



明光集團  
BENG KUANG GROUP

# 1H2023 Corporate Highlights

11 August 2023





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# Overview

## Key Facts

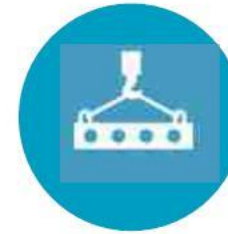
- Beng Kuang Marine Limited (“明光集團” or the “Company”, and together with its subsidiaries, the “Beng Kuang Group”) was founded in 1994 and has been listed on Singapore Exchange since 15 October 2004.
- With a multi-pronged approach, Beng Kuang Group continues to strive to be the “Preferred Partner” in 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 with asset-light and service-oriented

## Key Stock Information

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

## Core Revenue Contributors

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

Signed two agreements to sell approximately two-third of property for an aggregate amount of S\$18.53 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



# Key Financial Highlights for 1H2023

(Continuing Operations)

**Beng Kuang Group Achieves Profitability in 1H2023;**

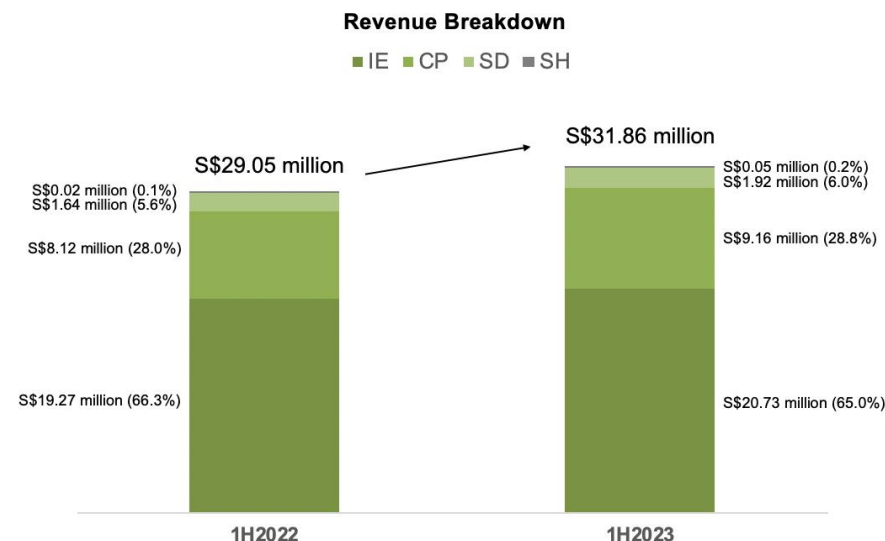
**Revenue Increased 9.7% to S\$31.86 Million with Gross Profit Surging 62.5% to S\$8.39 Million in 1H2023**

In total, the Group has an order book of approximately S\$24.4 million at 30 June 2023, of which S\$8.8 million was attributed to ASOM that provides specialised on-site vessel repair and maintenance solutions to operating floating asset, such as FPSO and FSO vessels

Financial Year End: 31 December

(S\$ million)	1H2022	1H2023	Change (%)
<b>Revenue</b>	<b>29.05</b>	<b>31.86</b>	<b>+9.7</b>
<b>Gross profit</b>	<b>5.16</b>	<b>8.39</b>	<b>+62.5</b>
<b>Profit/ (loss) before income tax from Continuing Operations</b>	<b>(0.49)</b>	<b>1.19</b>	<b>N.M</b>
<b>EBITDA</b>	<b>5.23</b>	<b>3.82</b>	<b>(26.8)</b>
<b>Adjusted EBITDA*</b>	<b>1.91</b>	<b>3.66</b>	<b>+91.6</b>

\*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





# Key Financial Highlights for 1H2023

## (Continuing Operations)

- The Group's business strategy towards an asset-light and service-oriented business model has gained momentum with efforts to monetise fixed assets and deleveraging initiatives showing good progress, while the Group's continuing operations of its two core business divisions, IE and CP, continue to perform resiliently within the offshore and marine market
- Costs minimisation and productivity measures undertaken have improved the Group's gross profit margin to 26.3% in 1H2023, driving gross profit growth of 62.5%
- Net cash inflow generated from operating activities was S\$3.92 million in 1H2023
- The Group has cash and cash equivalents of S\$6.07 million and total borrowings of S\$17.96 million as at 30 June 2023
- During 1H2023, the Group announced partial land sales and asset disposals with an aggregate consideration of approximately S\$20.5 million in cash
- The Group's EBITDA was lower by S\$1.41 million, from S\$5.23 million in 1H2022 as compared to S\$3.82 million for 1H2023, mainly due to other gain of S\$3.31 million recognised in 1H2022 that include government grants of S\$0.73 million; provisional insurance claim of S\$1.23 million; foreign exchange gain of S\$1.33 million as a result of United States Dollar strengthening against Singapore Dollar.
- Expects to sustain and build upon this positive business momentum for FY2023 by targeting the 'green shoots' within the marine and offshore industry

**Mr Yong Jiunn Run, Chief Executive Officer of Beng Kuang Group, said:** *“It is very encouraging to return to profitability in 1H2023. This is a direct result of the significant efforts by our teams in implementing our business strategy to monetise our assets, and with our core IE and CP business divisions delivering resilient performance.*”

*We expect to sustain and build upon this positive business momentum for FY2023. With further targeted business development within our core IE and CP business divisions, we aim to build a stronger business portfolio and order book targeting the 'green shoots' within the marine and offshore industry, which also sets us up to deliver long term shareholder value.”*





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