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**BENG KUANG GROUP**

**BENG KUANG MARINE LIMITED**  
**AND ITS SUBSIDIARY CORPORATIONS**  
(Company Registration No: 199400196M)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

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## Beng Kuang Marine Limited and its Subsidiary Corporations

### A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		+ / (-) %
		6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000 (Restated)	
<b>Continuing Operations</b>				
Revenue	4	31,857	29,045	9.7%
Cost of sales		(23,469)	(23,882)	(1.7%)
Gross profit		8,388	5,163	62.5%
Other gains – net		167	1,038	(83.9%)
Expenses				
- Selling and distribution		(484)	(418)	15.8%
- Administrative		(5,938)	(5,473)	8.5%
- Finance		(948)	(799)	18.7%
Profit/(loss) before income tax from Continuing Operations	6	1,185	(489)	NM
Income tax expense	7	(676)	(490)	38.0%
<b>Net profit/(loss) from Continuing Operations</b>		509	(979)	NM
<b>Discontinued Operations</b>				
Net profit for the period from Discontinued Operation	8	-	1,089	NM
<b>Net profit</b>		509	110	362.7%
<b>Other comprehensive income/(loss), net of tax:</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences arising from consolidation – gains/(losses)		271	(639)	NM
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Currency translation differences arising from consolidation – gains/(losses)		58	(248)	NM
Other comprehensive income/(loss)		329	(887)	NM
<b>Total comprehensive income/(loss)</b>		838	(777)	(207.9%)
<b>Profit/(loss) attributable to:</b>				
Equity holders of the Company		(854)	(866)	(1.4%)
Non-controlling interests		1,363	976	39.7%
		509	110	362.7%
<b>Profit/(loss) attributable to equity holders of the Company relates to:</b>				
Continuing Operations		(854)	(1,794)	(52.4%)
Discontinued Operations		-	928	NM
		(854)	(866)	(1.4%)
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company		(583)	(1,505)	(61.3%)
Non-controlling interests		1,421	728	95.2%
		838	(777)	NM
<b>Profit/(loss) per share from continuing and discontinued operations attributable to equity holders of the Company</b>				
<b>Basic profit/(loss) per share</b>				
Continuing Operations		(0.43)	(0.90)	(52.4%)
Discontinued Operations		NA	0.47	NM
<b>Diluted profit/(loss) per share</b>				
Continuing Operations		(0.43)	(0.90)	(52.4%)
Discontinued Operations		NA	0.47	NM

NM - Not meaningful

**Beng Kuang Marine Limited and its Subsidiary Corporations**

**B. Condensed interim statements of financial position**

	Note	Group		Company	
		30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	6,070	6,712	251	211
Trade and other receivables	11	17,657	17,597	37,537	42,881
Contract assets		7,954	7,305	-	-
Inventories		3,113	3,428	-	-
		<u>34,794</u>	<u>35,042</u>	<u>37,788</u>	<u>43,092</u>
Non-current asset classified as held-for-sale	12	6,049	-	-	-
		<u>40,843</u>	<u>35,042</u>	<u>37,788</u>	<u>43,092</u>
<b>Non-current assets</b>					
Investments in subsidiary corporations		-	-	4,708	4,708
Property, plant and equipment	13	13,452	21,666	944	839
Deferred income tax assets		679	679	-	-
		<u>14,131</u>	<u>22,345</u>	<u>5,652</u>	<u>5,547</u>
<b>Total assets</b>		<u>54,974</u>	<u>57,387</u>	<u>43,440</u>	<u>48,639</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	14	28,696	28,721	31,518	32,850
Contract liabilities		140	17	-	-
Current income tax liabilities		1,246	1,472	-	-
Borrowings	15	13,247	17,204	5,306	8,924
		<u>43,329</u>	<u>47,414</u>	<u>36,824</u>	<u>41,774</u>
<b>Non-current liabilities</b>					
Trade and other payables	14	2,110	-	-	-
Borrowings	15	4,712	4,987	4,000	3,954
Deferred income tax liabilities		10	10	-	-
		<u>6,832</u>	<u>4,997</u>	<u>4,000</u>	<u>3,954</u>
<b>Total liabilities</b>		<u>50,161</u>	<u>52,411</u>	<u>40,824</u>	<u>45,728</u>
<b>NET ASSETS</b>		<u>4,813</u>	<u>4,976</u>	<u>2,616</u>	<u>2,911</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to</b>					
Share capital	16	54,124	54,124	54,124	54,124
Other reserves		(1,650)	(1,920)	-	-
Accumulated losses		(46,914)	(46,060)	(51,508)	(51,213)
		<u>5,560</u>	<u>6,144</u>	<u>2,616</u>	<u>2,911</u>
<b>Non-controlling interests</b>		<u>(747)</u>	<u>(1,168)</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>4,813</u>	<u>4,976</u>	<u>2,616</u>	<u>2,911</u>

**Beng Kuang Marine Limited and its Subsidiary Corporations**

**C. Condensed interim statements of changes in equity**

The Group	← Attributable to equity holders of the Company →			Total \$'000	Non- controlling interests \$'000	Total \$'000
	Share capital \$'000	Accumulated losses \$'000	Other reserves \$'000			
<b>2023</b>						
<b>Balance at 1 January 2023</b>	54,124	(46,060)	(1,920)	6,144	(1,168)	4,976
Profit/(loss) for the financial period	-	(854)	-	(854)	1,363	509
Other comprehensive income for the financial period	-	-	270	270	58	328
Dividend paid to non-controlling interests	-	-	-	-	(1,000)	(1,000)
<b>Balance as at 30 June 2023</b>	<b>54,124</b>	<b>(46,914)</b>	<b>(1,650)</b>	<b>5,560</b>	<b>(747)</b>	<b>4,813</b>
<b>2022</b>						
<b>Balance at 1 January 2022</b>	54,124	(24,230)	(2,038)	27,856	(9,014)	18,842
Profit/(loss) for the financial period	-	(866)	-	(866)	976	110
Other comprehensive loss for the financial period	-	-	(639)	(639)	(248)	(887)
Dividend paid to non-controlling interests	-	-	-	-	(1,029)	(1,029)
<b>Balance as at 30 June 2022</b>	<b>54,124</b>	<b>(25,096)</b>	<b>(2,677)</b>	<b>26,351</b>	<b>(9,315)</b>	<b>17,036</b>

**Beng Kuang Marine Limited and its Subsidiary Corporations****C. Condensed interim statements of changes in equity**

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<b>The Company</b>	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total Equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2023</b>			
<b>Balance at 1 January 2023</b>	54,124	(51,213)	2,911
Loss for the financial period	-	(295)	(295)
<b>Balance as at 30 June 2023</b>	<u>54,124</u>	<u>(51,508)</u>	<u>2,616</u>
<b>2022</b>			
<b>Balance at 1 January 2022</b>	54,124	(25,310)	28,814
Profit for the financial period	-	1,345	1,345
<b>Balance as at 30 June 2022</b>	<u>54,124</u>	<u>(23,965)</u>	<u>30,159</u>

**D. Condensed interim consolidated statements of cash flows**

	Note	The Group	
		6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
<b>Cash flows from operating activities</b>			
Net profit		509	110
<i>Adjustments for:</i>			
Credit loss allowance - trade receivable, net		15	81
Inventories written back		-	(1)
Gain/(loss) on disposal of property, plant and equipment		(82)	87
Property, plant and equipment written off	6	11	-
Interest income		(3)	(3)
Interest expense		948	958
Income tax expense	7	676	490
Depreciation of property, plant and equipment		1,690	3,667
Unrealised currency translation differences		271	(1,276)
		<u>4,035</u>	<u>4,113</u>
<i>Change in working capital</i>			
Inventories		315	(175)
Contract assets		(648)	(3,499)
Trade and other receivables		(87)	(389)
Trade and other payables		2,085	4,281
Contract liabilities		123	(183)
		<u>5,823</u>	<u>4,148</u>
<b>Cash generated from operations</b>			
Interest received		3	3
Interest paid		(1,002)	(585)
Income tax paid		(902)	(526)
		<u>3,922</u>	<u>3,040</u>
<b>Net cash generated from operating activities</b>			
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(535)	(904)
Proceeds from disposal of property, plant and equipment		1,290	235
		<u>755</u>	<u>(669)</u>
<b>Net cash generated from/(used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Repayment of borrowings, net		(3,420)	(889)
Principal payment of lease liabilities		(579)	(1,140)
Repayment of bills payable		(332)	(189)
Interest paid		(47)	(62)
Dividend paid to non-controlling interests		(1,000)	(1,029)
		<u>(5,378)</u>	<u>(3,309)</u>
<b>Net cash used in financing activities</b>			
Net decrease in cash and cash equivalents		(701)	(938)
<b>Cash and cash equivalents</b>			
Beginning of financial period		4,360	4,652
Effects of currency translation on cash and cash equivalents		17	48
		<u>3,676</u>	<u>3,762</u>
<b>End of financial period</b>			

**E. Selected notes to the condensed interim consolidated financial statements**

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**1 Corporate information**

Beng Kuang Marine Limited (the “Company”) is a limited liability company, which is incorporated in the Republic of Singapore and listed on the Singapore Stock Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are provision of corrosion prevention services relating to repairing of ships, tankers and other ocean-going vessels and investment holding. The principal activities of the subsidiaries are provision of infrastructure engineering services, provision of corrosion prevention services, supply and distribution of hardware equipment, tools and other products and provision of freight transport services.

**2 Basis of preparation**

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency and all values are rounded to the nearest thousand (\$’000) except when otherwise indicated.

**2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Given the Covid-19 pandemic has caused and will likely cause significant disruptions to economic activities, the uncertainties associated with accounting estimates and assumptions may also be increased accordingly.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**E. Selected notes to the condensed interim consolidated financial statements**

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**2.3 Going concern**

The Group's current liabilities exceeded its current assets by S\$2.49 million as at 30 June 2023 (31 December 2022: S\$12.37 million). The significant improvement in the net current liabilities position was due to re-classification of property, plant and equipment (non-current assets) items to non-current assets held-for-sale (current assets) (Note 12). Nevertheless, the Group's net current liabilities position indicates the existence of events or conditions that may cast doubt on the Group's ability to continue as a going concern. The Management has considered the operations of the Group as a going concern and the financial statements were prepared on a going concern basis as it believes the Group will be able to meet its obligations as and when they fall due within the next twelve months because of the following:

- (i) the Group's IE and CP divisions continues to generate positive operating cash inflows. For 1H2023 and FY2022 the Group generated positive cash flows from its core operating activities of S\$3.92 million and S\$7.39 million respectively. The Group is projected to continue achieving positive operating cash inflows from its secured orders which includes recurring orders and uncompleted performance obligations. In addition, the Group received more project enquires and is actively participating in the submission of project tenders to keep up and increase its order book. With further cost rationalisation, discontinuation of unprofitable divisions, and deleveraging, the Group will strengthen its cash flow generation and net cash position;
- (ii) subsequent to year-end FY2022, the Group has secured fresh tenancies to partially lease out 13 hectares of its 32.8 hectare unencumbered waterfront yard in Batam, Indonesia for a total income from leasing of approximately \$1.9 million per annum. The tenancy or rental income will provide an additional stream of revenue for FY2023;
- (iii) the Group has entered into sale and purchase agreements for sale of land in Batam, Kabil and a tugboat for aggregate proceeds of S\$19.5 million. As of 30 June 2023, the assets held-for-sale on these assets were S\$6.05 million (Note 12).
- (iv) the Group remains confident that it can obtain continuing support for credit extension terms from long-term relationship business associates.

Accordingly, the Management is of the view that there is no material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.



**E. Selected notes to the condensed interim consolidated financial statements**

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**3 Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**4 Segment and revenue information**

The Group is organized into the following main business segments:

(a) Infrastructure Engineering

This relates to the turnkey engineering services from planning, project management to implementation involving fabrication, corrosion prevention services for steel work structure, piping modules of oil rigs and jack-up rigs and construction of new vessels.

(b) Corrosion Prevention

This relates to the provision of corrosion prevention services, mainly blasting and painting services as part of the shipbuilding, ship conversion and ship repair activities in the marine, oil and gas and other industries.

(c) Supply and Distribution

This relates to the supply and distribution of hardware equipment, tools and other consumables used in the marine, oil and gas, and construction industries.

(d) Shipping

This relates to the provision of freight transport services, mainly chartering of tugs and barge.

(e) Others

This relates to the provision of effective and efficient technological solution for water and waste water treatment; solid waste management; and other areas on recovery of natural resources.

These operating segments are reported in a manner consistent with internal reporting provided to Executive Committee who are responsible for allocating resources and assessing performance of the operating segments.

E. Selected notes to the condensed interim consolidated financial statements

4.1 Reporting segments

	← Continuing Operations →						
	Infrastructure Engineering \$'000	Corrosion Prevention \$'000	Supply and Distribution \$'000	Shipping \$'000	Others \$'000	Total for Continuing Operations \$'000	Total for Discontinued Operations \$'000
<b>1 January 2023 to 30 June 2023</b>							
Total segment sales	20,715	9,503	2,386	82	-	32,686	-
Inter-segment sales	11	(341)	(466)	(33)	-	(829)	-
Sales to external customers	<u>20,726</u>	<u>9,162</u>	<u>1,920</u>	<u>49</u>	<u>-</u>	<u>31,857</u>	<u>-</u>
<b>Results:</b>							
Segment results	2,641	1,665	(2)	(325)	(7)	3,972	-
Interest expense	(145)	(767)	(36)	-	-	(948)	-
Interest income	-	3	-	-	-	3	-
Profit/(loss) from operating segment	<u>2,496</u>	<u>901</u>	<u>(38)</u>	<u>(325)</u>	<u>(7)</u>	<u>3,027</u>	<u>-</u>
Unallocated administrative expenses						<u>(1,842)</u>	<u>-</u>
Profit before income tax						1,185	-
Income tax expense						<u>(676)</u>	<u>-</u>
Net profit						509	-
Profit attributable to non-controlling interests						<u>1,363</u>	<u>-</u>
						<u>(854)</u>	<u>-</u>
Net profit includes:							
- Depreciation of property, plant and equipmer	829	536	162	163	-	1,690	-

E. Selected notes to the condensed interim consolidated financial statements

4.1 Reporting segments (cont'd)

	← Continuing Operations →					Total for Continuing Operations \$'000	Total for Discontinued Operations \$'000
	Infrastructure Engineering \$'000	Corrosion Prevention \$'000	Supply and Distribution \$'000	Shipping \$'000	Others \$'000		
<b>1 January 2022 to 30 June 2022 (Restated)</b>							
Total segment sales	19,722	9,111	3,052	115	-	32,000	-
Inter-segment sales	(451)	(996)	(1,413)	(95)	-	(2,955)	-
Sales to external customers	<u>19,271</u>	<u>8,115</u>	<u>1,639</u>	<u>20</u>	<u>-</u>	<u>29,045</u>	<u>-</u>
<b>Results:</b>							
Segment results	629	1,487	55	(453)	(15)	1,703	1,248
Interest expense	(153)	(88)	(42)	(516)	-	(799)	(159)
Interest income	-	3	-	-	-	3	-
Profit/(loss) from operating segment	<u>476</u>	<u>1,402</u>	<u>13</u>	<u>(969)</u>	<u>(15)</u>	<u>907</u>	<u>1,089</u>
Unallocated administrative expenses						<u>(1,396)</u>	<u>-</u>
Profit/(loss) before income tax						<u>(489)</u>	<u>1,089</u>
Income tax expense						<u>(490)</u>	<u>-</u>
Net profit/(loss)						<u>(979)</u>	<u>1,089</u>
Profit attributable to non-controlling interests						<u>815</u>	<u>161</u>
						<u>(1,794)</u>	<u>928</u>
Net profit includes:							
- Depreciation of property, plant and equipmer	1,016	1,014	242	244	-	2,516	1,151

E. Selected notes to the condensed interim consolidated financial statements

4.1 Reporting segments (cont'd)

	Infrastructure Engineering \$'000	Corrosion Prevention \$'000	Supply and Distribution \$'000	Shipping \$'000	Others \$'000	Total \$'000
<b>June 2023</b>						
<b>Other information</b>						
<b>Segment assets</b>	37,195	12,610	2,665	2,504	-	54,974
Segment assets include:-						
Additions to: Property, plant and equipment	91	555	1	-	-	647
<b>Segment liabilities</b>	(15,034)	(24,267)	(3,112)	(678)	(11)	(43,102)

	Infrastructure Engineering \$'000	Corrosion Prevention \$'000	Supply and Distribution \$'000	Shipping \$'000	Others \$'000	Total \$'000
<b>June 2022</b>						
<b>Other information</b>						
<b>Segment assets</b>	40,956	13,346	3,280	24,369	10	81,961
Segment assets include:-						
Additions to: Property, plant and equipment	92	71	155	654	-	972
<b>Segment liabilities</b>	(18,766)	(22,028)	(3,541)	(11,304)	(7)	(55,646)

**E. Selected notes to the condensed interim consolidated financial statements**

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**4.1 Reporting segments (cont'd)**

**Reconciliations**

(i) Segment assets

All assets are allocated to reportable segments

(ii) Segment liabilities

Segment liabilities are reconciled to total liabilities as follows:

	<b>6 months ended 30 June 2023 \$'000</b>	<b>6 months ended 30 June 2022 \$'000</b>
Segment liabilities for reportable segments	43,091	55,639
Other segment liabilities	11	7
Unallocated:		
Borrowings	7,059	9,278
	<u>50,161</u>	<u>64,924</u>

E. Selected notes to the condensed interim consolidated financial statements

4.2 Disaggregation of Revenue

	At a point in time \$'000	Over time \$'000	Total \$'000
<b><u>6 months ended 30 June 2023</u></b>			
Infrastructure engineering			
- Singapore	286	6,784	7,070
- Malaysia	171	466	637
- Europe	1,233	6,345	7,578
- Indonesia	657	1,284	1,941
- United Kingdom	37	2,347	2,384
- Middle East	-	109	109
- Others	170	837	1,007
	<u>2,554</u>	<u>18,172</u>	<u>20,726</u>
Corrosion prevention			
- Singapore	-	6,990	6,990
- Indonesia	-	2,172	2,172
	<u>-</u>	<u>9,162</u>	<u>9,162</u>
Supply and distribution			
- Singapore	1,663	-	1,663
- Indonesia	257	-	257
	<u>1,920</u>	<u>-</u>	<u>1,920</u>
Shipping			
- Indonesia	-	49	49
	<u>-</u>	<u>49</u>	<u>49</u>
Total	<u>4,474</u>	<u>27,383</u>	<u>31,857</u>

	At a point in time \$'000	Over time \$'000	Total \$'000
<b><u>6 months ended 30 June 2022</u></b>			
Infrastructure engineering			
- Singapore	6	7,169	7,175
- Malaysia	-	17	17
- Europe	639	4,284	4,923
- Indonesia	522	232	754
- United Kingdom	244	2,382	2,626
- Middle East	-	1,610	1,610
- Others	-	2,166	2,166
	<u>1,411</u>	<u>17,860</u>	<u>19,271</u>
Corrosion prevention			
- Singapore	-	5,983	5,983
- Indonesia	-	2,132	2,132
	<u>-</u>	<u>8,115</u>	<u>8,115</u>
Supply and distribution			
- Singapore	1,629	-	1,629
- Indonesia	10	-	10
	<u>1,639</u>	<u>-</u>	<u>1,639</u>
Shipping			
- Indonesia	-	20	20
	<u>-</u>	<u>20</u>	<u>20</u>
Total	<u>3,050</u>	<u>25,995</u>	<u>29,045</u>

**E. Selected notes to the condensed interim consolidated financial statements**

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	The Group		The Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	6,070	6,712	251	211
Trade and other receivables	17,321	17,198	37,479	42,877
	<u>23,391</u>	<u>23,910</u>	<u>37,730</u>	<u>43,088</u>
<b>Financial liabilities</b>				
Borrowings	(17,959)	(22,191)	(9,306)	(12,878)
Trade and other payables	(30,806)	(28,721)	(31,518)	(32,850)
	<u>(48,765)</u>	<u>(50,912)</u>	<u>(40,824)</u>	<u>(45,728)</u>

**6. Profit/(loss) before income tax**

**6.1. Significant items**

Profit/(loss) before income tax is after (debiting)/crediting the following: -

	The Group	
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000 (Restated)
<b>Income</b>		
Government grants	310	734
Currency translation gain/(loss), net	(242)	278
<b>Expense</b>		
Interest expense on borrowings	(948)	(799)
Gain/(loss) on disposal of property, plant and equipment	82	(87)
Property, plant and equipment written off	(11)	-
Depreciation of property, plant and equipment	(1,690)	(2,516)
Credit loss allowance - trade receivable, net	(15)	(13)

**E. Selected notes to the condensed interim consolidated financial statements**

**6.2. Related party transactions**

Other than disclosed elsewhere in the financial statements, transactions carried out with related parties in the normal course of business on terms agreed between the parties are as follows:

Sales and purchase of goods and services

	<b>The Group</b>	
	<b>6 months ended 30 June 2023 \$'000</b>	<b>6 months ended 30 June 2022 \$'000</b>
Loan from a related party	220	380
Purchase of material and/or services from related parties	2	12
	<u>                    </u>	<u>                    </u>

Mr. Yong Jiunn Run (“Mr. Yong”), who is the Company’s Chief Executive Officer extended a loan of principal amount S\$500,000 to the Company on 3 May 2021, on an interest-free and unsecured basis to be repaid within a year. The purpose of the loan was to finance the repair costs for one of the livestock carrier as well as for the Group’s working capital.

Mr. Yong is an “interested person”, and the loan is an “interested person transaction” for the purposes of Chapter 9 of Mainboard Rules of the Singapore Exchange Securities Trading Limited. As the Loan is interest-free, there is no “value at risk” to the Group. This is not a commercial loan and does not adversely affect the interest of minority shareholders.

**7. Income tax expense**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>The Group</b>	
	<b>6 months ended 30 June 2023 \$'000</b>	<b>6 months ended 30 June 2022 \$'000</b>
Current income tax expense	(676)	(490)
	<u>                    </u>	<u>                    </u>



**E. Selected notes to the condensed interim consolidated financial statements**

**8. Discontinued operations**

In November 2022, Cattle Line Two Pte. Ltd. and its subsidiary (collectively, CLT Group) has received winding up application from the high court of Singapore. Upon commencement of winding-up process, the Group has assessed that control over CLT Group is lost.

Accordingly, the entire assets and liabilities related to the CLT Group are deconsolidated and the results for the current financial period was presented separately on the consolidated statement of comprehensive income as “Discontinued operations” during the year ended 31 December 2022. The CLT Group was not previously presented as a discontinued operations for financial period ending 30 June 2022. Thus, the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations. The change in presentation has no effect to the statement of comprehensive income of the Group.

(a) The results of the discontinued operations are as follows:

	<b>Group</b>	
	<b>6 months ended 30 June 2023 \$'000</b>	<b>6 months ended 30 June 2022 \$'000</b>
Expenses	-	(1,186)
Other gains, net	-	2,275
Profit from discontinued operations	-	1,089
Profit attributable to non-controlling interests	-	161
Profit attributable to equity holders of the Company	-	928

(b) The impact of the discontinued operations on the cash flows of the Group was as follows:

	<b>Group</b>	
	<b>6 months ended 30 June 2023 \$'000</b>	<b>6 months ended 30 June 2022 \$'000</b>
Operating cash inflows	-	1,351
Investing cash outflows	-	(654)
Financing cash outflows	-	(696)
Total cash inflows	-	1

(c) The effects of the loss from discontinued operations were as follows:

	<b>Group</b>	
	<b>6 months ended 30 June 2023 \$'000</b>	<b>6 months ended 30 June 2022 \$'000</b>
Depreciation	-	(1,151)
Interest expenses	-	(159)
Recovery from insurance claims	-	1,225

**E. Selected notes to the condensed interim consolidated financial statements**

**9. Net Asset Value**

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net assets value per ordinary share (cents)	2.79	3.08	1.31	1.46
No of shares	199,210,406	199,210,406	199,210,406	199,210,406

**10. Cash and cash equivalents**

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	30 June 2023 \$'000	31 December 2022 \$'000
Cash and bank balances	6,070	6,712
Less: Bank overdrafts (Note 15)	(2,394)	(2,352)
Cash and cash equivalents per consolidated statement of cashflows	<u>3,676</u>	<u>4,360</u>

E. Selected notes to the condensed interim consolidated financial statements

11. Trade and other receivables

	The Group		The Company	
	30	31	30	31
	June	December	June	December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Subsidiary corporations	-	-	2,693	4,457
- Non-related parties	16,576	17,777	4	-
	16,576	17,777	2,697	4,457
Less: Loss allowance	(1,205)	(2,479)	(375)	(464)
Trade receivables - net	15,371	15,298	2,322	3,993
Non-trade receivables				
- Subsidiary corporations	-	-	56,115	59,889
- Non-related parties	369	280	34	9
	369	280	56,149	59,898
Less: Loss allowance				
- Subsidiary corporations	-	-	(21,169)	(21,166)
Non-trade receivables - net	369	280	34,980	38,732
Retentions	626	660	-	-
Deposits	956	959	177	152
Prepayments	335	400	58	4
	17,657	17,597	37,537	42,881

Ageing of net trade receivables as of 30 June 2023 and 31 December 2022 are as follow: -

	The Group		
	30 June	31 December	Increase /
	2023	2022	(Decrease)
	\$'000	\$'000	\$'000
Current	2,304	4,723	(2,419)
Less than 90 days	10,185	6,970	3,215
91 to 150 days	793	1,700	(907)
151 to 365 days	1,390	1,345	45
More than 365 days	699	560	139
	15,371	15,298	73

**E. Selected notes to the condensed interim consolidated financial statements**

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**12. Assets held-for-sale**

On 12 April 2023, the Group's wholly-owned subsidiary PT Nexus Engineering Indonesia entered into a Conditional Land Sale & Purchase Agreement with Oil States Industries (Asia) Pte. Ltd. for the sale of 90,000 square metres of land forming part of the Group's 328,956 square metre waterfront fabrication yard on the eastern side of Batam Island, Kabil.

On 21 June 2023, the Group's wholly-owned subsidiary PT Nexus Engineering Indonesia entered into a term sheet with PT. Bukit Batu Mulia for the sale of a further 100,970 square metres of land forming part of the Group's 328,956 square metre waterfront fabrication yard on the eastern side of Batam Island, Kabil

On 26 June 2023, the Group's wholly-owned subsidiary PT Marina Shipping entered into a sale and purchase agreement with PT Pelayaran Sinar Varuna Sentosa for a 1,700HP tugboat (*The Drako Gallant*)

The corresponding assets related to the above sales are reclassified and presented separately on the consolidated statement of financial position as non-current assets classified as held-for-sale. The change in classification and presentation has no effect to the profit or loss after tax and net asset value of the Group.

Details of the non-current asset classified as held-for-sale were as follows:

	<b>30 June 2023</b>
	<b>\$'000</b>
Property, plant and equipment	<u>6,049</u>

**13. Property plant and equipment**

During the six months ended 30 June 2023, the Group acquired assets amounting to \$0.65 million (30 June 2022: \$0.97 million) and disposed of assets amounting to \$1.22 million (30 June 2022: \$0.32 million).

E. Selected notes to the condensed interim consolidated financial statements

14. Trade and other payables

	The Group		The Company	
	30	31	30	31
	June	December	June	December
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Related parties	4	9	-	-
- Non-related parties	4,826	9,334	125	113
	<u>4,830</u>	<u>9,343</u>	<u>125</u>	<u>113</u>
Non-trade payables				
- Subsidiary corporations	-	-	24,030	25,081
- Related party	220	280	220	280
- Non-related parties	10,474	7,641	4,470	4,053
	<u>10,694</u>	<u>7,921</u>	<u>28,720</u>	<u>29,414</u>
Accruals for operating expenses	6,188	7,176	2,673	3,323
Accruals for project expenses	6,984	4,281	-	-
	<u>13,172</u>	<u>11,457</u>	<u>2,673</u>	<u>3,323</u>
	<u>28,696</u>	<u>28,721</u>	<u>31,518</u>	<u>32,850</u>
<i>Non-current</i>				
Trade payables				
- Non-related parties	2,039	-	-	-
Non-trade payables				
- Non-related parties	71	-	-	-
	<u>2,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total trade and other payables	<u>30,806</u>	<u>28,721</u>	<u>31,518</u>	<u>32,850</u>

E. Selected notes to the condensed interim consolidated financial statements

15. Borrowings

	The Group		The Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
<i>Current</i>				
Bank borrowings	9,474	10,931	3,099	4,756
Financial guarantee	-	2,025	-	2,025
Bank overdrafts	2,394	2,352	1,998	1,959
Bills payable	429	760	-	-
Lease liabilities	950	1,136	209	184
	<u>13,247</u>	<u>17,204</u>	<u>5,306</u>	<u>8,924</u>
<i>Non-current</i>				
Bank borrowings	407	508	-	-
Bond	3,743	3,679	3,743	3,679
Lease liabilities	562	800	257	275
	<u>4,712</u>	<u>4,987</u>	<u>4,000</u>	<u>3,954</u>
Total borrowings	<u>17,960</u>	<u>22,191</u>	<u>9,306</u>	<u>12,878</u>
Represented by:				
- Secured	1,341	2,005	217	275
- Unsecured	16,619	20,186	9,089	12,603
	<u>17,960</u>	<u>22,191</u>	<u>9,306</u>	<u>12,878</u>

The bank borrowings and credit facilities of the Group are secured over certain leasehold building and yard development.

The financial guarantee relates to the corporate guarantee provided by the Company in the event of default on the loan from UOB to Cattle Line Two Pte Ltd which has been fully paid and redeemed upon sale of the vessels.

**E. Selected notes to the condensed interim consolidated financial statements**

**16. Share Capital**

**16.1 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 share**

	<b>The Group and the Company</b>			
	<b>30 June 2023</b>		<b>31 December 2022</b>	
	<b>Numbers of shares \$'000</b>	<b>Amount \$'000</b>	<b>Numbers of shares \$'000</b>	<b>Amount \$'000</b>
Beginning of interim period	199,210	54,124	199,210	54,124
End of interim period	<u>199,210</u>	<u>54,124</u>	<u>199,210</u>	<u>54,124</u>

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

**Convertibles**

The Company did not hold any outstanding convertibles as at 30 June 2023 and 30 June 2022.

**Treasury Shares**

The Company did not hold any treasury shares as at 30 June 2023 and 30 June 2022.

**16.2 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.**

	<b>The Group and the Company</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>
Issued and fully paid	<u>199,210,406</u>	<u>199,210,406</u>

**16.3 A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the current financial period reported on.**

None.

**16.4 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

**E. Selected notes to the condensed interim consolidated financial statements**

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**17. Subsequent Event**

Subsequent to 30 June 2023, there have been no events that may have an effect on the consolidated condensed interim financial statements of the Company.



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## **Other Information Required by Listing Rule**

### **Appendix 7.2**

## OTHER INFORMATION

1. (a) Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed consolidated statements of financial position of Beng Kuang Marine Limited and its subsidiary corporations as at 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

(b) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

2. Review of performance of the Group

**Condensed interim consolidated statement of profit or loss and other comprehensive income**

(a) Revenue

	<b>The Group</b>			
	<b>6 months ended</b>			
	<b><u>FY 2023</u></b>	<b><u>FY 2022</u></b>	<b><u>+ / (-)</u></b>	<b><u>+ / (-)</u></b>
	S\$'million	S\$'million	S\$'million	%
Infrastructure & Engineering ("IE")	20.73	19.27	1.46	7.6
Corrosion Prevention ("CP")	9.16	8.12	1.04	12.8
Supply & Distribution ("SD")	1.92	1.64	0.28	17.1
Shipping & Others ("SH")	0.05	0.02	0.03	145.0
	<b><u>31.86</u></b>	<b><u>29.05</u></b>	<b><u>2.81</u></b>	<b><u>9.7</u></b>

- (i) The Group's revenue increased by 9.7% or S\$2.81 million from S\$29.05 million in 1H2022 to S\$31.86 million in 1H2023 mainly due to increase in Revenue from all the operating segments.
- (ii) Revenue from our IE division increased by 7.6% or S\$1.46 million from S\$19.27 million in 1H2022 to S\$20.73 million in 1H2023, mainly due to buoyant business activities within the marine and offshore industries, leading to higher demand for FPSO and FSO contracting services. This increment was mainly contributed by Asian Sealand Offshore and Marine Pte Ltd ("ASOM"), which saw its revenue increasing by S\$6.0 million for 1H2023 and it has helped to offset approximately S\$4.2 million in revenue that was untapped due to the cessation of our fabrication activities in Singapore since June 2022.

The Company had on 12 April 2023 entered into a Conditional Land Sale and Purchase Agreement with Oil States (Asia) Pte Ltd for 9.0 hectare of land area for S\$8.64 million, which has obtained shareholders' approval on 21 July 2023 via an Extraordinary General Meeting.

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## 2. Review of performance of the Group (cont'd)

### **Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**

#### **(a) Revenue (cont'd)**

Additionally, on 21 June 2023, the Company entered into a term sheet with PT. Bukit Batu Mulia for the sale of a further 10.0 hectare of land and waterfront for S\$9.89 million which will require to obtain the Company's shareholders' approval. The rationale for both the disposals were as follows:-

- the Land comprises part of the Batam Shipyard that has remained under-utilised since FY2014 due to downturn in the offshore oil and gas sector. The Company believes that the Proposed Transaction is an opportunity for the Company to realise the value of such unutilised portion of the Batam Shipyard at a reasonable premium to its investment costs, so as to mitigate the challenges of evolving economic market conditions for the marine and oil & gas industry as a whole.
- The Proposed Transaction will enable the Group to substantially repay its bank borrowings, realise substantial interest savings as well as lower the depreciation expenses as the Group advances towards an asset-light and service-oriented business model.

It will also strengthen the Group's ability to continue as a going concern, with an improved balance sheet and greater financial liquidity.

Hence, the balance area of approximately 13.8 hectares will be used to support the Group's on-going project management and fabrication activities within the marine and offshore industries, enabling the Group to potentially achieve higher operating efficiency and improve asset utilisation rate.

- (iii) Revenue from our CP division, which was largely recurring in nature, increased by 12.8% or S\$1.04 million from S\$8.12 million in 1H2022 to S\$9.16 million in 1H2023 as the demand for CP services for Singapore and Batam shipyards continued to regain momentum.
- (iv) Revenue from our SD division on the sale of industrial hardware and personal protective equipment increased 17.1% or S\$0.28 million to S\$1.92 million in 1H2023 as compared to S\$1.64 million in 1H2022. The key role of SD is to support the Group on procurement for the CP and IE division locally as well as imports from overseas.
- (v) There was slight increase in its revenue SH division which is immaterial to the contribute of the Group's total revenue, following the winding down of the two Cattle Carriers. Recently, the Group has completed the disposal of one of the two remaining tug boats in May 2023. The Group entered into a Sales and Purchase Agreement dated 26 June 2023 with the same Purchaser for the earlier tug boat which is conditional upon the approval of shareholders as the aggregate sales of the two tugs boat based on the Mainboard Rulebook 1006(a) and (c). With the disposal of the remaining tug boats, the Group is left with one crane barge and it is our intention to dispose of the asset and ultimately, wind down the shipping business.

## 2. Review of performance of the Group (cont'd)

### Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

#### (b) Cost of sales/Gross Profit Margin

- (i) The Group's cost of sales from continuing operations decreased slightly by 1.7% or S\$0.41 million at S\$23.47 million in 1H2023, due to the following: -
- Improvement in cost management and productivity, as Gross Profit Margin improved to 26.3% in 1H2023 as compared to 17.8% in 1H2022.
- (ii) The Group's depreciation expenses from continuing operations decreased by S\$1.98 million to S\$1.69 million in 1H2023 from S\$3.67 million in 1H2022, which is in line with the Group's strategy to continue to increase the efficiency and/or utilisation rate of our fixed assets and reduce capital expenditure as we advance towards an asset-light and service-oriented business model. Moving ahead, the Group expects depreciation expenses to be lower due to the partial land sales and asset sales from the Shipping Division.

#### (c) Other gains

Other gain comprise of the following: -

	The Group	
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000 (Restated)
Interest income from bank deposits	3	3
Gain/(loss) on disposal of property, plant and equipment	82	(87)
Property, plant and equipment written off	(11)	-
Currency translation gain/(loss), net	(242)	278
Government grants	310	734
Others	25	110
	<u>167</u>	<u>1,038</u>

The Group registered a significant drop of Other Gains in 1H2023, mainly due to currency translation losses arising from the strengthening of SGD against IDR and USD as well as reduced government grants.

#### (d) Administrative expenses

The increase in the Group's administrative salaries and other personnel related expenses by S\$0.46 million in 1H2023 was mainly due to the Group's new hirings to develop talent resources.

#### (e) Finance cost

Despite the decline in the Group's bank borrowings due to its deleveraging initiatives, the Group's interest expense on borrowings from continuing operations increased by 18.7% or S\$0.15 million from S\$0.80 million in 1H2022 to S\$0.95 million in 1H2023 due to a higher interest rate environment. The Group is looking to substantially reduce its borrowings and interest expense from the proceeds of the two partial land sale of our Batam yard.

## 2. Review of performance of the Group (cont'd)

### **Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**

#### **(f) Loss attributable to Owners of the Company**

The Group registered a net loss attributable to shareholders of S\$0.85 million in 1H2023 as compared to a net loss attributable to shareholders of S\$1.79 million in 1H2022. The loss was mainly due to higher interest expenses and one-off legal / consultancy costs arising from the winding up / discontinuation of the Cattle Line Two Pte Ltd.

#### **(g) EBITDA**

	<b>The Group</b>	
	<b>6 months ended 30 June 2023 \$'000</b>	<b>6 months ended 30 June 2022 \$'000</b>
Net profit	509	110
Add: Income tax expense	676	490
Add: Interest expense	948	958
Add: Depreciation of property, plant and equipment	1,690	3,667
EBITDA	3,823	5,225
Less: Other gains, net	(167)	(3,313)
Adjusted EBITDA	3,656	1,912

"Adjusted EBITDA" is not determined in accordance with SFRS(I) as SFRS(I) does not prescribe the computation methodology of Adjusted EBITDA. Adjusted EBITDA of Beng Kuang Group is defined as profit before tax, finance expense, depreciation and amortisation of property, plant and equipment and intangible assets, and excluding other gains. Adjusted EBITDA of the Beng Kuang Group may not be comparable to that of other companies that may determine Adjusted EBITDA differently. Adjusted EBITDA is presented as an additional measure because management believes that some investors find it to be a useful tool for measuring the Beng Kuang Group's ability to fund capital expenditures or to service debt obligations. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flows as a measure of liquidity.

The Group's EBITDA was lower by S\$1.41 million, from S\$5.23 million in 1H2022 as compared to S\$3.82 million for 1H2023, mainly due to other gain of S\$3.31 million recognised in 1H2022 that include government grants of S\$0.73 million; provisional insurance claim of S\$1.23 million; foreign exchange gain of S\$1.33 million as a result of United States Dollar strengthening against Singapore Dollar.

The Group's Adjusted EBITDA improved to S\$3.66 million for 1H2023 as compared to S\$1.91 million for 1H2022.

### **Condensed interim consolidated cashflow statement**

There was a net cash inflow generated from operating activities of S\$3.92 million in 1H2023.

Net cash inflow generated from investing activities was S\$0.76 million in 1H2023 mainly due to proceeds from sale of a tugboat at S\$0.96 million and S\$0.26 million from the sale of tools and equipment, in excess of the additions of tools & equipment and motor vehicles.

Net cash used in financing activities was S\$5.38 million in 1H2023. This was mainly due to S\$3.42 million net on repayment of loans; S\$0.58 million on payment of lease liabilities; and S\$0.33 million on bills payable; and S\$1.0 million on profit making subsidiary declaring and issued dividends to non-controlling interests.

As a result of the above, the Group registered a net decrease in cash and cash equivalent of approximately S\$0.70 million for 1H2023.

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## 2. Review of performance of the Group (cont'd)

### Condensed interim statements of financial position

#### Group

##### Non-current assets

The Group's non-current assets decreased by S\$8.21 to S\$14.13 million as at 30 June 2023, which was mainly due to: -

- (i) reclassification of S\$6.05 million relating to the proposed disposal of partial waterfront yard in Batam and one tugboat to asset held-for-sale.
- (ii) depreciation expenses of S\$1.69 million.
- (iii) additions capital expenditure for S\$0.69 million on tools & equipment; computers and motor vehicles.

##### Current assets

The Group's current assets increased by S\$5.80 million to S\$40.84 million as at 30 June 2023, which was mainly due to reclassification of non-current assets classified as held-for-sale on the proposed disposal on partial of the waterfront yard and a tug boat which is expected to be completed within twelve months.

The trade receivables (net of provision for doubtful debts) for 151 to 365 days and more than 365 days has increased slightly by S\$0.18 million from S\$1.90 million as at 31 Dec 2022 to S\$2.09 million as at 30 June 2023 and the Group will continue to closely monitor the collectability of such trade receivables. In addition, the Group carries out credit risk assessment on its trade receivables on a quarterly basis. As and when trade receivables are deemed uncollectable, the Company will provide the necessary credit loss allowance. The Group has credit loss allowances amounting to S\$1.20 million as at 30 June 2023. The credit loss allowances were primarily attributable to the deteriorating financial performance of our debtors.

##### Current liabilities

The Group's current liabilities decreased by S\$4.08 million at S\$43.33 million as at 30 June 2023, as compared to S\$47.41 as at 31 December 2022. This was mainly due to repayment of borrowings by S\$3.95 million, which stood at S\$13.25 million as at 30 June 2023(S\$17.20 million as at 31 December 2022).

##### Net current liabilities

The Group's net current liabilities reduced from S\$12.37 million as at 31 December 2022 to S\$2.49 million. For more details, please refer to Page 8 on Note 2.3 - Going Concern of the Selected notes to the condensed interim consolidated financial statements.

##### Non-current liabilities

The Group's non-current liabilities increased from S\$5.00 million as at 31 December 2022 to S\$6.83 million as at 30 June 2023 was due primarily to obtain confirmation to extension of repayment from certain non-related creditors (are suppliers and contractors).

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## 2. Review of performance of the Group (cont'd)

### **Condensed interim statements of financial position (cont'd)**

#### **Company**

##### Non-current assets

The Company's non-current assets decreased by S\$0.10 million to S\$5.65 million as at 30 June 2023 was mainly due to: -

- (i) depreciation expenses of S\$0.14 million.
- (ii) Addition and disposal on property plant and equipment of S\$0.32 million and S\$0.09 million respectively.

##### Current assets

The Company's current assets decreased by S\$5.30 million to S\$37.79 million as at 30 June 2023, which was mainly due to the reduction in trade and other receivables from subsidiary corporations by S\$5.34 million.

##### Current liabilities

The Company's current liabilities decreased by S\$4.95 to S\$36.82 million as at 30 June 2023 was mainly due to :-

- (i) non-trade payables to subsidiary corporations by S\$1.05 million.
- (ii) accrual for operating expenses by S\$0.65 million.
- (iii) bank borrowings by S\$3.62 million

##### Non-current liabilities

The Company's non-current liabilities increased marginally by S\$46,000 to S\$4.00 million as at 30 June 2023.

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

No forecast or prospect statement has been previously disclosed to shareholders.

## 4. **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 operating period and the next 12 months**

The Group cautiously expects that our CP and IE divisions to benefit from the buoyant marine and offshore activities, that are supported by the sustained demand for energy (oil, natural gas, and renewable energy sources) and trade globally, among other key drivers. However, this may be tempered by geopolitical risks and slowing economic growth globally.

To enhance our business agility and develop new growth catalysts, the Group will continue to focus on high-potential business segments within our CP and IE divisions with an asset-light and service-oriented business model. In addition, the Group will continue to undertake initiatives to monetise our fixed assets and deleverage so as to strengthen our balance sheet and financial resources.

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**5. Dividend information**

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?  
None.

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?  
None.

**6. Interested person transactions**

Other than disclosed in notes 6.2 on related party transactions from the selected notes to the condensed interim consolidated financial statements, there are no other interested parties transaction to disclosure.

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

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

We, Chua Meng Hua and Chua Beng Yong, 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 half year ended 30 June 2023 to be false or misleading in any material aspect.

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

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**BY ORDER OF THE BOARD**

Chua Beng Yong  
Executive Chairman

Chua Meng Hua  
Executive Director

Singapore  
11 August 2023