



BENG KUANG MARINE LIMITED

Registration No. 199400196M

**MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

The Board of Directors (the “**Board**” or the “**Directors**”) of Beng Kuang Marine Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s unaudited full year financial results announcement for the year ended 31 December 2023 (“**FY2023**”) released via SGXNET on 27 February 2024 (“**Unaudited Results**”).

Pursuant to Rule 704(6) of the SGX-ST Listing Manual, the Board wishes to inform there were certain material reclassifications made by the Company in respect to the Consolidated Statement of Cash Flows in the Audited Financial Statement as compared with the Unaudited Result for FY2023, following the finalization of audit by the external auditors, CLA Global TS Public Accounting Corporation. The comparison of the Audited Results and Unaudited Results with the relevant explanatory notes are attached in the Appendix.

Shareholders are advised to read this announcement in conjunction with the audited financial statements of the Group for FY2023 which will be set out in the Company’s annual report for FY2023 to be released on SGXNET in due course.

BY ORDER OF THE BOARD

Chua Beng Yong
Executive Chairman
2 April 2024

APPENDIX

Consolidated Statement of Cash Flows for the Financial Year Ended 31 December 2023

	Audited Results S\$	Unaudited Results S\$	Variance S\$	Notes
Cash flows from operating activities				
Net profit	7,917,359	7,917,359	-	
<i>Adjustments for:</i>				
Credit loss allowance - trade receivables, net	826,101	826,101	-	
Credit loss allowance - non-trade receivables, net	147,194	147,194	-	
Inventories written back/written down (Gain) / loss on disposal of property, plant and equipment	28,892	885,866	(856,974)	(A)
Property, plant and equipment written off	(376,840)	(376,840)	-	
Interest income	15,611	15,611	-	
Interest expense	1,239,882	1,239,882	-	
Income tax expense	(8,405)	(8,405)	-	
Gain on disposal and remeasurement of disposal group, net	1,804,269	1,804,269	-	
Gain on disposal of subsidiary corporation	2,900,680	2,900,680	-	
Depreciation of property, plant and equipment	(5,399,577)	(6,256,551)	856,974	(A)
Unrealised currency translation differences	(1)	(1)	-	
	3,044,616	3,044,616	-	
	<u>(25,603)</u>	<u>(25,603)</u>	-	
	12,114,178	12,114,178	-	
<i>Change in working capital</i>				
Inventories	506,277	506,277	-	
Contract assets	(4,004,132)	(4,004,132)	-	
Trade and other receivables	(5,410,120)	(5,410,120)	-	
Trade and other payables	4,456,610	6,256,575	(1,799,965)	(B)
Contract liabilities	(16,927)	(16,927)	-	
Deferred income	45,820	45,820	-	
	<u>7,691,706</u>	<u>9,491,671</u>	<u>(1,799,965)</u>	
Cash generated from operations				
Interest received	8,405	8,405	-	
Interest paid	(1,816,253)	(1,816,253)	-	
Income tax paid	<u>(1,737,924)</u>	<u>(1,737,924)</u>	-	
Net cash generated from operating activities	<u>4,145,934</u>	<u>5,945,899</u>	<u>(1,799,965)</u>	
Cash flows from investing activities				
Additions to property, plant and equipment	(924,533)	(924,533)	-	
Proceeds from disposal of property, plant and equipment	1,703,138	1,703,138	-	
Proceeds from disposal of subsidiary, net of cash disposed of	(58,685)	(58,685)	-	
Acquisition of non-controlling interests	(6,000)	(6,000)	-	
Net cash inflow from sale of disposal group	11,414,436	9,614,471	1,799,965	(B)
Net cash generated from/(used in) investing activities	<u>12,128,356</u>	<u>10,328,391</u>	<u>1,799,965</u>	
Cash flows from financing activities				
Proceeds from borrowings	13,016,114	13,016,114	-	
Repayment of borrowings	(20,361,037)	(20,361,037)	-	
Principal payment of lease liability	(1,229,518)	(1,229,518)	-	
(Repayment of)/ Increase in bills payable, net	(760,535)	(760,535)	-	
Interest paid on lease liabilities	(85,758)	(85,758)	-	
Dividend paid to non-controlling interests	<u>(1,000,035)</u>	<u>(1,000,035)</u>	-	
Net cash generated from/(used in) financing activities	<u>(10,420,769)</u>	<u>(10,420,769)</u>	-	
Net increase/(decrease) in cash and cash equivalents	5,853,521	5,853,521	-	
Cash and cash equivalents				
Beginning of financial year	4,360,397	4,360,397	-	
Effects of currency translation on cash and cash equivalents	<u>(25,296)</u>	<u>(25,296)</u>	-	
End of financial year	<u>10,188,622</u>	<u>10,188,622</u>	-	

Explanatory Notes

A	The inventory written-down amounting to S\$856,974 was reclassified to the "Gain on disposal and remeasurement of disposal group, net". Specifically, they comprised supply and distribution items related to the cessation of shipping, shipbuilding, and repair services arising from the disposal of 2/3 of our Batam yard and the resulting treatment of Supply & Distribution as non-core activities.
B	Deposits from assets held-for-sale amounting to \$1,799,965 were reclassified from "Trade and other payables" to "net cash inflow on assets held-for-sale".