



BENG KUANG MARINE LIMITED

Registration No. 199400196M

Second Quarter Financial Statement For The Period Ended 30 June 2016

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

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

| | GROUP | | | GROUP | | |
|---|--------------------|--------------------|--------------------------|---------------------|---------------------|--------------------------|
| | 2nd Qtr of 2016 | 2nd Qtr of 2015 | Increase / (Decrease) | 1st half of 2016 | 1st half of 2015 | Increase / (Decrease) |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Revenue | 17,998 | 20,258 | (11%) | 38,164 | 39,856 | (4%) |
| Cost of sales | (13,459) | (15,271) | (12%) | (27,731) | (29,889) | (7%) |
| Gross profit | 4,539 | 4,987 | (9%) | 10,433 | 9,967 | 5% |
| Other (losses) / gains , net | (183) | 119 | NM | (937) | 80 | NM |
| Expenses | | | | | | |
| - Selling and distribution | (409) | (361) | 13% | (785) | (864) | (9%) |
| - Administrative | (3,123) | (3,958) | (21%) | (6,919) | (7,778) | (11%) |
| - Finance | (748) | (727) | 3% | (1,539) | (1,301) | 18% |
| Profit before income tax | 76 | 60 | 27% | 253 | 104 | 143% |
| Income tax (expense) / credit | (64) | 110 | NM | (177) | 206 | NM |
| Net profit | 12 | 170 | (93%) | 76 | 310 | (75%) |
| Profit / (loss) attributable to: | | | | | | |
| Equity holders of the Company | 299 | 163 | 83% | 569 | 277 | 105% |
| Non-controlling interests | (287) | 7 | NM | (493) | 33 | NM |
| | <u>12</u> | <u>170</u> | <u>(93%)</u> | <u>76</u> | <u>310</u> | <u>(75%)</u> |

NM - Not meaningful

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

| | GROUP | | | GROUP | | |
|---|-------------------------------|-------------------------------|--------------------------|--------------------------------|--------------------------------|--------------------------|
| | 2nd Qtr of 2016 S\$'000 | 2nd Qtr of 2015 S\$'000 | Increase / (Decrease) | 1st half of 2016 S\$'000 | 1st half of 2015 S\$'000 | Increase / (Decrease) |
| Net profit after tax | 12 | 170 | (93%) | 76 | 310 | (75%) |
| Currency translation differences arising from consolidation | (24) | (154) | (85%) | (198) | (206) | (4%) |
| Other comprehensive loss, net of tax | (24) | (154) | (85%) | (198) | (206) | (4%) |
| Total comprehensive (loss) / income | (12) | 16 | NM | (122) | 104 | NM |
| Total comprehensive (loss) / income attributable to: | | | | | | |
| Equity holders of the Company | 280 | 33 | 748% | 426 | 103 | 315% |
| Non-controlling interests | (292) | (17) | NM | (548) | 1 | NM |
| | (12) | 16 | NM | (122) | 104 | NM |

| | GROUP | | GROUP | |
|--|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| | 2nd Qtr of 2016 S\$'000 | 2nd Qtr of 2015 S\$'000 | 1st half of 2016 S\$'000 | 1st half of 2015 S\$'000 |

Notes

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

| | | | | |
|---|---------|---------|---------|---------|
| Interest Income | 2 | 1 | 4 | 3 |
| Interest expense on borrowings | (748) | (727) | (1,539) | (1,301) |
| Foreign exchange loss | (364) | (113) | (1,392) | (394) |
| Gain on disposal of property, plant and equipment | 3 | 103 | 47 | 128 |
| Property, plant and equipment written off | - | - | (5) | - |
| Depreciation of property, plant and equipment | (2,274) | (2,465) | (4,723) | (4,809) |
| Allowance for impairment of trade receivables | (51) | - | (66) | - |
| Write down of inventories | 1 | - | 1 | - |
| Write-back of allowance for impairment of trade receivables | 1 | 14 | 7 | 19 |

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

| | GROUP | | COMPANY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30-Jun-16 S\$'000 | 31-Dec-15 S\$'000 | 30-Jun-16 S\$'000 | 31-Dec-15 S\$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank balances | 5,980 | 5,502 | 113 | 103 |
| Trade and other receivables | 41,809 | 47,059 | 70,697 | 69,764 |
| Inventories | 14,392 | 15,088 | - | - |
| | <u>62,181</u> | <u>67,649</u> | <u>70,810</u> | <u>69,867</u> |
| Non-current assets | | | | |
| Investment in subsidiaries | - | - | 10,519 | 10,707 |
| Intangible assets | 64 | 64 | - | - |
| Property, plant and equipment | 103,198 | 105,168 | 654 | 597 |
| Deferred income tax assets | 314 | 314 | 17 | 17 |
| | <u>103,576</u> | <u>105,546</u> | <u>11,190</u> | <u>11,321</u> |
| Total assets | <u>165,757</u> | <u>173,195</u> | <u>82,000</u> | <u>81,188</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 25,533 | 29,853 | 7,694 | 6,855 |
| Deferred income | 822 | 769 | - | - |
| Current income tax liabilities | 395 | 756 | - | - |
| Borrowings and overdrafts | 33,968 | 34,028 | 15,289 | 13,600 |
| | <u>60,718</u> | <u>65,406</u> | <u>22,983</u> | <u>20,455</u> |
| Non-current liabilities | | | | |
| Deferred income | 666 | 719 | - | - |
| Borrowings | 24,818 | 27,393 | 4,937 | 6,115 |
| Deferred tax liabilities | 355 | 355 | - | - |
| | <u>25,839</u> | <u>28,467</u> | <u>4,937</u> | <u>6,115</u> |
| Total liabilities | <u>86,557</u> | <u>93,873</u> | <u>27,920</u> | <u>26,570</u> |
| NET ASSETS | <u>79,200</u> | <u>79,322</u> | <u>54,080</u> | <u>54,618</u> |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 49,651 | 49,651 | 49,651 | 49,651 |
| Other reserves | (447) | (304) | 163 | 163 |
| Retained profits | 28,584 | 28,015 | 4,266 | 4,804 |
| | <u>77,788</u> | <u>77,362</u> | <u>54,080</u> | <u>54,618</u> |
| Non-controlling interests | 1,412 | 1,960 | - | - |
| Total equity | <u>79,200</u> | <u>79,322</u> | <u>54,080</u> | <u>54,618</u> |

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

Amount repayable in one year or less, or on demand

| | As at 30-Jun-16 | | As at 31-Dec-15 | |
|--------------------------------|-----------------|-----------|-----------------|-----------|
| | S\$'000 | | S\$'000 | |
| | Secured | Unsecured | Secured | Unsecured |
| Bank borrowings and overdrafts | 1,601 | 24,485 | 2,201 | 19,696 |
| Term loans | 5,765 | 583 | 6,769 | 3,528 |
| Finance lease liabilities | 1,534 | - | 1,834 | - |

Amount repayable after one year

| | As at 30-Jun-16 | | As at 31-Dec-15 | |
|---------------------------|-----------------|-----------|-----------------|-----------|
| | S\$'000 | | S\$'000 | |
| | Secured | Unsecured | Secured | Unsecured |
| Term loans | 19,311 | - | 18,392 | 2,983 |
| Convertible bonds | - | 4,880 | - | 4,861 |
| Finance lease liabilities | 627 | - | 1,157 | - |

Details of any collateral

Included in the Group's secured borrowings are:-

- (a) S\$12,385,000 as at 30 June 2016 (31 December 2015: S\$15,366,000) in respect of loans are secured by vessels, tugs and barges.
- (b) S\$14,292,000 as at 30 June 2016 (31 December 2015: S\$11,995,000) in respect of loans are secured by properties
- (c) Finance lease obligations are secured by the underlying equipment.

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

| | GROUP | |
|---|-------------------------------|-------------------------------|
| | 2nd Qtr of 2016 S\$'000 | 2nd Qtr of 2015 S\$'000 |
| Cash flows from operating activities | | |
| Net profit | 12 | 170 |
| <i>Adjustments for:</i> | | |
| Income tax expense / (credit) | 64 | (110) |
| Allowance for impairment for trade receivables | 51 | - |
| Write down of inventories | (1) | - |
| Write-back of allowance for impairment of trade receivables | (1) | (14) |
| Gain on disposal of property, plant and equipment | (3) | (103) |
| Depreciation of property, plant and equipment | 2,274 | 2,465 |
| Interest income | (2) | (1) |
| Finance expenses | 748 | 727 |
| Unrealised currency translation loss / (gain) | 182 | (87) |
| | 3,324 | 3,047 |
| <i>Changes in working capital</i> | | |
| Inventories and construction work-in-progress | (754) | (122) |
| Trade and other receivables | 4,578 | (287) |
| Trade and other payables | (2,547) | (1,257) |
| | 4,601 | 1,381 |
| Cash flows generated from operations | | |
| Interest received | 2 | 1 |
| Interest paid | (650) | (644) |
| Income taxes (paid) / refund | (24) | 169 |
| | 3,929 | 907 |
| Net cash flows generated from operating activities | | |
| Cash flows from investing activities | | |
| Acquisition of non-controlling interests' share in a subsidiary | - | * |
| Addition to property, plant and equipment | (2,583) | (848) |
| Proceeds from disposal of property, plant and equipment | 22 | 240 |
| Interest paid | (44) | (35) |
| | (2,605) | (643) |
| Net cash flows used in investing activities | | |
| Cash flows from financing activities | | |
| Proceeds from convertible bonds | - | 5,000 |
| Repayment of borrowings, net | (827) | (4,108) |
| Repayment of finance lease liabilities | (402) | (346) |
| Bills payable | 323 | 428 |
| Interest paid | (247) | (84) |
| | (1,153) | 890 |
| Net cash flows (used in) / generated from financing activities | | |
| Net increase in cash and cash equivalents | 171 | 1,154 |
| Cash and cash equivalents | | |
| Beginning of the period | 2,302 | 2,172 |
| Effects of currency translation on cash and cash equivalents | 27 | 12 |
| End of financial period | 2,500 | 3,338 |

* Amount less than S\$1,000

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Attributable to equity holders of the Company | | | | | | Non-controlling interests | Total equity |
|---|---|------------------|----------------------|---------------------------------------|---|---------------|---------------------------|---------------|
| | Share capital | Retained profits | Translation reserves | Equity component of convertible bonds | Premium paid on acquisition of non-controlling interest | Total | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| GROUP | | | | | | | | |
| Balance as at 1 April 2015 | 49,651 | 27,029 | (440) | - | - | 76,240 | 2,764 | 79,004 |
| Changes in non-controlling interests | - | (52) | - | - | - | (52) | 52 | (0) |
| Total comprehensive income / (loss) for the quarter | - | 163 | (130) | - | - | 33 | (17) | 16 |
| Convertible bonds - equity component | - | - | - | 163 | - | 163 | - | 163 |
| Balance as at 30 June 2015 | 49,651 | 27,140 | (570) | 163 | - | 76,384 | 2,799 | 79,183 |
| Balance as at 1 April 2016 | 49,651 | 28,285 | (539) | 163 | (52) | 77,508 | 1,704 | 79,212 |
| Total comprehensive income / (loss) for the quarter | - | 299 | (19) | - | - | 280 | (292) | (12) |
| Balance as at 30 June 2016 | 49,651 | 28,584 | (558) | 163 | (52) | 77,788 | 1,412 | 79,200 |
| | 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 |
| COMPANY | | | | | | | | |
| Balance as at 1 April 2015 | 49,651 | 2,325 | - | - | - | 51,976 | - | 51,976 |
| Total comprehensive loss for the quarter | - | (451) | - | - | - | (451) | - | (451) |
| Convertible bonds - equity component | - | - | - | 163 | - | 163 | - | 163 |
| Balance as at 30 June 2015 | 49,651 | 1,874 | - | 163 | - | 51,688 | - | 51,688 |
| Balance as at 1 April 2016 | 49,651 | 4,502 | - | 163 | - | 54,316 | - | 54,316 |
| Total comprehensive loss for the quarter | - | (236) | - | - | - | (236) | - | (236) |
| Balance as at 30 June 2016 | 49,651 | 4,266 | - | 163 | - | 54,080 | - | 54,080 |

- 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.

Ordinary shares

| | No. of ordinary shares | S\$'000 |
|--|------------------------|---------|
| Balance as at 31 March 2016 and 30 June 2016 | 135,010,406 | 49,651 |

Share consolidation exercise was carried out by the Company, consolidating every 4 existing issued ordinary shares into 1 ordinary share in the capital of the Company. Subsequent to the EGM approval on 14 August 2015, the exercise was completed on 27 August 2015 with 135,010,406 as the new issued number of ordinary shares.

Convertibles

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

| | As at 30-Jun-16 | As at 30-Jun-15 |
|--|-----------------|-----------------|
| | No. of shares | No. of shares |
| Outstanding option to subscribe new shares | Nil | Nil |

Treasury Shares

The Company did not have any treasury shares as at 30 June 2016 and 30 June 2015.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

| | As at 30-June-16 | As at 31-Dec-15 |
|-----------------------|------------------|-----------------|
| | 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.

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 2015.

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):

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

Weighted no.of shares in issue

b) On a fully diluted basis

| | Group | |
|--|---------------|---------------|
| | 1st Half 2016 | 1st Half 2015 |
| | 0.42 | 0.21 |
| | 135,010,406 | 135,010,406 |
| | 0.42 | 0.21 |

The Group's earnings per ordinary share for 1H2015 have been computed based on the revised number of 135,010,406 shares as a result of the Share Consolidation.

- 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-Jun-16 | 31-Dec-15 | 30-Jun-16 | 31-Dec-15 |
| Net asset value per ordinary share based on issued share capital at end of the period / year (in cents) | 57.62 | 57.30 | 40.06 | 40.45 |

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

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

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

Income statement review

Group Turnover

| | 2nd Quarter results | | | |
|-------------------------------------|---------------------|--------------|---------------|---------------|
| | FY 2016 | FY 2015 | + / (-) | + / (-) |
| | S\$'million | S\$'million | S\$'million | % |
| Infrastructure & Engineering ("IE") | 6.58 | 7.73 | (1.15) | (14.9) |
| Corrosion Prevention ("CP") | 6.21 | 6.15 | 0.06 | 1.0 |
| Supply & Distribution ("SD") | 2.54 | 3.47 | (0.93) | (26.8) |
| Shipping & Others ("SH") | 2.66 | 2.91 | (0.25) | (8.6) |
| | 17.99 | 20.26 | (2.27) | (11.2) |

The Group's revenue decreased by 11.2% or S\$2.27 million from S\$20.26 million in 2Q2015 to S\$17.99 million in 2Q2016.

Revenue for our IE division decreased by 14.9% or S\$1.15 million from S\$7.73 million in 2Q2015 to S\$6.58 million in 2Q2016. This was due to fewer orders for marine deck equipment and lower revenue from site fabrication works in Malaysia.

Revenue for our CP division remained stable with marginal increase of S\$0.06 million from S\$6.15 million in 2Q2015 to S\$6.21 million in 2Q2016. Demand for our CP services on construction of new vessels was weak, while demand for CP services for vessels undergoing repair remained stable.

Revenue for our SD division decreased by S\$0.93 million from S\$3.47 million in 2Q2015 to S\$2.54 million in 2Q2016 because of lower demand for marine hardware products.

Revenue from our SH division decreased slightly by S\$0.25 million from S\$2.91 million in 2Q2015 to S\$2.66 million in 2Q2016. This was because two sets of tug and barges underwent mandatory drydocking during the period.

The Group's gross profit decreased by S\$0.45 million from S\$4.99 million in 2Q2015 to S\$4.54 million in 2Q2016 due mainly to lower revenue generated in 2Q2016.

The Group's profit attributable to shareholders was S\$0.30 million for 2Q2016 compared to of S\$0.16 million for 2Q2015.

| Group Turnover | 1st Half results | | | |
|-------------------------------------|-------------------------|----------------|----------------|----------------|
| | FY 2016 | FY 2015 | + / (-) | + / (-) |
| | S\$'million | S\$'million | S\$'million | % |
| Infrastructure & Engineering ("IE") | 14.71 | 13.21 | 1.50 | 11.4 |
| Corrosion Prevention ("CP") | 12.55 | 14.20 | (1.65) | (11.6) |
| Supply & Distribution ("SD") | 5.06 | 6.68 | (1.62) | (24.3) |
| Shipping & Others ("SH") | 5.84 | 5.77 | 0.07 | 1.2 |
| | 38.16 | 39.86 | (1.70) | (4.3) |

The Group's revenue decreased slightly by 4.3% or S\$1.70 million from S\$39.86 million in 1H2015 to S\$38.16 million in 1H2016.

Revenue for our IE division increased by 11.4% or S\$1.50 million from S\$13.21 million to S\$14.71 million. The improvement was generated from securing more orders for fabrication and offshore maintenance services.

Revenue for our CP division decreased by S\$1.65 million from S\$14.20 million in 1H2015 to S\$12.55 million in 1H2016. This was because of lower demand from shipyards arising from fewer new vessels being constructed.

Our SD division registered a decline in revenue of S\$1.62 million from S\$6.68 million in 1H2015 to S\$5.06 million in 1H2016 due to weaker demand for marine hardware products.

Our SH division reported stable revenue of S\$5.84 million for 1H2016 as compared to S\$5.77 million in 1H2015.

Our gross profit margin improved from 25.0% in 1H2015 to 27.3% in 1H2016. Despite the slight decrease in revenue, the increase in gross profit of S\$0.46 million from S\$9.97 million in 1H2015 to S\$10.43 million in 1H2016 which was due to securing higher value added IE projects and tighter project cost management.

The Group's profit attributable to shareholders was S\$0.57 million for 1H2016 compared to S\$0.28 million for 1H2015.

CASHFLOW STATEMENT

The Group registered a positive net cash flow of S\$3.93 million in 2Q2016 from its operating activities.

Net cash outflow in investing activities for 2Q2016 was approximately S\$2.60 million. This was mainly attributable to construction of the office building and yard upgrading works in Singapore.

Net cash outflow in financing activities was approximately S\$1.15 million during 2Q2016. This was mainly due to net repayment on bank borrowings and finance lease liabilities.

As a result of the above, the Group registered a marginal net increase in cash and cash equivalent of approximately S\$0.17 million for 2Q2016.

ASSETS AND LIABILITIES

The Group registered total assets of S\$165.76 million as at 30 June 2016.

The Group's current assets decreased from S\$67.65 million as at 31 December 2015 to S\$62.18 million as at 30 June 2016 owing to the decrease of S\$5.25 million in trade and other receivables, as well as decrease of S\$0.70 million in inventories in 1H2016.

Total liabilities for the Group were S\$86.56 million at end of 1H2016 as compared to S\$93.87 million at end of FY2015. The reduction was mainly attributable to decrease in trade and other payables by S\$4.32 million and bank borrowings by S\$2.63 million during 1H2016.

The Group registered net current assets of S\$1.46 million as at 30 June 2016.

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

The Company did not make any forecast and prospect statement in respect of its result for 30 June 2016. The Group's actual results for its second quarter ended 30 June 2016 are in line with the commentary under paragraph 10 of the Group's previous results announcement in respect of the first quarter ended 31 March 2016.

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.

With low oil prices continuing and weak global market conditions, outlook for the second half is expected to be challenging. However, the Group will be taking measures to conserve cash to maintain positive cashflows and continue to seek business opportunities to achieve sustainable earnings going forward.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial period?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared / recommended, a statement to that effect.

No interim dividend has been declared/recommended for the current period ended 30 June 2016.

13 Summary of Interested Person Transactions for the financial period ended 30 June 2016.

2nd Quarter of FY2016

| | 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) |
|---|--|--|
| | S\$ | S\$ |
| [Revenue / (Expenses)] | | |
| <u>PT Graha Trisaka Industri</u> | | |
| Provision of corrosion prevention services | | 1,403,169 |
| <u>DDW - PaxOcean Shipyard Pte Ltd</u> | | |
| Provision of corrosion prevention services | | 384,755 |
| Procurement of materials and consumables | | (5,991) |
| Transportation charges | | (1,901) |
| <u>PT. Drydocks World Pertama</u> | | |
| Provision of corrosion prevention services | | 383,302 |
| Procurement of materials and consumables | | (98,010) |

14 Negative confirmation pursuant to Rule 705(5).

We, Chua Beng Kuang and Chua Meng Hua, being Directors of Beng Kuang Marine Limited (the "Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the period ended 30 June 2016 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
10 Aug 2016

Chua Meng Hua
Managing Director