



明光集團
BENG KUANG GROUP

1Q2023
Corporate Highlights
May 2023



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Overview



Key Facts

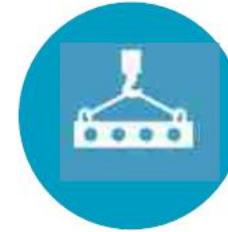
- Beng Kuang Marine Limited (“明光集團” or the “Company”, and together with its subsidiaries, the “Beng Kuang Group”) was founded in 1994 and has been listed on Singapore Exchange since 15 October 2004.
- With a multi-pronged business model, Beng Kuang Group continues to strive to be the “Preferred Partner” in providing total solutions for the offshore and marine industries.
- Forging ahead with an innovative and operating mindset, the Beng Kuang Group team aims to create new value propositions for our customers and align our business activities towards new market trends and opportunities.

Key Stock Information

SGX-ST Listing	First listed in 2004 and transferred to Mainboard in 2007
No. of Issued Shares	Approximately 199 million
Stock Codes	Bloomberg Code: BKM:SP Reuters Code: BENK.SI SGX Code: BEZ.SI

Core Business Divisions

Infrastructure Engineering (“IE”)



Corrosion Prevention (“CP”)



Key Customers



Our Yard Facilities at Batam, Indonesia



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Waterfront yard (total area of 328,956 square metre) on the Eastern side of Batam Island, Kabil

Secured agreement to sell approximately one-third of property for S\$8.64 million

Entered into lease agreements with third parties, commencing on February 2023 and June 2023, to lease out part of the property for recurring income

Continual efforts to monetise the remaining property space while allocating sufficient space to support the Group's IE business division

Infrastructure Engineering

- Shipbuilding / Conversion
- Offshore Construction
- Turnkey Projects
- Sandwich Plate System (SPS) License
- Offshore Asset Integrity Management
- Project Management Services
- Supply of Deck Equipment
- Rental of Industrial Equipment & Machinery

Under the IE division, **one of the high-growth business segments is the Group's 51%-owned subsidiary, ASOM.** Specialising in asset integrity solutions for operating floating assets such as Floating Production Storage and Offloading vessels and Floating Storage and Offloading vessels, among others, ASOM has established itself as a proficient “one-stop” offshore in-situ turnkey solutions provider, leveraging on Sandwich Plate System (“SPS”) Technology, in optimising and extending the life of such operating floating assets. **Aiming to secure new contracts and build a larger customer base, ASOM has diversified its geographical scope of work from South Africa to South America and China.** As a service-centric business, revenue contribution from ASOM has been growing progressively over the past few years.

In addition, **the engineering, design and build deck equipment unit under the IE division also registered increased orders for pedestal cranes** and to build on this momentum, the engineering, design and build deck equipment unit has been actively targeting new customers in new geographical markets that includes India and Middle Eastern countries.

Corrosion Prevention

- Abrasive & Non-Abrasive Blasting
- Paint Application
- Rental of Machineries and Equipment
- Shop Blasting & Painting
- Thermal Spray Coating

Seawater contains a significant concentration of dissolved salts and as a result, ship corrosion continues to be a major hazard for the industry.

We are one of the leading providers of corrosion prevention services in Singapore with our established track record and reputation for reliability of more than 30 years, which have enabled the Group to be appointed as “Resident Contractor” to provide corrosion prevention services to several blue-chip customers in the marine and offshore industry. Demand for our services continue to remain healthy in Singapore and Batam yards.

In addition, the Group has ventured into the **sale, leasing and rental activities of CP equipment across Southeast Asia.**

External Vessel Hull Corrosion Prevention Process

Vessel Docking



Marine Growth Removal



Surface Cleaning



Surface Preparation



Paint Application



Completion & Handover



Key Financial Highlights for 1Q2023

(Continuing Operations)

- The Group's FPSO and FSO service and maintenance business under **ASOM** remained a key performer and continued its strong momentum, registering revenue growth of 31.63%
- Revenue from our **CP** division, which was largely recurring in nature, increased by 14.0% as the demand for CP services for Singapore and Batam shipyards continued to regain momentum
- **Overall revenue dipped marginally** due to mainly due to the cessation of IE operations at 55 Shipyard Road as well as lower contribution from deck equipment supplies under International Offshore Equipments Pte Ltd
- **Gross profit jumped 26.4% to S\$3.18 million** with improvement in our cost management and productivity initiatives
- **Excluding currency translation losses of S\$0.29 million**, the Group would have registered a profit of S\$0.22 million from continuing operations
- **Achieved positive adjusted EBITDA of S\$1.21 million**, where there were lower depreciation expenses recognised in 1Q2023
- **Secured agreement to sell approximately one-third of our Batam waterfront property** for S\$8.64 million
- **Secured tenancy agreements to lease out partial of our Batam waterfront property**, where the leasing income will contribute positively to the Group in FY2023

Financial Year End: 31 December

<i>(S\$ million)</i>	1Q2023	1Q2022	Change (%)
Revenue	13.44	14.37	(6.5)
Gross profit	3.18	2.55	+26.4
Loss before income tax from Continuing Operations	(0.07)	(0.25)	N.M
Profit/loss from Continuing Operations if currency translation losses, net, are excluded	0.22	(0.20)	N.M
Adjusted EBITDA*	1.21	1.61	(24.8)

*Adjusted EBITDA of Beng Kuang Group is defined as profit before tax, finance expense, depreciation and amortisation of property, plant and equipment and intangible assets, and excluding other gains. Adjusted EBITDA is presented as an additional measure because management believes that some investors may find it to be a useful tool for measuring the Beng Kuang Group's ability to fund capital expenditures or to service debt obligations. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flows as a measure of liquidity

In total, the Group has an order book of approximately S\$24 million at 31 March 2023



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