BENG KUANG MARINE LIMITED
(Incorporated in Singapore)
Registration No. 199400196M

UPDATE ON THE GROUP'S BUSINESSES IN VIEW OF COVID-19 PANDEMIC

The Board of Directors (the "Directors" or the "Board") of Beng Kuang Marine Limited (the "Company") together with its subsidiaries (the "Group") would like to update shareholders on the impact of COVID-19 Circuit Breaker measures on the operations and business performance of the Group.

On 21 April 2020, the Singapore Government imposed new measures to curb COVID-19 from 21 April 2020 until 1 Jun 2020 and implemented tighter measures such as closing more workplaces and dis-allowing daily movement of workers in and out of all dormitories.

Operations that require the on-site participation of workers staying in our dormitory have stopped since 21 April 2020 till to-date as our foreign workers are not permitted to work due to the movement restriction measures. We expect all our foreign workers to be medically tested for COVID-19 and to be gainfully deployed by end July 2020. As a result, Group's principal businesses of Infrastructure Engineering and Corrosion prevention operations have temporarily halted.

The Group has managed to obtain permission from the relevant authorities to continue limited operations in its Supply and Distribution Division, which supplies essential products to our customers in the marine, offshore, construction and other industries. Our Shipping Division is able to continue operating albeit at a reduced capacity since our 2 cattle carriers are also subjected to quarantine regulations at ports resulting in increased down-time and reduced chartering revenue.

All these measures are expected to result in delays in project completion and lower revenue during 2Q2020 and will affect the Group's financial performance for the current financial year ending 31 December 2020.

The Board would like to express its gratitude to the Singapore Government for extending support measures such as the Jobs Support Scheme and Foreign Worker Levy Waiver and Rebate. These support measures will help the Group to cushion the impact of reduced business activities.

Nevertheless, uncertainties remain over full impact of COVID-19 pandemic on the Group's business operations. The Group has already taken steps to further reduce its operating costs during the Circuit Breaker period.

The Board will continue to monitor the evolving situation and will make the appropriate announcement(s) as and when there are material developments on this matter.

By Order of the Board

Chua Meng Hua
Managing Director and Chief Executive Officer
8 June 2020