Ltd		
Provision of Corrosion Prevention Services		2,096,822
Provision of Infrastructure Engineering Services		52,600
Drydocks World-Singapore Pte Ltd		
Sale of Hardware Equipments, Tools and Other Consumables		49,938
Provision of Corrosion Prevention Services		835,272
PT Graha Trisaka Industri		
Provision of Corrosion Prevention Services		450,000
Provision of Infrastructure Engineering Services		830,465
Sale of Hardware Equipments, Tools and Other Consumables		164,983
PT. Pan-United Shipyard Indonesia		
Provision of Infrastructure Engineering Services		219,572
Provision of Corrosion Prevention Services		258,007
Sale of Hardware Equipments, Tools and Other Consumables		40,613

18 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 period ended 31 March 2009 to be false or misleading.

BY ORDER OF THE BOARD

Chua Beng Kuang
Executive Chairman
5 May 2009

Chua Meng Hua
Managing Director