

**BENG KUANG MARINE LIMITED**

Registration No. 199400196M

MATERIAL VARIANCES BETWEEN UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Board of Directors (the “Board”) 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 financial year ended 31 December 2017 (“FY2017”) released via SGXNET on 26 February 2018 (“Unaudited Results”).

Pursuant to Rule 704(6) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board wishes to highlight that there were material variances between the Balance Sheet in the audited financial statements for FY2017 (“Audited Results”) and Unaudited Results following the finalisation of the audit.

A comparison of the Audited Results and Unaudited Results with the relevant explanatory notes are as follows:

Balance Sheets as at 31 December 2017

	Audited Results	Unaudited Results	Variance	Notes
	S\$	S\$	S\$	
ASSETS				
Current assets				
Cash and cash equivalents	5,714,330	5,714,330	-	
Trade and other receivables	27,914,085	27,908,195	5,890	(a)
Inventories	15,081,166	15,081,166	-	
	<u>48,709,581</u>	<u>48,703,691</u>	<u>5,890</u>	
Non-current assets				
Intangible assets	63,837	63,837	-	
Property, plant and equipment	92,057,023	92,057,023	-	
Deferred income tax assets	1,109,973	1,109,973	-	
	<u>93,230,833</u>	<u>93,230,833</u>	<u>-</u>	
Total assets	<u>141,940,414</u>	<u>141,934,524</u>	<u>5,890</u>	
LIABILITIES				
Current liabilities				
Trade and other payables	19,822,076	19,816,186	5,890	(a)
Deferred income	375,877	375,877	-	
Current income tax liabilities	510,987	510,987	-	
Borrowings	33,723,143	25,305,696	8,417,447	(b)
	<u>54,432,083</u>	<u>46,008,746</u>	<u>8,423,337</u>	
Non-current liabilities				
Deferred income	290,899	290,899	-	
Borrowings	18,946,233	27,363,680	(8,417,447)	(b)

Deferred income tax liabilities	160,471	160,471	-
	19,397,603	27,815,050	(8,417,447)
Total liabilities	73,829,686	73,823,796	5,890
NET ASSETS	68,110,728	68,110,728	-
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	49,651,347	49,651,347	-
Other reserves	(1,386,820)	(1,386,820)	-
Retained profits	16,144,642	16,144,642	-
	64,409,169	64,409,169	-
Non-controlling interests	3,701,559	3,701,559	-
Total equity	68,110,728	68,110,728	-

Notes of explanation on material variances:

- (a) Offsetting trade receivables against trade payables.
- (b) Reclassification of borrowings from non-current liabilities to current liabilities due to breach of bank loan agreement covenant. An in-principle waiver of the breach has been obtained subsequent to the end of financial period 31/12/2017.

BY ORDER OF THE BOARD

Chua Meng Hua
Managing Director and Chief Executive Officer
2 April 2018