

## Financial Statement for the 3 months Ended 31 March 2005

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		
		1st Qtr of 2005	1st Qtr of 2004	Increase / (Decrease)
Notes	S\$'000	S\$'000	%	
		11,737	11,428	3%
REVENUE				
Cost of Sales		(8,683)	(8,630)	1%
GROSS PROFIT		3,054	2,798	9%
Other operating income (net)	(A)	42	68	(38%)
Administrative expenses		(1,863)	(1,515)	23%
Selling & Distribution expenses		(310)	(345)	(10%)
PROFIT FROM OPERATIONS		923	1,006	(8%)
Financial Expenses		(148)	(134)	10%
Financial Income		25	0	100%
PROFIT BEFORE TAXATION	(B)	800	872	(8%)
TAXATION		(174)	(157)	11%
PROFIT AFTER TAXATION		626	715	(12%)
Attributable to :				
Shareholders of the Company		586	645	(9%)
Minority Interests		40	70	(43%)
		626	715	(12%)

Notes

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

		GROUP	
		1st Qtr of 2005	1st Qtr of 2004
		S\$'000	S\$'000
Gain on disposal of fixed assets		31	14
Fixed assets written off		(3)	0
Other Income		42	54

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

		GROUP	
		1st Qtr of 2005	1st Qtr of 2004
		S\$'000	S\$'000
Interest income		7	0
Interest expense on borrowings		(141)	(127)
Depreciation and amortisation		(418)	(377)
Provision for doubtful trade debts written back		15	0
Provision for doubtful trade debts		(103)	(16)
Foreign exchange gain		18	1

**BENG KUANG MARINE LIMITED**

Registration No 199400198M

**Financial Statement for the 3 months Ended 31 March 2005**
**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**

	GROUP		COMPANY	
	31/03/2005 S\$'000	31/12/2004 S\$'000	31/03/2005 S\$'000	31/12/2004 S\$'000
<b>Share capital and reserves</b>				
Share capital	9,299	9,299	9,299	9,299
Share premium	2,252	2,252	2,252	2,252
Revenue reserves	5,578	4,992	344	318
	17,129	16,543	11,895	11,869
<b>Minority interests</b>	1,116	1,076	0	0
	18,245	17,619	11,895	11,869
<b>Fixed assets</b>	7,563	7,315	997	1,004
<b>Subsidiaries</b>	0	0	2,641	2,641
<b>Due from subsidiaries (non-current)</b>	0	0	1,428	213
<b>Current assets</b>				
Stocks	4,861	5,258	0	15
Work-in-progress in excess of progress billings	9,316	8,131	1,265	1,848
Trade debtors	16,791	18,015	1,291	1,493
Other debtors, deposits and prepayments	690	418	260	263
Due from subsidiaries (trade)	0	0	6,480	4,609
Due from subsidiaries (non trade)	0	0	15,704	15,424
Due from related parties (trade)	3,100	2,286	1,675	1,200
Due from related parties (non trade)	86	76	1	1
Fixed deposits	1,000	2,300	1,000	2,300
Cash and bank balances	826	1,257	102	9
	36,670	37,741	27,778	27,162
<b>Current liabilities</b>				
Trade creditors	4,548	5,172	485	662
Bills payable to bank	2,093	3,082	764	1,208
Other creditors and accruals	3,718	3,505	545	1,372
Due to subsidiaries (trade)	0	0	5,058	2,574
Due to subsidiaries (non-trade)	0	0	1,806	378
Due to related parties (trade)	999	1,055	247	247
Due to related parties (non trade)	47	56	20	22
Lease obligations – current portion	192	216	11	11
Provision for taxation	703	602	213	211
Short-term bank loans	10,009	11,011	10,009	11,011
Bank overdrafts	2,684	1,699	1,595	1,256
	24,993	26,398	20,753	18,952
<b>Net current assets</b>	11,677	11,343	7,025	8,210
<b>Non-current liabilities</b>				
Lease obligations – non-current portion	163	219	32	35
Deferred taxation	832	820	164	164
	18,245	17,619	11,895	11,869

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**
**Amount repayable in one year or less, or on demand**

	As at 31/03/05		As at 31/12/04	
	Secured	Unsecured	Secured	Unsecured
Bank Borrowings		\$ 14,786		\$ 15,792
Lease Obligations	\$ 192		\$ 216	

**Amount repayable after one year**

	As at 31/03/05		As at 31/12/04	
	Secured	Unsecured	Secured	Unsecured
Lease Obligations	\$ 163	\$ 0	\$ 219	\$ 0

**Details of any collateral**

- Some of the above bank borrowings are covered by corporate guarantees from Labroy Marine Limited.
- Lease obligations are secured by the underlying assets acquired.

## Financial Statement for the 3 months Ended 31 March 2005

## 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 2005 S\$'000	1st Qtr of 2004 S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	800	872
<b>Adjustments:</b>		
Depreciation of fixed assets	418	377
Gain on disposal of fixed assets	(31)	(14)
Fixed Assets written off	3	0
Provision for doubtful trade debts	103	16
Provision for doubtful trade debts written back	(15)	0
Interest income	(7)	0
Other interest expenses	141	127
<b>Operating profit before working capital changes</b>	<b>1,412</b>	<b>1,378</b>
<b>(Increase) / decrease in:</b>		
Stocks	398	462
Work-in-progress in excess of progress billings	(1,185)	(483)
Trade debtors	1,136	(2,724)
Other debtors, deposits and prepayments	(272)	(110)
Due from related parties	(824)	857
<b>Increase / (decrease) in:</b>		
Trade creditors	(625)	640
Other creditors and accruals	213	(459)
Due to related parties	(65)	(292)
<b>Cash generated / (used) in operations</b>	<b>188</b>	<b>(731)</b>
Interest income	7	0
Interest paid	(141)	(127)
Income taxes paid	(61)	(10)
<b>Net cash used in operating activities</b>	<b>(7)</b>	<b>(868)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(711)	(102)
Proceeds from disposal of fixed assets	73	83
<b>Net cash used in investing activities</b>	<b>(638)</b>	<b>(19)</b>
<b>Cash flows from financing activities</b>		
Repayment of lease obligations	(81)	(173)
Repayment of loans from related parties	0	(1,261)
Repayment of bills payable	(989)	(259)
Repayment of short term loan	(1,001)	0
<b>Net cash used in financing activities</b>	<b>(2,071)</b>	<b>(1,693)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,716)</b>	<b>(2,580)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>1,858</b>	<b>(385)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>(858)</b>	<b>(2,965)</b>

## Financial Statement for the 3 months Ended 31 March 2005

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.

(Proforma)	Share Capital S\$'000	Share Premium S\$'000	Revenue Reserve S\$'000	Minority Interest S\$'000	Total S\$'000
<b>GROUP</b>					
Balance as at 1 Jan 2004	1,316	2,584	6,916	896	11,712
Net profit for the quarter			645	70	715
<b>Balance as at 31 Mar 2004</b>	<b>1,316</b>	<b>2,584</b>	<b>7,561</b>	<b>966</b>	<b>12,427</b>
Balance as at 1 Jan 2005	9,299	2,252	4,992	1,076	17,619
Net profit for the quarter	0	0	586	40	626
<b>Balance as at 31 March 2005</b>	<b>9,299</b>	<b>2,252</b>	<b>5,578</b>	<b>1,116</b>	<b>18,245</b>
<b>COMPANY</b>					
Balance as at 1 Jan 2004	1,316	2,584	3,719	0	7,619
Net profit for the quarter	0	0	27	0	27
<b>Balance as at 31 Mar 2004</b>	<b>1,316</b>	<b>2,584</b>	<b>3,746</b>	<b>0</b>	<b>7,646</b>
Balance as at 1 Jan 2005	9,299	2,252	318	0	11,869
Net profit for the quarter	0	0	26	0	26
<b>Balance as at 31 March 2005</b>	<b>9,299</b>	<b>2,252</b>	<b>344</b>	<b>0</b>	<b>11,895</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported. State also the number of shares that may be issued on conversion of all the outstanding convertibles 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.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

Figures have not been audited or reviewed.

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 reviewed and adopted FRS39, FRS102 and FRS103. These do not have any material impact on the financial statements for the current financial reporting period. Apart from the aforesaid, the Group has adopted the same accounting policies and method of computation in the financial statements for the current reporting period as in the last annual audited financial statements.

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.

Please refer to item 4.

## Financial Statement for the 3 months Ended 31 March 2005

**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 (cents) for the period:	Group	
	1st Quarter FY2005	1st Quarter FY2004
a) Based on weighted average number of ordinary shares in issue	0.50	0.68
b) On a fully diluted basis	0.50	0.68

(i) The earnings per ordinary share for FY2004 was computed based on the pre-invitation share capital of 95,236,875 ordinary shares of S\$0.08 each (assuming the Restructuring Exercise, Bonus Issue, Sub-division and Consolidation of shares had taken place as of 1 January 2004).

(ii) The earnings per ordinary share for FY2005 was computed based on the post-invitation share capital of 116,236,875 ordinary shares.

(iii) There is no dilution of earnings per ordinary share since there is presently no share option scheme on unissued shares.

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**

**(b) immediately preceding financial year.**

	GROUP		COMPANY	
	31/03/2005	31/12/2004	31/03/2005	31/12/2004
Net asset value per ordinary share based on issued share capital at end of the period/year (in cents)	14.74	14.23	10.23	10.21

**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**

The Group's turnover rose marginally by 3% from S\$11.4 million for 1Q04 to S\$11.7 million for 1Q05. The marginal increase is mainly due to the completion of a steel fabrication project by our infrastructure engineering division for a new customer in Batam. However, the profit before tax decreased by 8% from S\$0.87 million for 1Q04 to S\$0.8 million for 1Q05 and profit attributable to shareholders recorded a decrease of 9% from S\$0.65 million to \$0.59 million. The lower profit attributable to shareholders compared to 1Q04 is attributable to higher administrative expenses due primarily to higher personnel costs after our initial public offer in October 2004 and higher provision for doubtful debts. We had increased our manpower to strengthen our management team and to expand our tank cleaning business and hydrojetting business.

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

In the previous announcement of 18 February 2005, the Group had forecasted to remain profitable for FY2005. This quarterly result is in line with the forecast.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The outlook for the industry sector that we serve, i.e. the marine-related and offshore oil and gas activities such as shipbuilding, ship conversion and ship repair activities and offshore engineering, is expected to remain strong for the rest of FY2005. Barring any unforeseen circumstances, we expect to remain profitable in FY2005.

**Financial Statement for the 3 months Ended 31 March 2005****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 2005.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

**15. A breakdown of sales.**

**16. A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year()	Previous Full Year ( )
Ordinary	0	0
Preference	0	0
Total:	0	0

**BENG KUANG MARINE LIMITED**

Registration No 199400196M

**Financial Statement for the 3 months Ended 31 March 2005****17. Summary of Interested Person Transactions for the financial period ended 31 March 2005**

[Revenue/(Expenses)]	Aggregate value of all interested person transactions during the financial year under review (excluding transactions conducted under the S\$	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 S\$
<b><u>Labroy Shipbuilding &amp; Engineering Pte Ltd</u></b>		
Provision of Corrosion Prevention Services	491,618	476,725
Sale of hardware equipment, tools and other		64,473
Rental of Machineries	3,572	
Rental of Property Expenses	(42,000)	
Procurement of Yard's Consumables		(6,800)
Transportation Charges		(2,180)
<b><u>PT Nanindah Mutiara Shipyard</u></b>		
Sale of hardware equipment, tools and other consumables		476,886
Rental of Property Expenses	(18,000)	
<b><u>Heng Huat Shipbuilding &amp; Construction Pte Ltd</u></b>		
Provision of Infrastructure Engineering Services		2,495
Sale of hardware, tools and other consumables		945
Rental of property expenses	(105,000)	
<b><u>Tellus Marine Engineering Pte Ltd</u></b>		
Sale of hardware equipment, tools and other consumables		173,536
<b><u>Well Commercial Pte Ltd</u></b>		
Sale of Consumables and stationery products	18,357	
Procurement of Stationery Products	(14,885)	
<b><u>Hwah Hong Lorry Crane Services</u></b>		
Sale of hardware, tools and other consumables		15,901
Transportation of Cranes, Equipment & other Mact		(22,150)
<b><u>Asian Sealand Infrastructure &amp; Construction</u></b>		
Sale of hardware equipment, tools and other consumables		54,839
<b><u>Labroy Marine Limited</u></b>		
Sale of hardware, tools and other consumables		517
<b><u>Intone Pte Ltd</u></b>		
Sale of tools and other consumables		1,072
<b><u>Labroy Ship Services Pte Ltd</u></b>		
Sale of hardware, tools and other consumables		1,468
<b><u>Premier Shipping Pte Ltd</u></b>		
Sale of tools and other consumables		188

Our Shareholders' Mandate first came into effect from our admission to the Official List of the SGX SESDAQ on October 15, 2004 and was renewed during our recent Annual General Meeting held on April 28, 2005.

**BY ORDER OF THE BOARD**

**Chua Meng Hua**  
Executive Director  
10 May 2005